Congressional Record

SEVENTY-FIRST CONGRESS, THIRD SESSION

SENATE

FRIDAY, FEBRUARY 20, 1931

(Legislative day of Tuesday, February 17, 1931)

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

The VICE PRESIDENT. The Senate resumes the consideration of the unfinished business, and the Senator from Connecticut [Mr. BINGHAM] has the floor.

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

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

Mr. BINGHAM. I yield.

THE JOURNAL

Mr. FESS. I ask unanimous consent for the approval of the Journal for the calendar days of February 17, 18, and 19.

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

CALL OF THE ROLL

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

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

Mr. BINGHAM. I yield.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Frazier	La Follette	Sheppard
Barkley	George	McGill	Shipstead
Bingham	Gillett	McKellar	Shortridge
Black	Glenn	McNary	Smith
Blaine	Goff	Metcalf	Smoot
Borah	Goldsborough	Morrison	Steiwer
Bratton	Gould	Morrow	Stephens
Brock	Hale	Moses	Swanson
Broussard	Harris	Norbeck	Thomas, Idaho
Bulkley	Harrison	Norris	Thomas, Okla.
Capper	Hastings	Nye	Townsend
Caraway	Hatfield	Oddie	Trammell
Carey	Hawes	Partridge	Vandenberg
Connally	Hayden	Patterson	Wagner
Copeland	Hebert	Phipps	Walcott
Couzens	Heflin	Pine	Walsh, Mass.
Cutting	Howell	Pittman	Walsh, Mont.
Dale	Johnson	Ransdell	Waterman
Davis	Jones	Reed	Watson
Dill	Kean	Robinson, Ark.	Wheeler
Fess	Kendrick	Robinson, Ind.	Williamson
Fletcher	King	Schall	

Mr. GLENN. I wish to announce that my colleague the senior Senator from Illinois [Mr. DENEEN] is still detained at home by illness.

Mr. NORBECK. I desire to announce that my colleague [Mr. MCMASTER] is unavoidably absent.

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

DOCUMENTS TRANSMITTED BY THE WICKERSHAM COMMISSION

The VICE PRESIDENT laid before the Senate a communication from the chairman of the National Commission on Law Observance and Enforcement, reporting, in response to Senate Resolution 423, requesting a copy of the testimony and evidence adduced before the so-called Commission on Law Observance and Enforcement, together with reports of its experts (submitted by Mr. TYDINGS), and transmitting 42 documents in connection therewith, which, with the accompanying papers, was ordered to lie on the table.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Assistant Secretary of Labor, reporting, pursuant to law, relative to an accumulation of miscellaneous files in the Bureau of Labor Statistics, Bureau of Immigration, and the United States Employment Service, which are no longer useful in the transaction of official business, and asking for action looking toward their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. METCALF and Mr. COPELAND members of the committee on the part of the Senate.

NATIONAL CEMETERIES (S. DOC. NO. 282)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation pertaining to an existing appropriation for the War Department for national cemeteries, fiscal year 1929, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

FACILITIES FOR RADIO RESEARCH INVESTIGATIONS (S. DOC. NO. 283)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of Commerce, Bureau of Standards, fiscal year 1932, to be immediately available (facilities for radio research investigations, Bureau of Standards), amounting to $147,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 284)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting estimates of appropriations submitted by the executive departments to pay claims for damages to privately owned property in the sum of $1,488.20, which have been considered and adjusted under the provisions of law and requiring an appropriation for their payment, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED AGAINST THE GOVERNMENT BY DISTRICT COURTS (S. DOC. NO. 285)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, records of judgments rendered against the Government by the United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, under the Treasury Department, $19,906.23, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 286)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, in compliance with law, a list of judgments rendered by the Court of Claims which have been submitted by the Attorney General through the Secretary of the Treasury and requir-

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ing an appropriation for their payment—under the Navy Department, $99,856.66; under the War Department, $126,517.17; in total amount, $226,373.83, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

CLAIMS ALLOWED BY GENERAL ACCOUNTING OFFICE (S. DOC. NO. 281)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, in compliance with law, schedules of claims amounting to $16,327.38, allowed by the General Accounting Office, as covered by certificates of settlement, etc., and for the service of the several departments and independent offices, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a joint memorial of the Legislature of the State of Montana, memorializing Congress to place a tariff on oil and its refined products, and to provide further relief for the oil industry, which was referred to the Committee on Finance. (See joint memorial printed in full when presented by Mr. WALSH of Montana on February 17, 1931, p. 5150 of the CONGRESSIONAL RECORD.)

He also laid before the Senate a letter from George W. Hurley, of Bakersfield, Calif., relative to two maps, being entitled "Geographical Distribution of Water Resources and Agricultural Lands," and "State Plan for Development of Water Resources of California," which was referred to the Committee on Irrigation and Reclamation.

He also laid before the Senate a letter in the nature of a memorial from the American Gear Manufacturers Association, Cleveland, Ohio, remonstrating against the calling of a special session of the Seventy-second Congress, which was ordered to lie on the table.

He also laid before the Senate a resolution adopted by the executive committee of the United Rumanian Jews of America, representing 40 affiliated organizations of American citizens of Rumanian origin, at New York, N. Y., protesting against the passage of the so-called Free resolution (H. J. Res. 473) and the so-called Jenkins resolution (H. J. Res. 500) relative to the immigration and deportation of aliens, as inhuman and un-American, which was referred to the Committee on Immigration.

He also laid before the Senate a resolution adopted by the junior committee of the National Patriotic Association, Chicago, Ill., favoring the passage of legislation providing that the transportation into the United States, or any territory subject to the jurisdiction thereof, of any article or merchandise from any territory subject to the jurisdiction or control of the Government of the Union of Soviet Socialist Republics (Russia), mined, produced, or manufactured wholly or in part in any such territory, or produced or manufactured from materials any of which have been mined, produced, or manufactured in any such territory, be prohibited, which was referred to the Committee on Finance.

Mr. FESS presented petitions numerously signed by sundry citizens of the State of Ohio, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

Mr. JONES presented a petition of sundry citizens of Tacoma, Wash., praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

Mr. WATERMAN presented the following joint memorial of the Legislature of the State of Colorado, which was referred to the Committee on Interstate Commerce:

Senate Joint Memorial 3, regarding the Kelly-Capper resale price bill. (By Senators Horn and Unfug)

Whereas there is now pending in the Congress of the United States a certain bill known as H. R. 11, the Kelly-Capper resale price bill, entitled "To protect trade-marks, owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name," providing in part "that no contract relating to the sale of a commodity which bears (or the label or container of which bears) the trade-mark, brand, or trade name of the producer of such commodity, and which is in fair and open competition with commodities of the same general class produced by others, shall be deemed to be unlawful, as against the public policy of the United States, or in restraint of interstate or foreign commerce, or in violation of any statute of the United States by reason of any agreement contained in such contract; that the vendee will not resell such commodity except at the price stipulated by the vendor"; and

Whereas the economic development and prosperity of the retail dealer, labor, agriculture, and community life in general has been and is menaced by the miraculous growth of mergers and consolidations, which have an unfair economic advantage, and which, unless checked, will drain rural communities and cities of their available capital and will impoverish whole States: Now, therefore, be it

Resolved by the Senate of the Twenty-eighth General Assembly of the State of Colorado (the House of Representatives concurring therein), That the passage of H. R. 11, the so-called Kelly-Capper resale price bill, will result in substantial national benefits, as follows:

(1) It will encourage and protect the policy of making standard guaranteed goods. This will insure uniform quality, save the buyer's time, and make possible higher labor and better factory conditions.

(2) It will prevent malignant price warfare upon certain widely wanted standard products, which causes many dealers to refuse to handle them.

(3) It will hinder the process of monopolization of retail merchandising.

(4) It will stimulate the national growth of business and enterprise. Americans are entitled to the best articles at lowest prices. Mass production under standardized methods makes this a certainty; and be it further

Resolved, That it respectfully requests the Senators and Representatives in Congress from the State of Colorado to give their continued and enthusiastic support to the said Kelly-Capper resale price bill and the principle therein contained; and that a copy of this memorial and resolution be forwarded to each of the Senators and Representatives in Congress from the State of Colorado, and to the chairman of the Rules Committee of the House of Representatives of the United States Congress.

EDWIN C. JOHNSON,
President of the Senate.

Attested:

D. E. HUNTER,
Speaker of the House of Representatives.

BIRTH CONTROL

Mr. REED presented a telegram in the nature of a memorial, which was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

[Telegram]

PHILADELPHIA, PA., *February 13, 1931.*

Hon. DAVID A. REED,
Senate Office Building, Washington, D. C.:

I wish to protest in the name of 6,000 members passage of Senate bill 4582. Kindly insert my protest in CONGRESSIONAL RECORD. Thanking you for previous favors.

T. FLORENCE CLOSE,
Regent Philadelphia Circle,
International Federation Catholic Alumnæ,
318 East Chelten Avenue, Germantown, Philadelphia, Pa.

Mr. BULKLEY. I ask to have printed in the RECORD and referred to the Committee on the Judiciary certain letters in the nature of memorials concerning Senate bill No. 4582.

There being no objection, the letters were referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

AKRON, OHIO, *February 7, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

HONORABLE DEAR SIR: In reference to Senate bill 4582, to amend tariff act (1930) and Penal Code to permit importation, distribution, and sale of contraceptive literature and instruments, we respectfully address you to express our determined disapproval of this legislation.

We are authorized to speak in behalf of 32 affiliated Catholic parish organizations, comprising a membership of 6,000 women, in the territory of Summit and Portage Counties, of the Diocese of Cleveland, Ohio. Seventy-five per cent of this membership are mothers.

We have been willing to sacrifice our very lives, if need be, not only in the conception of our children but equally so in protecting them from the hazards of evil and of life.

We have every confidence that our beloved Nation will not let loose this flood of evil and vicious legislation upon them.

Our motherly intuition, as well as our studious examination of the merits of such legislation, prompt us to appeal to you to protect our homes, our families, from what we conceive to be sinful, injurious to health, destructive to fecundity, demoralizing to family life, reducing womanhood to the status of harlot, and effecting the most violent attack upon the soul.

We clearly vision in such practices the retribution and curse of destruction of our civilization and the inevitable extinction of

our racial progeny whom we have borne in travail to the glory of God and the welfare of the Nation.

Our national conference in Denver, September, 1930, expressed itself as opposed to all such legislative action, with the report that much of it was motivated in mercenary profit and commercial exploitation of literature and instruments.

We therefore prayerfully beseech you to act to protect our children and our womanhood in a situation over which we can have no individual control and in which our conscience prompts us to act with all the instinct of mother love of our children.

We also petition you that this expression of our concern for our children and the welfare of the State be printed in the CONGRESSIONAL RECORD.

Respectfully and sincerely yours,

NATIONAL COUNCIL OF CATHOLIC WOMEN,
AKRON DEANERY COUNCIL,
Mrs. CON MULCAHY, *President.*

Approved by

Rt. Rev. F. A. SCHRECHER, V. F.,
Akron, Ohio, Diocese of Cleveland, Ohio.

TOLEDO DIOCESAN COUNCIL OF THE
NATIONAL COUNCIL OF CATHOLIC WOMEN,
Toledo, Ohio, February 10, 1931.

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

Re: Senate bill 4582, to amend tariff act (1930) and Penal Code.

HONORABLE AND DEAR SIR: In the name of our organization we protest the passage of the Senate bill 4582, to amend tariff act (1930) and Penal Code to permit the importation, distribution, and sale of contraceptive literature and instruments.

We believe the passage of this bill would be a great danger to public health and morals, especially to our young people, and would increase obscenity and pornography, which will result should present Federal restriction be removed. If this bill is passed it will place an added burden on State authorities, particularly where State laws now forbid the use and sale of contraceptives, in seeking to meet the increased traffic in these articles, as well as in information and advertisements and the spread of immoral literature generally which must certainly follow.

This protest is made by the Toledo Diocesan Council of Catholic Women, which is composed of 448 Catholic organizations in the diocese of Toledo, said diocese being composed of 19 counties in the northwestern section of the State of Ohio. This organization has a membership of many thousands of Catholic women, and in the name of these thousands of women we are sending this protest to you and urgently request that you use your influence against the passage of this amendment, and ask that our protest be printed in the CONGRESSIONAL RECORD.

Yours cordially,

JESSIE A. BRUCKER,
(Mrs. E. F. Brucker),
President.

NORWALK, OHIO, *February 10, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: As an organization we protest against Senate bill 4582, to amend tariff act (1930) and Penal Code, the passage of which we feel would affect the right standards of public morality and tend to destroy the long-standing traditions in this respect of our country. We are asking that you do not support this Senate bill 4582.

We object to the Senate bill 4582 because of the great danger to public health and morals, especially to our young people; because of the increase in obscenity and pornography which would result with the present Federal restriction removed; because of the added burden that will be placed on State authorities; and because of information and advertisements and the spread of immoral literature generally which must certainly follow.

We further ask that this protest be printed in the CONGRESSIONAL RECORD.

Yours very truly,

STELLA MARIS CIRCLE, No. 384,
DAUGHTERS OF ISABELLA,
ELLA K. LAIS, *Regent.*

NORWALK, OHIO, *February 10, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: As an organization with a membership of 280, we protest against Senate bill 4582, to amend tariff act (1930) and Penal Code, the passage of which we feel would affect the right standards of public morality and tend to destroy the long-standing traditions in this respect of our country. We are asking that you do not support this Senate bill 4582.

We object to the Senate bill 4582 because of the great danger to public health and morals, especially to our young people; because of the increase in obscenity and pornography which would result with the present Federal restriction removed; because of the added burden that will be placed on State authorities; and because of information and advertisements and the spread of immoral literature generally which must certainly follow.

We further ask that this protest be printed in the CONGRESSIONAL RECORD.

Yours very truly,

ALTAR SOCIETY OF ST. PAUL'S CHURCH,
Mrs. CLARA LIEBER, *President.*

AKRON, OHIO, *February 9, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

HONORABLE SIR: We hereby enter our protest against the adoption and passage of Senate bill 4582, to amend tariff act (1930) and Penal Code. It is needless to state that the passage of this bill would present many dangers to public health and morals, especially of our young people, and would undoubtedly destroy the greatest institution in the United States of America, namely, the American home.

We, therefore, earnestly ask and request your valued services and influence in preventing the removing or lowering of the present Federal restrictions and also respectfully ask that this protest be printed and made part of the CONGRESSIONAL RECORD.

Respectfully yours,

ST. MONICA GUILD (300 MEMBERS) OF
ST. MARY'S CHURCH, AKRON, OHIO,
By Mrs. J. C. BRIGHAM, *President.*

CLEVELAND, OHIO, *February 6, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

HONORABLE SIR: We the undersigned officers and all members of Notre Dame Guild wish at this time to enter a protest against the amendment of the tariff act and the Criminal Code, as introduced in the Gillett bill, S. 4582. It is our opinion that the passing of this bill would mean great danger to public health and morals, especially of our young people, and an increase in obscenity and pornography would result should the present Federal restriction be removed.

We would thank you to have our protest embodied in the report of the hearing and printed in CONGRESSIONAL RECORD.

Respectfully,

NOTRE DAME GUILD,
LILLIAN BANNERMAN,
President.
CECILIA POELKING,
Vice President.
MARY S. VAN DEBOE,
Secretary.
MARY A. BRENNAN,
Secretary.
ELIZABETH MANNING,
Secretary of Publicity.
FLORENCE L. DOYLE,
Treasurer.

SHARPSBURG, OHIO, *February 9, 1931.*

Hon. ROBERT J. BULKLEY,
Washington, D. C.

DEAR AND HONORABLE SIR: It is with the profoundest regret and deepest aversion that we learned of the endeavor of Senator GILLETT, of Massachusetts, who introduced a bill permitting the disseminating of literature and information about birth control. We refer to sections 211, 245, 305, and 312 in Senate bill 4582, to amend the tariff act, 1930, and Penal Code.

Fully realizing the bad and disastrous effect, the demoralizing and perverting influence of said bill, we, the members and inhabitants of Sharpsburg, Ohio, raise our voice in severe protest and condemnation of any such bill.

As loyal citizens, clean and honest Americans, as lovers of home and country, as God-fearing people, we protest most vehemently against any such bill, which has for its purpose the prevention of life, leading to the God-forbidden practice of killing innocent life in mother's womb. the most sacred home on earth. We stand for a clean United States, for the honesty and glory of our honorable flag, for a country that lives and lets live, and we utterly defy, abhor, and detest any legislation as contrary to God's own outspoken will: "Thou shalt not kill" that would permit contraception, prevention, or even the killing of an unborn being. We deny the right of the Senate, or any legislature, to adopt or to approve of any such legislation. We stand by the solid teaching of the Catholic Church, as expressed recently by the Pope, on holy matrimony. Russia is a sad example of what becomes of a country who adopts such pernicious legislation.

Trusting in the fair-mindedness and the spirit of righteousness and law, hoping in the fulfillment of the oath sworn by our executives, and asking our representatives to represent us fairly and justly, we ask you, honorable sir, to forward this, our most earnest protest, against the aforesaid bill of Mr. GILLETT, and in the name of all unborn babes, in the name of all honest fathers and mothers, and of all God-fearing people and citizens we ask that this, our protest, be incorporated in the record of the hearing.

With due respect to you, we sign,

In the name of the whole parish:

Rev. JOSEPH A. AHU, C. PP. S.

In the name of the men sodality:

JOS. TIMMERMAN.

In the name of the mother sodality:

PHILOMENA MEIRING.

In the name of the young people sodality:

FRANK ROBBINS.
SANT ANOLS.

CANTON, OHIO, *February 9, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: As an organized social agency, dealing with the economic and social problems of citizens of all classes and creeds, we wish, out of the light of our experience, to protest, with the utmost vigor, against Senate bill 4582.

The present illicit sale and distribution of contraceptives and immoral literature, contrary to the laws of our States, makes the social worker's task a serious one. With the removal of the present Federal restriction against the sale and distribution of these articles and this literature, there will be increased immorality, especially among our young people, and grave dangers to public health, as well as a great increase in obscenity and pornography.

Because we believe that only harm can come from the passage of such a bill, we wish to voice our protest against this Senate bill 4582, to amend the tariff act (1930) and the Penal Code to permit the importation, distribution, and sale of contraceptive literature and instruments, and we ask that our protest be printed in the CONGRESSIONAL RECORD.

Very truly yours,

THE CATHOLIC COMMUNITY LEAGUE,
GRACE MCGOWAN, *Executive Secretary.*

YOUNGSTOWN, OHIO, *February 7, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: We, the members of the Seton Circle, protest the amendment of the tariff act and the Criminal Code of Senate bill 4582. So that literature and material for use in contraception or artificial birth control could be imported into and distributed throughout the country. We consider it of great danger to public health and morals, especially of our young people, and the increase in obscenity and pornography which will result should present Federal restrictions be removed. Also an added burden will be placed on State authorities, particularly when State laws now forbid the use and sale of contraceptives, in seeking to meet the increased traffic in these articles as well as in information and advertisements and the spread of immoral literature generally which must certainly follow.

We earnestly request that our protest be printed in CONGRESSIONAL RECORD.

Sincerely yours,

MARGARET BRANNAN,
Chairman Legislation Committee.

TOLEDO, OHIO, *February 11, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

Re: Senate bill No. 4582 to amend tariff act (1930) and Penal Code.

HONORABLE AND DEAR SIR: In the name of our organization, we protest the passage of the Senate bill No. 4582 to amend tariff act (1930) and Penal Code to permit the importation, distribution, and sale of contraceptive literature and instruments.

We believe the passage of this bill would be a great danger to public health and morals, especially to our young people, and would increase obscenity and pornography which will result should present Federal restriction be removed. If this bill is passed it will place an added burden on State authoritatives, particularly where State laws now forbid the use and sale of contraceptives, in seeking to meet the increased traffic in these articles, as well as in information and advertisements, and the spread of immoral literature generally which must certainly follow.

This protest is made by the Toledo Council of Catholic Women of the Toledo Deanery, which has a membership of 5,000 Catholic women in the city of Toledo, and in the name of these women, we are urgently requesting that you use your influence against the passage of this amendment. We also ask that our protest be printed in the CONGRESSIONAL RECORD.

Yours cordially,

TOLEDO COUNCIL OF CATHOLIC WOMEN,
TOLEDO DEANERY,
ANNA FELL.
MRS. GEORGE N. FELL, *President.*

BUCYRUS, OHIO, *February 11, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

SENATOR: As an organization of Catholic women known as the Catholic Ladies of Columbia, we are strongly opposed to the passage of Senate bill No. 4582, known as the Gillett birth controll bill.

We also desire to have our protest printed in the CONGRESSIONAL RECORD.

Very truly yours,

CATHOLIC LADIES OF COLUMBIA,
THERESA M. KAUPP, *Secretary.*

SANDUSKY, OHIO, *February 11, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SENATOR BULKLEY: We wish to go on record as protesting against the passage of Senate bill 4582, to amend tariff act (1930) and Penal Code to permit importation, distribution, and sale of contraceptive literature and instruments, and which bill was introduced by Senator FREDERICK H. GILLETT last May, and on which we understand the committee is arranging for a public hearing on February 13.

We feel that the passage of such a bill would be a great danger to the public health and morals, especially of our young people, and a great increase in obscenity and pornography would result if present Federal restrictions would be removed; and an added burden would be placed on State authorities, particularly when State laws now forbid the use and sale of contraceptives, in seeking to meet the increased traffic in these articles, as well as in information and advertisements and the spread of immoral literature generally which must certainly follow.

We kindly ask that this protest be printed in the CONGRESSIONAL RECORD, and that you will use your influence in defeating the passage of such a bill.

Thanking you in advance for your cooperation, we are,

Respectfully,

ST. CECILIA LADIES' AUXILIARY, No. 78,
By CUMA BENDER, *Secretary.*

BUCYRUS, OHIO, *February 10, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

SENATOR: As an organization of Catholic women, we are strongly opposed to the passage of Senate bill No. 4582, known as the Gillett birth control bill.

We believe that the passage of such a bill would vitally affect the standards of public morality in our country; that it would greatly endanger the public health and morals, especially of our young people; that it would tend to open the flood gates to all kinds of pornographic and obscene literature; and that it would place an added burden on our State authorities.

Therefore, we respectfully ask that our protest be printed in the CONGRESSIONAL RECORD.

Very respectfully yours,

CATHOLIC WOMEN'S STUDY CLUB,
MARGARET LIGGETT, *Secretary.*

WARREN, OHIO, *February 10, 1931.*

Senator ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: In regard to Senate bill 4582 to amend tariff act (1930) and Penal Code to permit importation, distribution, and sale of contraceptive literature and instruments, which is to have a hearing on February 13, we as an organization of 300 members earnestly protest the passing of the bill and request that this protest be embodied in the report of the hearing and be printed in CONGRESSIONAL RECORD.

Sincerely,

MRS. IDA M. MCCORKLE,
Recording Secretary the Altar-Rosary and Christian Mothers' Society of St. Mary's Church.

LIMA DEANERY NATIONAL COUNCIL CATHOLIC WOMEN,
Lima, Ohio, February 11, 1931.

Senator SIMEON D. FESS.
Senator ROBERT BULKLEY.
Representative JOHN D. CABLE.

DEAR SIRS: We, the undersigned, representing the various organizations affiliated with the Lima Deanery, National Council of Catholic Women, desire to go on record as opposing the bill proposed by Senator GILLETT, of Massachusetts, to amend section 305 of the tariff act, because the proposed change would be harmful to public morality, would be dangerous to public health and the morals of the young, and would tend to increase immoral practices.

This protest is the voice of 1,000 Catholic women in this city.

We desire that this protest also be entered in the CONGRESSIONAL RECORD.

Yours very truly,

Miss Mary Kennedy, president Lima Deanery; Mrs. M. H. Lynch, president L. C. B. A., Branch 944; Mrs. L. J. Hanley, president L. C. B. A., Branch 1053; Mrs. J. W. Shanahan, president St. Rose Altar Society; Mrs. J. Sullivan, president St. John's Altar Society; Grace Hammack, president St. Gerard's Altar Society; Mrs. Frank D. Seitz, president L. A. K. St. John; Mrs. J. C. Thomas, president D. of I., Circle No. 355; Mary Mumaugh, president Sodality of St. Rose Church; Florence Mullin, president Sodality of St. John's.

ST. GEORGE COMMANDERY,
Columbus, Ohio, February 17, 1931.

The Hon. ROBERT BULKLEY.

DEAR SIR: The Knights of St. John, Commandery 98, an organization of Catholic men, whose aim is to promote glory to God and instill in its members the ideals of which our country has stood and should ever stand, purety of morals, religious liberty, the sanctity of marriage, and integrity of the home as the foundation of the State and Nation.

We wish to go on record as true Americans, to register our conscientious objections to the bill which Senator GILLETT is sponsoring, namely, to permit the dissemination of contraceptive literature and medicinal means, be they either medical or surgical, for such will tend to the ruination of our youth, whom you, as our representative at Washington, should strive rather to protect than destroy.

This bill, if it should pass, will destroy our manhood and womanhood and lay us open to degeneration; make our women not any better than prostitutes. This bill is knocking down the very safeguards of the Nation—should our country be called upon to fight for her very existence, how are we to have the man power to uphold our national liberty, our national honor?

Can you not see how iniquitous such a law will be, how disastrous to our country which we will defend with our lives?

Do you wish to have our country go on record as to open the door permitting all kinds of immorality, obscenity, etc.—to destroy the moral standing of our Nation; if you do, then you are not worthy of being a representative of our Government.

To-day our country is fast becoming a lawless Nation. Are you going to make it an immoral one also. Do you think we, the citizens of the United States, we, whose moral code is founded upon the teachings of Christ, can let such a bill become a law? We can not, and we will not.

Our wives and daughters are too near and dear to us to let us sit supinely and permit such an outrage to be perpetrated.

For the best interests of our country, our homes, our wives, mothers, and children we must vehemently protest any such amendment to Act 305 of 1930 in the tariff code as destructive to our country and homes which are the foundation of our State and Nation.

Please insert this, our protest, in the records of the Congress as one of many Catholic organizations opposing such amendments.

Respectfully submitted.

FRANK X. WURDACK, *President.*
JOHN G. DAUER, *Secretary.*

NORWALK, OHIO, *February 10, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

DEAR SIR: As an organization, we protest against Senate bill 4582, to amend tariff act (1930) and Penal Code, the passage of which we feel would affect the right standards of public morality and tend to destroy the long-standing traditions in this respect of our country. We are asking that you do not support this Senate bill 4582.

We object to the Senate bill 4582 because of the great danger to public health and morals, especially to our young people, because of the increase in obscenity and pornography which would result with the present Federal restriction removed, because of the added burden that will be placed on State authorities, and because of information and advertisements and the spread of immoral literature generally which must certainly follow.

We further ask that this protest be printed in the CONGRESSIONAL RECORD.

Yours very truly,

ST. ANNE'S AUXILIARY, NO. 138,
TO THE KNIGHTS OF ST. JOHN,
MRS. CLARA GALLAM, *President.*

PAYNE, OHIO, *February 11, 1931.*

Hon. ROBERT J. BULKLEY,
Senate Office Building, Washington, D. C.

We, the Catholic women of St. John's Parish, Payne; St. Mary's Parish, Antwerp; and the parish of the Immaculate Conception, Cecil, join with the Catholic women of Paulding in protesting the passage of bill No. 4582 to amend tariff act (1930) and Penal Code.

We feel the passage of such a bill should not be allowed, as it would be a great danger to public health and morals, especially of our young people. Please embody this protest in the report of the hearing.

Respectfully yours,

(MRS.) MARY MALOY,
Paulding County Chairman of the Defiance Deanery of the Toledo Diocesan Council of the National Council of Catholic Women.

REPORTS OF COMMITTEES

Mr. DALE, from the Committee on Commerce, to which was referred the bill (H. R. 16561) granting the consent of Congress to the Department of Public Works of the Commonwealth of Massachusetts to construct, maintain, and operate a free highway bridge across the Connecticut River at or near Erving, Mass., reported it without amendment and submitted a report (No. 1693) thereon.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 6190) authorizing the State of West Virginia by and through the State Bridge Commission of West Virginia, or the successors of said commission to acquire, purchase, construct, improve, maintain, and operate bridges across the streams and rivers within said State and/or across boundary-line streams or rivers of said State, reported it with an amendment and submitted a report (No. 1696) thereon.

He also, from the Committee on Printing, to which was referred the joint resolution (H. J. Res. 250) to print annually as separate House documents the proceedings of the National Encampment of the Grand Army of the Republic, the United Spanish War Veterans, the Veterans of Foreign Wars of the United States, the American Legion, and the Disabled American Veterans of the World War, reported it without amendment and submitted a report (No. 1702) thereon.

Mr. BRATTON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 5912) authorizing the reimbursement of Edward B. Wheeler and the State Investment Co. for the loss of certain lands in the Mora Grant, New Mexico, reported it without amendment and submitted a report (No. 1694) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Indian Affairs, to which was referred the bill (H. R. 15263) to relieve restricted Indians in the Five Civilized Tribes whose nontaxable lands are required for State, county, or municipal improvements, reported it with amendments and submitted a report (No. 1695) thereon.

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

S. 3016. An act to authorize an appropriation for the purchase of land in South Dakota for use as camp sites or rifle ranges for the National Guard of said State (Rept. No. 1698);

S. 5464. An act authorizing the Secretary of War to reconvey to the State of New York a portion of the land comprising the Fort Ontario Military Reservation, N. Y. (Rept. No. 1699);

S. 6078. An act to provide for the commemoration of the Battle of Fort Necessity, Pa. (Rept. No. 1700);

H. R. 3255. An act for the relief of Sylvester S. Thompson (Rept. No. 1710); and

H. R. 9564. An act for the relief of Thomas W. Bath (Rept. No. 1711).

Mr. PARTRIDGE, from the Committee on Military Affairs, to which was referred the bill (S. 5455) to authorize an additional appropriation of $7,500 for the completion of the acquisition of land in the vicinity of and for use as a target range in connection with Fort Ethan Allen, Vt. (Rept. No. 1701).

Mr. BROCK, from the Committee on Military Affairs, to which was referred the bill (H. R. 1610) for the relief of Norman Dombris, reported it without amendment and submitted a report (No. 1712) thereon.

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

H. R. 395. An act for the relief of Alfred Chapleau (Rept. No. 1713);

H. R. 687. An act for the relief of John S. Conkright (Rept. No. 1714); and

H. R. 3256. An act for the relief of David F. Richards, otherwise known as David Richards (Rept. No. 1715).

Mr. HOWELL (for Mr. BROOKHART), from the Committee on Claims, to which was referred the bill (S. 4334) for the relief of G. Elias & Bro. (Inc.), reported it with amendments and submitted a report (No. 1697) thereon.

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

S. 2034. An act for the relief of Weymouth Kirkland and Robert N. Golding (Rept. No. 1703); and

S. 2108. An act for the relief of Don C. Fees (Rept. No. 1704).

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

S. 2268. An act for the relief of Tom Small (Rept. No. 1705); and

S. 5927. An act for the relief of Alfred W. Mayfield (Rept. No. 1706).

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (H. R. 9199) for the relief of John F.

Williams and Anderson Tyler, reported it without amendment and submitted a report (No. 1707) thereon.

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 10676) to provide for the special delivery and the special handling of mail matter, reported it without amendment and submitted a report (No. 1708) thereon.

Mr. PATTERSON, from the Committee on Military Affairs, to which was referred the bill (H. R. 2366) authorizing the Secretary of War to convey a certain portion of the military reservation at Fort McArthur, Calif., to the city of Los Angeles, Calif., for street purposes, reported it without amendment and submitted a report (No. 1709) thereon.

ENROLLED BILLS PRESENTED

Mr. PARTRIDGE, from the Committee on Enrolled Bills, reported that on to-day, February 20, 1931, that committee presented to the President of the United States the following enrolled bills:

S. 2231. An act to reserve certain lands on the public domain in Arizona for the use and benefit of the Papago Indians, and for other purposes;

S. 3277. An act to provide against the withholding of pay when employees are removed for breach of contract to render faithful service;

S. 4619. An act to authorize the disposition of effects of persons dying while subject to military law;

S. 4636. An act to authorize the Secretary of War to resell the undisposed-of portion of Camp Taylor, Ky., approximately 328 acres, and to also authorize the appraisal of property disposed of under authority contained in the acts of Congress approved July 9, 1918, and July 11, 1919, and for other purposes;

S. 4799. An act to extend the times for commencing and completing the construction of bridges across the Missouri River at or near Farnam Street, Omaha, Nebr., and at or near South Omaha, Nebr.;

S. 5677. An act to authorize the Secretary of the Treasury to prepare and manufacture a medal in commemoration of the one hundred and fiftieth anniversary of the surrender of Lord Cornwallis at Yorktown, Va., and of the establishment of the independence of the United States;

S. 5825. An act granting the consent of Congress to the State of California to construct, maintain, and operate a bridge across the Bay of San Francisco from the Rincon Hill district in San Francisco by way of Goat Island to Oakland;

S. 5887. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River at Mound City, Ill.;

S. 5921. An act authorizing Dalles City, a municipal corporation, its successors and assigns, to construct, maintain, and operate a bridge across the Columbia River at or near The Dalles, Oreg.; and

S. 5952. An act to extend the times for commencing and completing the construction of a bridge across the Ohio River approximately midway between the cities of Owensboro, Ky., and Rockport, Ind.

BILLS INTRODUCED

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

By Mr. FESS:

A bill (S. 6209) granting a pension to Rosa Webb (with accompanying papers); to the Committee on Pensions.

By Mr. MORRISON:

A bill (S. 6210) to amend the second deficiency act, fiscal year 1930; to the Committee on Public Buildings and Grounds.

By Mr. JOHNSON:

A bill (S. 6211) for the relief of Walter F. Gannon; to the Committee on Military Affairs.

A bill (S. 6212) for the relief of Royal W. Robertson; to the Committee on Naval Affairs.

By Mr. WALSH of Montana:

A bill (S. 6213) authorizing the issuance to Mathie Belsvig of a patent to certain lands (with an accompanying paper); and

A bill (S. 6214) authorizing the Secretary of the Interior to grant a patent to certain lands to Charles R. Thornton (with an accompanying paper); to the Committee on Public Lands and Surveys.

By Mr. LA FOLLETTE:

A bill (S. 6215) to establish a National Economic Council; to the Committee on Manufactures.

By Mr. GOFF:

A bill (S. 6216) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Moundsville, W. Va.; to the Committee on Commerce.

By Mr. BULKLEY:

A bill (S. 6217) to correct the military record of Leslie D. Callahan; to the Committee on Military Affairs.

By Mr. BINGHAM:

A bill (S. 6218) granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy; to the Committee on Naval Affairs.

By Mr. WALSH of Massachusetts:

A bill (S. 6219) for the relief of Edwin C. Jenney, receiver; to the Committee on Claims.

PROMOTION, PAY, ETC., OF THE ARMY, NAVY, AND ALLIED SERVICES

Mr. REED introduced a joint resolution (S. J. Res. 255) providing for the appointment of a joint committee of the Senate and House of Representatives to investigate promotion, pay, allowances, and allied subjects affecting the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, which was read twice by its title, referred to the Committee on Rules, and ordered to be printed in the RECORD, as follows:

Resolved, etc., That a joint committee to be composed of five Members of the Senate, to be appointed by the Vice President, and five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, who shall be Members of or Members elect to the Seventy-second Congress, shall make an investigation and report recommendation by bill or otherwise to their respective Houses relative to the readjustment of promotion, pay, allowances, and allied subjects pertaining to the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service.

The Committees on Military Affairs and the Committees on Naval Affairs of the Senate and House of Representatives and the Committee on Commerce of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives each shall have a representative on such joint committee.

DEPORTATION OF CERTAIN ALIENS

Mr. HAYDEN submitted an amendment intended to be proposed by him to the bill (S. 6172) to expedite the deportation of certain aliens, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. HAYDEN submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 35, after line 6, insert the following as a new paragraph:

"Navajo Hospital, Winslow, Ariz.: For construction and equipment of a sanatorium, including quarters for employees at Winslow, Ariz., on a site to be approved by the Secretary of the Interior and furnished to the United States free of cost, $150,000."

Mr. GOLDSBOROUGH submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 9, after line 15, insert the following:

"The salary of the Director or of the Acting Director United States Veterans' Bureau is hereby fixed at the sum of $12,000 per annum, effective as of July 23, 1930, for any period or periods during which said director or acting director functions or has functioned as such."

Mr. HOWELL submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 105, after line 22, insert the following:

"Omaha, Nebr., office building for housing Federal activities, which shall be constructed on the site now occupied by the old Federal building at the southwest corner of Fifteenth and Dodge Streets, $800,000."

Mr. SHEPPARD submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 115, after line 22, insert a new paragraph, to read as follows:

"Texas City, Tex., post office, etc.: For construction of a building on a site to be donated, under an estimated total cost of $80,000."

Mr. WALSH of Montana submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 71, at the end of line 13, insert the following:

"For the acquisition by the United States of the laboratory erected and established by the State of Montana, at Hamilton, Mont., at which are being carried on jointly by said State and the Bureau of Public Health Service studies and research for the prevention, eradication, and cure of spotted fever, and in which is produced serum for the treatment of patients suffering from such malady or likely to contract the same, together with the ground owned by the said State on which such laboratory is situated and the equipment and supplies therein, $75,000; and for the construction on the ground so to be acquired and equipment of another building to be devoted to the same purpose the additional sum of $75,000."

SERVICE RECORD OF MEMBERS OF CONGRESS FROM THE 16 WESTERN STATES—"A CONGRESSIONAL DIRECTORY OF THE WEST"

Mr. CAREY submitted a resolution (S. Res. 457), which, with the accompanying paper, was referred to the Committee on Printing:

Resolved, That the extension of remarks of Hon. EDWARD T. TAYLOR, a Representative from Colorado, showing the service record of all Members of Congress from the 16 Western States since 1848 be printed as a Senate document.

HEARINGS BEFORE COMMITTEE ON MANUFACTURES—PROPOSED NATIONAL ECONOMIC COUNCIL

Mr. LA FOLLETTE submitted the following resolution (S. Res. 460), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Manufactures, or any subcommittee thereof, hereby is authorized and directed, during the continuance of the Seventy-second Congress, including sessions, recesses, and adjourned periods of the same, to make a study of, and to hold hearings on, the bill (S. 6215) to establish a national economic council.

For the purposes of this resolution such committee, or subcommittee, is authorized to hold hearings, to sit and act at such times and places, to employ such stenographic and other assistance, to require by subpœna or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of such stenographic service to report such hearings and testimony shall not be in excess of 25 cents per 100 words. The expenses of such committee, or subcommittee, which shall not exceed $5,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman.

REPORTS OF PUBLIC-UTILITY COMPANIES IN THE DISTRICT OF COLUMBIA

Mr. CAPPER. I submit the annual reports of public-utility companies in the District of Columbia, which I move be printed as a Senate document in accordance with the usual custom.

The motion was agreed to.

The motion was reduced to the form of an order, as follows:

Ordered, That the annual reports of the following-named public-utility companies in the District of Columbia, for the year ended December 31, 1930, heretofore transmitted to the Senate, be printed as a Senate document: Capital Traction Co., Chesapeake & Potomac Telephone Co., Georgetown Barge, Dock, Elevator & Railway Co., Georgetown Gas Light Co., Potomac Electric Power Co., Washington Gas Light Co., Washington Interurban Railroad Co., and Washington Railway & Electric Co.

EXECUTIVE MESSAGES

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

PREVENTION, ERADICATION, AND CURE OF SPOTTED FEVER

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BINGHAM. I yield.

Mr. WALSH of Montana. There is on the clerk's desk the bill (S. 5959) authorizing the purchase of the State laboratory at Hamilton, Mont., constructed for the prevention, eradication, and cure of spotted fever. It is a matter of very great importance and particular urgency. I referred to it at the time the bill was introduced. It is intended to promote the means to prevent the spread of the disease known as spotted fever. I ask unanimous consent for the immediate consideration of the bill.

The VICE PRESIDENT. Let the bill be stated for the information of the Senate.

The CHIEF CLERK. A bill (S. 5959) authorizing the purchase of the State laboratory at Hamilton, Mont., constructed for the prevention, eradication, and cure of spotted fever, reported from the Committee on Commerce with amendments.

Mr. WALSH of Montana. Mr. President, the bill is approved by the Surgeon General of the Public Health Service, by the Secretary of the Treasury, and is likewise approved by the Budget.

Mr. KING. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. KING. Will consideration of the bill displace the unfinished business?

The VICE PRESIDENT. It will not if it is considered by unanimous consent.

Mr. KING. Does the Senator from Montana think it will lead to debate?

Mr. WALSH of Montana. I do not think so. I do not know of any opposition to it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana for the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments, on page 1, line 3, to strike out "the Surgeon General of the Public Health Service" and insert in lieu thereof "the Secretary of the Treasury," and on page 2, in line 6, after the words "United States," to insert "and shall be administered and maintained as a part of the United States Public Health Service, Treasury Department," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized to purchase from the State of Montana, at the actual cost of the same, to be determined by him, the laboratory of the State of Montana at Hamilton, Mont., with its equipment, constructed for the purpose of carrying on, and at which are carried on jointly by said State and the Bureau of Public Health, studies and research for the prevention, eradication, and cure of spotted fever, and at which serum is produced for the treatment of patients suffering from such malady or likely to contract the same. Title to the ground upon which the said laboratory is situated with all equipment and supplies therein shall be taken in the name of the United States and shall be administered and maintained as a part of the United States Public Health Service, Treasury Department.

SEC. 2. There is hereby authorized to be appropriated the sum of $75,000 for the purpose hereinabove set forth, and an additional sum of $75,000 for constructing and equipping on the ground so to be acquired another building for the same purpose, for making alterations to the existing laboratory referred to, and for the construction of the necessary out buildings.

The amendments were agreed to.

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

Mr. WALSH of Montana. Mr. President, I have a letter in relation to the bill which I ask may be read at the desk.

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

The Chief Clerk read as follows:

GREAT FALLS, MONT., *February 8, 1931.*

Senator THOMAS J. WALSH,
Washington, D. C.

DEAR SIR: I desire to congratulate you for your recent efforts to procure additional Government aid for the fight against spotted fever.

Last July my son, Gardner Neil Hurdle, who was working on a Government survey near Missoula, was bitten by a tick and died of this terrible malady. He was born and raised in eastern Montana, and we were very ignorant of the danger of this horrible plague.

My boy was 18 years old and a fine specimen of young manhood, both physically and morally. For this reason we had hoped to save him. Although excellent nursing and medical attention were had, they availed us nothing.

I know that even the people of our own State do not realize the seriousness of this situation. It seems to be a tendency in some localities to cover up and keep its ravages secret.

This survey party was sent into this district without warning. As there was no serum available (the supply had been entirely exhausted), they were absolutely unprotected.

Senator, I have seen many people die, but this death is the most dreadful. The disease attacks the liver, heart, and the kidneys. My boy turned red, then yellow, then green, then black at death. For 36 hours he was unable to swallow a single drop of water, although burning up with fever. I wish I were able to do something to prevent anyone from this fate.

I appreciate your interest and the good work you are doing for our State. If you are able to start a campaign which might eventually stamp out this plague, it would be the very best accomplishment of your career.

God bless you.

Sincerely yours, R. T. HURDLE.

Mr. WALSH of Montana. I desire to add merely that the report of the Surgeon General discloses that sporadic cases of the disease have manifested themselves in the country immediately adjacent to the National Capital.

INDEPENDENT OFFICES APPROPRIATIONS—CONFERENCE REPORT

Mr. JONES. Mr. President, will the Senator from Connecticut yield to enable me to call up the action of the House on certain amendments of the Senate to the independent offices appropriation bill?

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

Mr. BINGHAM. I yield.

Mr. JONES. I ask that the Chair lay before the Senate the action of the House of Representatives on certain amendments of the Senate to the independent offices appropriation bill.

The VICE PRESIDENT. The Chair lays before the Senate the action of the House of Representatives, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
February 18, 1931.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 53 and 70 to the bill (H. R. 16415) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1932, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 38, and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment amended to read as follows:

"HOUSING CORPORATION

"Salaries and expenses: For officers, clerks, and other employees, and for contingent and miscellaneous expenses, in the District of Columbia and elsewhere, including blank books, maps, stationery, file cases, towels, ice, brooms, soap, freight and express charges, communication service, travel expense, printing and binding not to exceed $150, and all other miscellaneous items and expenses not included in the foregoing and necessary to collect and account for the receipts from the sale of properties and the receipts from the operation of unsold properties of the United States Housing Corporation, the Bureau of Industrial Housing and Transportation, property commandeered by the United States through the Secretary of Labor, and to collect the amounts advanced to transportation facilities and others; for payment of special assessments and other utility, municipal, State, and county charges or assessments unpaid by purchasers, and which have been assessed against property in which the United States Housing Corporation has an interest, and to defray expenses incident to foreclosing mortgages, conducting sales under deeds of trust, or reacquiring title or possession of real property under default proceeding, including attorney fees, witness fees, court costs, charges, and other miscellaneous expenses; for the maintenance and repair of houses, buildings, and improvements which are unsold; in all, $15,000: *Provided*, That no person shall be employed hereunder at a rate of compensation exceeding $4,900 per annum, and only one person may be employed at that rate: *Provided further*, That no part of the appropriations heretofore made and available for expenditure by the United States Housing Corporation shall be expended for the purposes for which appropriations are made herein: *Provided further*, That the directors of the United States Housing Corporation of New York and the United States Housing Corporation of Pennsylvania may, with the approval of the Secretary of Labor, appoint the chief clerk or other officer of the Department of Labor to act as their president or as their immediate representative in charge of administrative work, such departmental officer to serve without compensation in addition to the salary of his official position, and the directors of these corporations may in like manner designate the disbursing clerk for the Department of Labor to act in a similar capacity for the corporations, and after such designation has been made all funds coming into the hands of said disbursing clerk shall be treated as funds of the United States to be accounted for under his official bond."

That the House recede from its disagreement to the amendment of the Senate numbered 69, and concur therein with an amendment, as follows:

In lieu of the matter inserted by said amendment insert the following:

"No part of the funds of the United States Shipping Board Merchant Fleet Corporation shall be available during the fiscal year 1932 for the purchase of any kind of fuel oil of foreign production for issue, delivery, or sale to ships at points either in the United States or its possessions, where oil of the production of the United States or its possessions is available.

"That in the expenditure of appropriations in this act the United States Shipping Board Merchant Fleet Corporation shall, except as provided in the preceding paragraph, unless in its discretion the interest of the Government will not permit, purchase for use, or contract for the use of, within the limits of the United States only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more if such excess of cost be not unreasonable."

Mr. JONES. I move that the Senate agree to the amendment numbered 38 adopted by the House.

The motion was agreed to.

Mr. JONES. Amendment numbered 69 contains quite an important amendment which the House put in the bill. I think that it ought to go to conference. Therefore, I move that the Senate disagree to the amendment of the House to the amendment of the Senate, ask a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. KEYES, Mr. SMOOT, Mr. JONES, Mr. GLASS, and Mr. BROUSSARD conferees on the part of the Senate.

APPROPRIATIONS FOR THE TREASURY AND POST OFFICE DEPARTMENTS—CONFERENCE REPORT

Mr. PHIPPS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on amendments of the Senate (except 21 and 24) to the bill (H. R. 14246) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 23, 25, 26, 27, 31, 32, 33, 36, 37, 38, 39, 40, 41, 45, 46, 47, 48, 49, 50, 51, 53, 54, 55, 58, 59, 64, 65, 66, 67, and 68.

That the House recede from its disagreement to the amendments of the Senate numbered 29, 42, 43, 60, 61, 62, 63, and 69, and agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For establishing and equipping a Coast Guard station at or near Port Orford on the coast of Oregon as authorized in the act entitled 'An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1892, and for other purposes,' approved March 3, 1891 (26 Stat. p. 938), to be immediately available, $83,500."

And the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30,

and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $32,606,422 "; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $397,984 "; and the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In lieu of the sum proposed insert " $1,102,090 "; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: " $1,576,360 "; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: " $540,240 "; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: " $80,640 "; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: " $207,140 "; and the Senate agree to the same.

L. C. PHIPPS,
REED SMOOT,
GEO. H. MOSES,
WM. J. HARRIS,
CARTER GLASS,
Managers on the part of the Senate.

WILL R. WOOD,
M. H. THATCHER,
GUY U. HARDY,
GEO. A. WELSH,
JOSEPH W. BYRNS,
WILLIAM W. ARNOLD,
Managers on the part of the House.

Mr. PHIPPS. Mr. President, I ask unanimous consent for the present consideration of the conference report.

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

Mr. DILL. Mr. President, I want to ask the Senator a question first. Is the conference report which the Senator is now seeking to call up different from the conference report which the Senate overwhelmingly sent back to conference some days ago?

Mr. PHIPPS. It is.

Mr. DILL. In what way is it different?

Mr. PHIPPS. It does not differ except that the House has receded on some minor amendments.

Mr. DILL. What minor amendments?

Mr. PHIPPS. Amendments numbered 1 to 23, from which they receded, involve a mere question of language. There are about seven various items that were complicated by the step-up salary question from which they have already receded, but they declined to recede on the Senate amendment involving the so-called northwestern air mail route.

Mr. DILL. Then, in effect, the Senator brings back here a conference report almost identical with the one which the Senate voted down by a vote of more than 2 to 1 some days ago?

Mr. PHIPPS. That is correct.

Mr. DILL. And the Senator has no hope, if the bill should be sent back to conference, that he could accomplish anything else than bring back the same report?

Mr. PHIPPS. Absolutely none, Mr. President. The conferees extended their best efforts. We tried to induce the conferees on the part of the House to agree to some form of amendment which would be satisfactory. I should like the amendment with regard to garages which was offered by the Senator from Wisconsin retained in the bill, but the House conferees claimed that that is a matter that must be handled by the legislative committee, and absolutely declined to agree to any amendment on the subject.

Mr. DILL. I want to say to the Senator from Colorado that the Senator from Wisconsin is not here. I know he is very much interested in the report, and, for that reason, I shall object for the present to the consideration of the report.

Mr. PHIPPS. Mr. President, on account of the status of business this morning, I should like, of course, to have the report considered, and while I could move to take it up, I am going to refrain from doing so at this time. I prefer, of course, to have the Senator from Wisconsin present when the report is passed upon. I did not note his absence, and he has made no statement to me regarding the matter.

SABINE RIVER BRIDGE, LOUISIANA

Mr. BROUSSARD. Mr. President, the Senate recently passed Senate bill 5458, and it has since been passed by the House with amendments. I ask the Chair to lay before the Senate the amendments of the House of Representatives, and then I shall make a motion to concur in those amendments.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 5458) authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 7, which were: On page 1, line 9, to strike out " Orange " and insert " Newton "; on page 2, line 1, to strike out " 7 " where it appears the second time and insert " 87 "; and to amend the title so as to read: "An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87."

Mr. BROUSSARD. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 17163) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1931, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1931, and June 30, 1932, and for other purposes, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolution (H. Con. Res. 48), in which it requested the concurrence of the Senate:

Resolved by the House of Representatives (the Senate concurring), That the action of the Speaker of the House of Representatives and of the Vice President in signing the bill (H. R. 15876) to provide for the addition of certain lands to the Mesa Verde National Park, Colo., and for other purposes, be rescinded, and that in the reenrollment of such bill the words " township 36 west " in section 2 of such bill be stricken out and the words " township 36 north " be inserted in lieu thereof.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 17054) to increase the loan basis of adjusted-service certificates, and it was signed by the Vice President.

HOUSE BILL REFERRED

The bill (H. R. 17163) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1931, and prior fiscal years, to provide supple-

mental appropriations for the fiscal years ending June 30, 1931, and June 30, 1932, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

SUITS AGAINST THE UNITED STATES GOVERNMENT—CONFERENCE REPORT

Mr. WALSH of Montana. I submit a conference report on House bill 980. I may say this bill has been held in conference for a long time. It relates to suits against the United States for the purpose of settling liens upon property. At the present time there is no way of adjusting title to property against which the Government of the United States claims liens.

The VICE PRESIDENT. The Secretary will read the report.

The Chief Clerk proceeded to read the report, which is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 980) to permit the United States to be made a party defendant in certain cases, having met, after full and free conference, report that at the conference the Senate conferees insisted upon the Senate amendment and the House conferees refused to recede from the disagreement of the House to the Senate amendment, under which circumstances the conferees have agreed to recommend and do recommend to their respective Houses as follows:

That the conferees of the respective Houses have agreed to a substitute, to follow the enacting clause, in lieu of the provisions of the House bill and the Senate amendment, as follows:

"That, upon the conditions herein prescribed for the protection of the United States, the consent of the United States be, and it is hereby given, to be named a party in any suit which is now pending or which may hereafter be brought in any United States district court, including those for the districts of Alaska, Hawaii, and Porto Rico, and the Supreme Court of the District of Columbia, and in any State court having jurisdiction of the subject matter, for the foreclosure of a mortgage or other lien upon real estate, for the purpose of securing an adjudication touching any mortgage or other lien the United States may have or claim on the premises involved.

"SEC. 2. Service upon the United States shall be made by serving the process of the court with a copy of the bill of complaint upon the United States attorney for the district or division in which the suit has been or may be brought and by sending copies of the process and bill, by registered mail, to the Attorney General of the United States at Washington, D. C. The United States shall have 60 days after service as above provided, or such further time as the court may allow, within which to appear and answer, plead, or demur.

"SEC. 3. Any such suit brought against the United States in any State court may be removed by the United States to the United States district court for the district in which the suit may be pending. The removal shall be effected in the manner prescribed by section 29 of the Judicial Code (U. S. C., title 28, sec. 72): *Provided,* That the petition for removal may be filed at any time before the expiration of 30 days after the time herein or by the court allowed to the United States to answer, and no removal bond shall be required. The court to which the cause is removed may, before judgment, remand it to the State court if it shall appear that there is no real dispute respecting the rights of the United States, or all the other parties shall concede of record the claims of the United States.

"SEC. 4. Except as herein otherwise provided, a judicial sale made in pursuance of a judgment in such a suit shall have the same effect respecting the discharge of the property from liens and encumbrances held by the United States as may be provided with respect to such matters by the law of the State, Territory, or district in which the land is situated: *Provided,* That a sale to satisfy a lien inferior to one of the United States shall be made subject to and without disturbing the lien of the United States, unless the United States, by its attorneys, consents that the property may be sold free of its mortgage or lien and the proceeds divided as the parties may be entitled: *And provided further,* That where a sale is made to satisfy a lien prior to that of the United States, the United States shall have one year from the date of sale within which to redeem. In any case where the debt owing the United States is due, the United States may ask, by way of affirmative relief, for the foreclosure of its own lien or mortgage and in any case where property is sold to satisfy a first mortgage or first lien held by the United States, the United States may bid at the sale such sum not exceeding the amount of its claim with expenses of sale, as may be directed by the chief of the department, bureau, or other agency of the Government which has charge of the administration of the laws in respect of which the claim of the United States arises.

"SEC. 5. If any person shall have a lien upon any real or personal property, duly filed of record in the jurisdiction in which the property is located, and a junior lien (other than a lien for any tax) in favor of the United States attaches to such property, such person may make a written request to the officer of the United States charged with the administration of the laws in respect of which the lien of the United States arises, to have the same extinguished. If after appropriate investigation, it appears to such officer that the proceeds from the sale of the property would be insufficient to satisfy, in whole or in part, the lien of the United States, or that the claim of the United States has been satisfied, or by lapse of time or otherwise has become unenforceable, such officer shall so report to the Comptroller General who thereupon may issue a certificate of release, which shall operate to release the property from such lien.

"SEC. 6. No judgment for costs or other money judgment shall be rendered against the United States in any suit or proceeding which may be instituted under the provisions of this act. Nor shall the United States be or become liable for the payment of the costs of any such suit or proceeding or any part thereof."

T. J. WALSH,
C. W. WATERMAN,
F. H. GILLETT,
Managers on the part of the Senate.

GEO. S. GRAHAM,
A. J. HICKEY,
HATTON W. SUMNERS,
Managers on the part of the House.

Mr. WALSH of Montana. Mr. President, as the bill is a somewhat lengthy one, I will state in substance the contents of the report. The House proposed a certain method by which such suits as are covered by the bill should be conducted. The Senate proposed one radically different. The conferees report a substitute for both the House bill and the Senate amendment.

Mr. WATSON. I will ask the Senator if it is a complete agreement?

Mr. WALSH of Montana. It is a complete agreement. The substitute bill was drawn with the assistance of the Attorney General, and provides a method which, while not altogether satisfactory to either body, is probably the best that can be obtained at this time.

Mr. NORRIS. Mr. President, I will not oppose the conference report, but I do not want the occasion to pass without saying just a few words regarding it.

The bill on which the conference report is submitted has been in controversy between the Judiciary Committee of the Senate and the Judiciary Committee of the House for a long time. It is quite important that there should be legislation on the subject involved. A similar bill was pending in a previous Congress and at that time the Senate committee reported an amendment to the House bill, but the bill was not finally passed.

I think in this instance the amendment reported by the Judiciary Committee was in every way an excellent solution of the difficulty in which the Government of the United States finds itself when cases are commenced in State courts

concerning property upon which the Government of the United States has or claims to have a lien. The Judiciary Committee, after quite full debate and discussion on the question, were unanimous, as I remember, in support of the amended bill as they reported it.

I met with the House conferees on a similar bill in a prior Congress, and I am not sure but I was one of the conferees at that time; but we were unable to secure any kind of an agreement on the proposition we advocated. Finally it was agreed that the Attorney General should draw a substitute; he drew it, and that constitutes the report now before the Senate.

I think it is an improvement over existing law, perhaps, but it still provides a cumbersome method. It means drawn-out litigation and considerable expense to litigants. Cases may be referred back and forth between State to Federal courts, incurring a great deal of delay. While, in my judgment, it is the best we are able to get under the circumstances, it does not accomplish such a simplification of methods of judicial procedure as we might have a right to demand or expect. I merely wanted to say this much because I feel that we are not getting what we ought to have in this legislation, although we are probably getting a slight improvement over the existing law.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

CLAIM OF THE CHOCTAW AND CHICKASAW INDIAN NATIONS—VETO MESSAGE (S. DOC. NO. 280)

The VICE PRESIDENT. The Chair lays before the Senate a veto message from the President of the United States on a bill in which the Senator from Oklahoma [Mr. THOMAS] is interested.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the veto message, with the accompanying enrolled bill, may be printed as a document and printed in the RECORD without being read and that it may be referred to the Committee on Indian Affairs.

There being no objection, the veto message, with the accompanying enrolled bill, was referred to the Committee on Indian Affairs and ordered to be printed, and printed in the RECORD, as follows:

To the Senate:

I return herewith without my approval the bill S. 3165, entitled, "An act conferring jurisdiction upon the Court of Claims to hear, consider, and report upon a claim of the Choctaw and Chickasaw Indian Nations or Tribes for fair and just compensation for the remainder of the leased district lands."

This act undertakes, by indirection, to revive the claims of the Choctaw and Chickasaw Nations for compensation for parts of the so-called "leased district."

The "leased districts" lands of these Indians comprised approximately 7,000,000 acres, lying between the 98th and 100th degrees of west longitude in the State of Oklahoma. By treaty of June 22, 1855, the United States paid the Choctaws $600,000 and the Chickasaws $200,000 for the lease of this land to the United States in perpetuity, as well as for the cession to the United States of their land west of the 100th degree of west longitude. By treaty of April 28, 1866, involving an additional payment of $300,000, the Choctaws and Chickasaws ceded the leased district land to the United States, thereby parting with all rights of any kind in that land.

In 1891 Congress appropriated $2,991,450 to pay the Choctaws and Chickasaws for approximately 2,293,000 acres of the leased district land granted by Congress to the Cheyennes and the Arapahoes. In signing the general appropriation bill containing this item President Harrison protested at paying for land that already belonged to the Federal Government, saying in a message to Congress that he would have disapproved the bill because of this item were it not for the disastrous consequences that would result from the defeat of the entire appropriation bill. In December, 1892, Congress passed a resolution containing the following provisions:

Provided, however, That neither the passage of the original act of appropriation to pay the Choctaw Tribes of Indians for their interest in the lands of the Cheyenne and Arapahoe Reservation, dated March 3, 1891, nor of this resolution shall be held in any way to commit the Government to the payment of any further sum to the Choctaw and Chickasaw Indians for any alleged interest in the remainder of the lands situated in what is commonly known and called the "leased district."

In 1899 the Court of Claims decided that the title to the remaining acreage of leased district land was in the United States in trust for the Choctaw and Chickasaw Indians. However, the United States Supreme Court, in its decision of December 10, 1890, reversed the Court of Claims and held that the treaty of 1866 vested in the United States complete title to the leased district land.

The present claim of the Choctaw and Chickasaw Indians is for 5,224,346 acres at $1.25 per acre.

The bill does not send this claim to the Court of Claims for adjudication and settlement, as is normally the case with respect to Indian claims. That would, indeed, be futile, since the Supreme Court has ruled that neither it nor the Court of Claims has jurisdiction to decide that the United States shall pay for lands that it already owns. The result of the bill would seem to be, through a report to Congress from the Court of Claims, to create a lawful aspect to a claim which has no present legal standing.

This case raises a very wide issue of whether we are to undertake revision of treaties entered into in the acquiring of Indian lands during the past 150 years. The values of such lands have obviously increased, and the undertakings entered into at the time the agreements were made may naturally look small in after years. But the increased values have been the result of the efforts of our citizens in building this Nation.

This case would, I feel, create a dangerous precedent which could conceivably involve the Government in very large liabilities. If it is the thought of Congress that justice requires the revision of Indian treaties in the light of subsequent events, then the whole of these treaties should be considered together not by incidental creation of precedents.

It is the purpose of the United States Government to do justice by the Indians and assist them to citizenship and participation in the benefits of our civilization. And in the case of these tribes the Government has during the past 18 years expended a total of approximately $3,500,000 out of the taxpayers' money and they will in a few years exceed the totals of these claims.

HERBERT HOOVER.

THE WHITE HOUSE, *February 18, 1931.*

Be it enacted, etc., That the Court of Claims is hereby authorized and directed to hear and inquire into the claims of the Choctaw and Chickasaw Indian Nations for compensation for the remainder of their "leased district" land acquired by the United States under article 3 of the treaty of 1866 (14 Stat. L. 769) not including the Cheyenne and Arapahoe lands for which compensation was made to the Choctaw and Chickasaw Nations by the act of Congress approved March 3, 1891 (26 Stat. L. 989), and to report its findings to Congress notwithstanding the lapse of time or the statute of limitations and irrespective of any former adjudication upon title and ownership, as to whether the consideration paid or agreed to be paid for said remainder of said lands was fair and just, and if not, whether the United States should pay to the Choctaw and Chickasaw Nations additional compensation therefor, and if so, what amount should be so paid. The court shall also hear, examine, and report upon any claims which the United States may have as an offset against said Indian nations but any payment which may have been made by the United States upon such claims against the United States shall not operate as an estoppel but may be pleaded as an offset.

SEC. 2. The claim of the Choctaw and Chickasaw Indian Nations or Tribes shall be forever barred unless presented, as herein provided, within one year after the passage and approval of this act. Said tribes shall be the claimants and the United States shall be the defendant; and said claim shall be verified and filed by the attorneys employed to prosecute the same, under contracts to be approved by the Commissioner of Indian Affairs and the Secretary of the Interior, and said contracts with such Indian tribes shall be executed by the principal chief of the Choctaw Nation and the governor of the Chickasaw Nation, respectively; and the attorneys employed, as herein provided, may be assisted by the regular tribal

attorneys employed under existing law, under the direction of the Secretary of the Interior. The Court of Claims shall include in its report to Congress a finding as to what compensation should be paid the attorneys employed as herein provided, other than the regular tribal attorneys employed under existing law, and such compensation shall not exceed 5 per cent of any amount which may be received by the said Choctaw and Chickasaw Indian Nations or Tribes in payment of such claim.

SEC. 3. There is hereby authorized to be expended, out of any money or moneys now standing to the credit of the Choctaw and Chickasaw Indian Nations or Tribes in the Treasury of the United States, such sums as may be necessary not exceeding in the aggregate $5,000, to be paid, in the discretion of the Secretary of the Interior, for the reimbursement of said attorneys for all proper and necessary expenses incurred by them in the investigation of records and in the preparation, institution, and prosecution of said claim: *Provided*, That the accounts of such attorneys for such expenses shall be submitted to, and approved by, the Secretary of the Interior, and paid under rules and regulations to be prescribed by him: *And provided further*, That any sum so allowed and paid such special attorneys for expenses under this act shall be reimbursable to the credit of the Choctaw and Chickasaw Indian Nations or Tribes, out of any sum of money that may hereafter be paid to such attorneys for legal services rendered in connection with said claim.

SEC. 4. Official letters, papers, documents, and records, or certified copies thereof, may be used in evidence; and the departments of the Government shall give access to the attorneys of said Indian nations or tribes to such treaties, papers, correspondence, or records as may be needed in the preparation, presentation, and conduct of such claim.

SEC. 5. A copy of the petition shall be served upon the Attorney General of the United States, and he, or some attorney from the Department of Justice to be designated by him, is hereby directed to appear and defend the interests of the United States.

UNFINISHED BUSINESS OF CONGRESS

Mr. BORAH. Mr. President, I ask unanimous consent to have printed in the RECORD an article published in the New Republic of February 18, 1931, entitled "Unfinished Business."

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

[From the New Republic, February 18, 1931]

UNFINISHED BUSINESS

Now that a compromise has been reached on drought relief and another is in sight on the cashing of bonus certificates, administration and other conservative forces are beginning to heave sighs of relief because the chances of an extra session of Congress look slimmer. All that remains for Congress to do, it is argued, is to provide in some way the minimum of funds necessary to carry on the Government until next December and then disperse. Why is it assumed that the country wants nothing from its legislative body except inaction? Are national affairs in such perfect order that we should seek as little change as possible for another year?

There has been a vigorous propaganda to the effect that the prime necessity of the moment is to leave business alone, so that it will revive. Anything Congress is likely to do, it is argued, will disturb business, or at least arouse the fears of business men, and this may postpone revival. "This is not the time" to consider new measures, investigations, advances, or changes in policy. In so far as Congress plays a part in Government, a moratorium on Government is demanded. Every question of policy is, for the time being, to be left to the limited powers and vision of the White House.

Just what are the things which Congress might do if an extra session of that body, as it was constituted by the election of last November, were to come into session on March 1? How would these things disturb business and postpone revival? The most prominent pieces of unfinished business now on the calendar are easily identified. There is the proposal to appropriate a greatly enlarged sum for public works and thus to enable the Federal Government to help the relief of unemployment and the revival of business to a degree somewhere commensurate with the need. This measure is supported by a large group of the Nation's most prominent and scholarly economists. There is Senator WAGNER's program to begin the establishment of a permanent system of dealing with unemployment. Only two of his measures—and the most elementary—have been adopted, those calling for better statistical information and advance planning of public works. There remain a nationally coordinated system of employment exchanges and Federal encouragement for State unemployment insurance. This program also has the almost unanimous support of the experts. Senator NORRIS's plan for public operation of Muscle Shoals, repeatedly adopted by the Senate, languishes because the House will not agree—the principal obstacles being raised by a lame-duck member of the House committee, defeated in the last elections because of his friendship to the power interests—Mr. REECE, of Tennessee. Senator NORRIS's constitutional amendment to avoid the absurdity of such lame-duck activities, long approved by all intelligent commentators, is suspended in the House. The Senate Judiciary Committee's bill to remove the abuse of antilabor injunctions, supported by the weight of expert authority in this field awaits action. The Interstate Commerce Commission has asked for power to deal with railroad holding companies and to pursue a more intelligent policy of valuation and rate regulation, which would be made possible by repeal of the recapture clause. The proposal for Federal regulation of the interstate activities of the electric utilities is under consideration. And the investigation of banking policy and its effect on speculation, now under way, might lead to action.

There is not the slightest excuse for delay in any of these matters. Those projects which have not already had the benefit of long consideration are supported by the best nonpolitical authority in the Nation. They are not half-baked nostrums proceeding from temporary excitement or from demagogic desire to play politics and win votes. Not one should injure any legitimate business. Some, indeed, are not only urgent but have been far too long delayed. If they are not passed during a depression they are not likely ever to be passed. These are the measures for temporary and permanent relief of unemployment. There is barely a trace of reality in the plea that for Congress to act during the next 10 months would tend to delay revival of business.

The only reality there is in this plea is created by the very propaganda against an extra session. Business men have been told so emphatically and so frequently that prosperity and congressional activity are mutually incompatible that they have come to believe it, and this belief itself may undermine any confidence they might otherwise feel, if the Capitol at Washington remains busy. And why have they been told this? A combination of two types of influence has been brought to bear for this purpose.

One consists of predatory, profiteering, and reactionary private interests which are opposed to specific pieces of legislation now under consideration. The power companies are afraid of public operation of Muscle Shoals because they think it may succeed and reveal how much they are overcharging the public. The anti-union employers want to block the injunction bill, labor exchanges, and unemployment insurance. The railroad holding companies want complete freedom for financial and trading profits. The big taxpayers want to avoid increased expenditures for public works. These interests have done their best to scare the public by pretending that their interests are identical with the public interest. They think that if action can only be postponed long enough, revival may come and the public will be less ready to support progressive measures. Or some new obstacle may be devised.

The other influence is self-seeking politics. The administration, dominated by Mr. Hoover's desire for renomination and reelection, wants on the one hand to avoid offending the powerful interests mentioned above by sanctioning anything they dislike, and on the other hand to avoid issues which a fight with Congress on these measures would sharpen, and which would make the President still more unpopular with large groups of voters. Wheel-horse politicians and newspapers find it natural to support him and the interests which his position protects. This fear on the administration's side finds its counterpart in a fear among conservative Democrats. They also do not want to offend private interests which are capable of financing campaigns and influencing opinion. And they are afraid that, if they did insist on an extra session and support progressive measures, business might not revive and they would be the scapegoats. They want to enhance their chances of winning the next election by avoiding any responsibility for what happens in the meantime. They want to win, not on their merits, but by the default of their opponents.

Fear is the dominant motive of the bipartisan coalition which is stifling action in a national emergency, which is preventing the American Nation from taking even the most elementary measures to make its business order behave in a barely endurable way. The President, the great Republican and Democratic newspapers, and the sinister forces behind them, are really "trading in human misery." They are telling the country that it can not have relief from depression unless reaction is allowed to have its way. But those among them who are capable of disinterested thought should reflect on the long-time risks they are taking. How long can our civilization continue to creak along with a governmental machine which is so nearly prevented from functioning?

NOMINATIONS OF ASSOCIATE JUSTICES OF PHILIPPINE SUPREME COURT

Mr. BINGHAM. Mr. President, yesterday the President sent to the Senate the nominations of six associate justices of the Supreme Court of the Philippine Islands. The message came at the end of the afternoon. In accordance with conferences which I had had with the Senator from Nebraska, the chairman of the Judiciary Committee, I had previously asked the clerk at the desk to refer the nominations to the Committee on Territories and Insular Affairs. On previous occasions when nominations of associate justices of the Supreme Court of the Philippine Islands have come to the Senate there has been about an equal division of the precedents, sometimes the nominations having been referred to the Judiciary Committee and sometimes the Committee on Territories and Insular Affairs. Since these justices are not paid out of Federal funds and are not Federal judges, and it is a matter which concerns not the Department of Justice but the War Department and the Philippine government, I had thought that that was the proper course to

pursue. But last evening, in talking with the chairman of the Judiciary Committee, he informed me that his committee had considered the matter informally and had voted that all such nominations ought to go of right to the Judiciary Committee. While I do not agree with the position that they ought to go by right to that committee, inasmuch as they are not Federal judges, still I have no objection whatsoever, and, in view of the action taken by the Judiciary Committee, I ask unanimous consent, as in executive session, that the Committee on Territories and Insular Affairs may be discharged from the further consideration of the nominations and that they may be referred to the Committee on the Judiciary.

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

DEPORTATION OF CERTAIN ALIEN SEAMEN

The Senate resumed the consideration of the motion of Mr. GOULD to reconsider the vote by which the bill (S. 202) to provide for the deportation of certain alien seamen, and for other purposes, was passed.

Mr. BINGHAM. Mr. President, I shall endeavor to conclude as rapidly as possible my remarks in regard to the motion to reconsider the vote by which Senate bill 202 was passed. As there are several Senators here who are not familiar with the situation, may I briefly review it?

This bill, as it is called, a bill for deporting alien seamen, was reported out of the Immigration Committee, not unanimously, as is sometimes stated, but over the objection of the chairman of the committee. The bill concerns not only the importation of alien seamen and their possible desertion at ports of entry and their addition to the undesirable portion of the population of this country, but it concerns also the commerce of the United States, and more particularly our foreign relations; it affects adversely our ability to compete with foreign countries in commerce; but, more serious than anything else, it is discriminatory in its dealings with foreign nations.

According to the opinion of the Department of State, this bill would permit Chinese steamships, manned by Chinese crews and Chinese stewards, to come into the ports of our Pacific coast without any objection or interference. The crews might desert; they might come into this country; but there is nothing to prevent their coming into the port. Japanese ships which, as everyone knows, are to-day manned entirely by Japanese crews, might also cross the ocean and come into our ports, and there would be no objection to them; but if a British ship, with a Chinese crew, should come to San Francisco from Hong Kong, according to this bill, the crew would be taken off, put in jail, and sent back to China at the expense of the steamship company that brought them. So, if a Dutch ship should come from Java with a crew containing Javanese, they not being eligible to citizenship, that crew could be taken off and put in jail and sent back to Java. Similarly, a French ship coming from French Indo-China could not come into our ports with a crew composed partly of Chinese. In this way the bill is discriminatory. A German ship sailing on the Pacific and containing in its crew any Asiatics of any description could not come into our ports at all. A British tramp steamer on her way around the world and picking up a cargo of jute in India destined for the United States could not bring it because such a tramp steamer, in accordance with custom, would undoubtedly have on board a crew composed of Lascars and other Asiatics, and so she could not accept that cargo of jute and bring it to the United States unless she was able to employ a crew of British seamen in India. As everyone knows, that probably would be an impossibility.

The passage of this bill undoubtedly would lead to retaliation on the part of foreign nations. They might very well say to us that we could not have our ships come into their ports with the crews that they now have, or with anyone on board to whom they objected. It is a matter which will lead to retaliation. If this bill is passed, it undoubtedly will make our dealings with foreign nations more difficult.

As I stated the other day, the bill also makes it impossible for us to compete on the Pacific run with the crews which are now operating on such lines as the Dollar Line, where the majority, if not all, of the stewards are Chinese, who are kept on board ship while they are in port.

Furthermore, this bill goes contrary to the practice of the centuries in regard to the persons on board a foreign ship when it comes into port. When a foreign ship comes into port, this bill gives our people the right to go on board and investigate the status of the seamen on that ship—an act to which we objected when it was done by Great Britain, and which led to the War of 1812.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Arkansas?

Mr. BINGHAM. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. A few moments ago the Senator made a statement which was calculated to impress. He said, if I understood him correctly, that in its terms or effect the bill is discriminatory in favor of certain nations and against certain nations. I think the Senator said that it would permit seamen on Chinese and Japanese ships to enter port, but would deny similar privileges to seamen on British and Danish vessels.

Will the Senator be kind enough to point out a little more in detail how that would occur under the bill, or be possible under the bill?

Mr. BINGHAM. My statement in regard to that, Mr. President, was based upon the testimony of Coert du Bois, chief of the visa section of the Department of State, in the hearings before the Committee on Immigration and Naturalization of the House of Representatives in February, 1927, in which he states that—

> Under the bill a Japanese ship may bring Japanese crews to American ports without the provisions of the bill being invoked against it. But a British ship from Hong Kong, a French ship from Saigon, or a Dutch ship from Batavia may not enter a Pacific coast port with Chinese in the crew without losing these sailors on arrival and paying the cost of their passage back to China or the port of shipment.

Mr. ROBINSON of Arkansas. Is that attributable to the provision that any country may bring its own nationals on its ships, but may not bring the nationals of other countries?

Mr. BINGHAM. That is it, Mr. President.

Mr. KING. That is, where they are ineligible to citizenship.

Mr. ROBINSON of Arkansas. Yes; of course, that applies where they are ineligible to citizenship.

Mr. BINGHAM. Yes, Mr. President; but may I point out to the Senator that if the object is to prevent Asiatics from coming into Pacific coast ports the bill permits the ships of Japan and China, that carry more Asiatics than any other ships, to come in, but does not permit the ships of Great Britain, Holland, Germany, and France, which might have a few Asiatics on board, to come into those ports.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield further?

Mr. BINGHAM. Certainly.

Mr. ROBINSON of Arkansas. One does not understand that the provisions of the bill are directed against any particular nationality. As I understand, they are intended to prevent persons who are not eligible to come in under the immigration laws from actually getting into the country as seamen under foreign flags.

Mr. BINGHAM. Yes, Mr. President.

Mr. ROBINSON of Arkansas. It would apply to any nationality just as much as to peoples of Asiatic nationalities.

Mr. BINGHAM. Hardly; because the people of most nationalities are eligible to citizenship.

Mr. ROBINSON of Arkansas. Yes; but under the quota there is a limitation, and they are not able actually to get into the country as immigrants unless they come within the quota.

Mr. BINGHAM. Then, if that is the correct interpretation, may I say to the Senator that would very seriously interfere with the commerce of European nations across the North Atlantic because, as the Senator knows, their crews are not always entirely of their own nationality. That

is particularly true of the crews of vessels from the north of Europe. It would then be necessary for representatives of the Department of Labor to go on board the ship and see whether on board that ship were any sailors of any other nation which had exhausted its quota and take them off and send them back across the ocean.

Mr. ROBINSON of Arkansas. Will the Senator yield once more?

Mr. BINGHAM. I yield.

Mr. ROBINSON of Arkansas. I know the Senator is anxious to conclude his remarks, and it is far from any purpose of mine to impede him in his progress toward that end. I merely wish to add to what has already been said the thought that the primary purpose of the bill is to prevent aliens from getting into the United States and remaining here in violation of the immigration laws through the fact that they happen to be seamen.

Mr. BINGHAM. Mr. President, the Senator well knows that the quota of Italy has been exhausted, and that they are already booked up several years ahead. Under the Senator's interpretation of the bill, an Italian ship coming from Italy to New York would not be allowed to come into the port of New York, because all of the crew could not be accepted under the quota.

Mr. ROBINSON of Arkansas. Oh, no; not at all.

Mr. BINGHAM. Then the Senator from Connecticut was correct in assuming that the only persons whom the bill endeavors to keep out are those who could not become citizens even if they came in under the quota; namely, Asiatics.

Mr. ROBINSON of Arkansas. It is a process of evading the quota that this legislation is directed against, as well as the prevention of persons coming in who are not eligible to citizenship.

Mr. BINGHAM. Well, Mr. President, I am not going to prolong the discussion.

Mr. ROBINSON of Arkansas. Assuming that Italy has exhausted its quota, just for the sake of illustration, and a thousand seamen on Italian ships come into a port of the United States, and desert and remain in the United States: As I understand, the provisions of this bill would be applicable to them.

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

Mr. BINGHAM. I yield to the Senator from Utah.

Mr. KING. If they were mala fide seamen, they would be applicable. If Britishers came over on British ships and they were mala fide seamen, they would not be permitted to come into the United States. They would be taken from the ship and sent home in another ship, at the expense of the vessel which brought them here. This is to prevent the 20,000 or more aliens who have been deserting, who are ineligible to citizenship, coming in through the side door.

Mr. ROBINSON of Arkansas. Claiming to be seamen for the purpose of getting into the United States, when they can not come under the regulations and the laws.

Mr. BINGHAM. Does the Senator from Utah contend that under this bill a ship may come into San Francisco Harbor with Chinese stewards who are bona fide seamen?

Mr. KING. On a Chinese ship.

Mr. BINGHAM. Yes; but not on a British ship?

Mr. KING. Not on a British ship nor on an American ship.

Mr. BINGHAM. And the State Department has pointed out that that is discriminatory, although the bill on its face is not discriminatory.

Mr. KING. I do not agree with the Senator at all, nor do hundreds of men who have examined the bill. It is not discriminatory, because it applies to the United States as well as it does to any other country.

The nationals of Great Britain may come under its flag if they are bona fide seamen; the nationals of France may come upon a French ship if they are bona fide seamen; but neither the nationals of Great Britain nor the nationals of any country may come as seamen if they are mala fide seamen. They will be deported. They can come, but they will be taken off, because they are not eligible to entry. They are coming here under false colors, fraudulently, and they will be deported.

Mr. BINGHAM. But even if they are bona fide seamen, Asiatics may not come to the United States on the ships of any country except their own.

Mr. KING. Exactly; nor can they come upon American ships.

Mr. BINGHAM. Therefore the bill is discriminatory; for Chinese may come to the ports of the Pacific coast on ships bearing the Chinese flag; Japanese may come on ships bearing the Japanese flag; but if these same persons, bona fide seamen, get on ships bearing the British flag or the German flag or the Dutch flag or the French flag or the American flag, then they may not come, even though they are bona fide seamen. There is no question whatever that that is regarded as discriminatory by Great Britain.

Great Britain has a colony in Hong Kong composed almost entirely of Chinese. A British ship coming from Hong Kong to San Francisco manned by a crew of British citizens of Hong Kong who are Chinese can not come into the port of San Francisco, whereas a Chinese ship coming from the port of Hong Kong to San Francisco manned by Chinese can come in. If that is not discriminatory I do not understand the use of the word "discriminatory."

Mr. KING. Mr. President, will the Senator permit an interruption?

Mr. BINGHAM. Certainly.

Mr. KING. On British ships carrying Chinese, they are not eligible to enter the ports of Australia. Australia does not permit Chinese to enter her ports, even under the British flag.

Mr. BINGHAM. Mr. President, I have not anything to do with the laws of Australia. Neither has the Senator from Utah. What I am trying to do, if I can, is to encourage those who are doing me the courtesy of listening to me to vote in such a way that we shall not do something which will lead to trouble with the great maritime nations of the world.

I do not see why there is any need of passing a bill which will enable the British Government to say, "You are discriminating against us and in favor of Japan; you are discriminating against us and in favor of China," merely for the sake of keeping a few seamen from deserting in the port of San Francisco or Seattle, when, as a matter of fact, if those seamen come on a Chinese ship or on a Japanese ship there will be more of them who will be likely to desert than if they come on a British ship. It seems to me that the matter does not hold water.

As a matter of fact, I think this bill ought to have been considered by the Committee on Commerce and by the Committee on Foreign Relations, because it concerns those matters just as well as it does the subject of immigration. In fact, except so far as mala fide seamen are concerned, it is a matter concerning commerce entirely.

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

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

Mr. VANDENBERG. I certainly think that under the statement of the Secretary of State, Mr. Kellogg, the question of foreign relations is specifically involved and is at the root and bottom of the whole situation, and that the bill most certainly should be considered by the Foreign Relations Committee.

Mr. BINGHAM. I thank the Senator. I agree with him in that matter. It is a matter which deeply concerns our foreign relations.

Mr. VANDENBERG. Will the Senator permit me to amplify what I have just said to this extent? I am reading from the State Department witness appearing before the committee, the first sentence:

> All of the maritime governments seem to see in it—

Referring to this bill—

> something beyond and behind the enforcement of the restrictive immigration policy of the United States.

If all that is involved in this bill is the successful enforcement of the restrictive immigration policy, I can see no possible objection to it; but if, as the State Department thus testifies, there is something else involved, and that something else—quoting again, now, from the State De-

partment—is discrimination as between nations with all of whom we are on friendly relations, the problem certainly is one on which we can not take snap judgment with safety.

Mr. BINGHAM. Mr. President, I know that there are various appropriation bills and conference reports which are pending, and I do not desire to delay action on them. I have in my hand a statement which analyzes the bill. It would not take very long to read it, perhaps half an hour, but in order to expedite matters I am going to ask that the statement be printed as a part of my remarks.

The PRESIDENT pro tempore. Is there objection?

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

THE BILL

Section 2 of the bill provides that every alien employed on board of any ship arriving in the United States from a foreign port shall be examined by an immigration inspector to determine whether or not he (1) is a bona fide seaman.

The word "seaman" is a most comprehensive one and the legal definition does not describe any technical qualifications whatever, and a seaman on ship board means the entire personnel, skilled or unskilled, that makes up the ship's complement or crew.

Sections 4501 to 4613, Revised Statutes of the United States, section 1 of the immigration laws of the United States of February 5, 1917, section 3 of the act of March 3, 1875, United States Public Health Service, all define a seaman to be any person employed in the care, preservation, and navigation of any vessel; so that a seaman, under the terms of these provisions, is one who may be employed in the deck department, the engine department, or in the radio department, the steward's department, or one employed as a mechanic, telephone operator, manicurist, elevator man, doctor, musician, or any of the different occupations required on a modern steamship. This bill would require an immigration inspector to pass upon the qualifications of the seamen engaged in these different positions, so as to determine whether they were mala fide or bona fide, and it is apparent that but few, if any, of our immigration inspectors have the necessary knowledge or ability to determine the skill or ability of the seamen in these several positions, as they are employed by the Government for an entirely different purpose.

If, on the other hand, the immigration inspector attempts to determine the national character of the seaman and his right to enter the United States as such alien seaman, his task is equally difficult. To illustrate: An alien seaman may have joined the ship in Southampton for a trip to the United States, there to be paid off, as he has a right to do under our navigation laws. When he signed the articles before a consular agent at Southampton his intent was to leave the ship in New York, remain there for a period of 60 days, and then reship foreign, this also being permitted under the immigration laws of our country. At the time he signed the articles his intent was demonstrated according to the provisions of the ship's articles or contract—that is, to pay off in New York to reship foreign in 60 days—and as long as this continued to be his intent he was a bona fide seaman, and the master of the ship, or consular agent, would have any reason to doubt the intent of this seaman. But suppose, on the way to New York, he made up his mind to desert the ship in New York. At the instant he changed his mind he became a mala fide seaman; and if the immigration inspector knew about it, he would be detained as a mala fide seaman. But, again, supposing the seaman has deliberated over the matter and, fearing an arrest, changed his mind back again to his original intention. He would then become a bona fide seaman once more, and be immune from detention by the Immigration Department. So, if this bill became a law, the immigration inspector, to be able to efficiently perform his duties, would have to be a mind reader. No matter how honest his intention might be, he would be wise, indeed, if he could determine the action of a seaman's mind if the seaman intended to deceive him; and I submit again, the immigration inspectors of our country have no such qualifications, and the provisions of this bill would fail, rank injustice be fostered, or perhaps an incentive to graft and dishonesty provided, if an immigration inspector were given authority to administer of his own volition the proposed provisions in this bill.

Subsection 2 of section 2 I will discuss under section 7 of the proposed act, as they are practically on the same subject.

Subsection 3 is practically in accord with the present law, with which we have no controversy. This subsection provides means of enforcing matters within the purview of the United States Public Health Service.

Section 3 of the proposed bill provides "unless such alien (seaman) was shipped in a port of continental United States prior to the passage of this act, then, if it is found that such alien is not a bona fide seaman, he shall be regarded as an immigrant and be removed to an immigrant station and then shipped as a passenger somewhere [the bill does not state where] at the expense of the ship that brought the alien seaman to the United States, and the ship shall not be permitted to clear unless such expenses of deportation are paid or guaranteed."

The same objections to section 3 may be urged as we have presented in section 2, as the same difficulty obtains to determine the technical ability of the seaman, as well as the attitude of the seaman's mind; and many other difficulties present themselves in relation to the operation of the ship.

Section 4517, Revised Statutes, provides that a master who hires a seaman in a foreign port must take such seaman before a United States consular agent and there have the seaman sign the ship's articles, or contract, that gives the matters of agreement between the master and the seaman.

Section 4518, Revised Statutes, provides for a penalty of not more than $100 if the master fails to comply with section 4517 of the Revised Statutes.

The act of June 26, 1884, section 20, and the act of March 3, 1897, section 3, provides that a master of a vessel in a foreign port may engage a seaman to serve for a single trip, a round trip, a number of trips, or for a limited time, or for discharge in the United States or elsewhere.

Under paragraph 2, subdivision 1, immigration act of March 1, 1927, a bona fide alien seaman is permitted to enter the United States temporarily and to remain there for a period of 60 days and then to reship foreign.

Section 4580, Revised Statutes, act of June 26, 1884, section 2, provides for the discharge of a seaman in a foreign port and the payment of his wages before a United States consul.

The very nature of a ship's operation makes these provisions necessary. Seamen desert or are discharged in foreign ports and their places must be filled so as to enable the ship to proceed on her voyage. When a master complies with the navigation laws of the United States his full duty is performed. When a master signs on his men before a consular agent of our Government there is no way that the master or consul can determine the attitude of the seaman's mind as to his intentions when he arrives at any future port of entry. The articles or contract of a ship with a seaman, signed in the presence of an officer of the United States, are the only means either the master or consul have to determine the attitude of the seaman, and if he breaks them and deserts, or if the immigration inspector, under the terms provided in this bill, had the right to detain the seaman, order his deportation to somewhere at the expense of the ship, or detain the ship under some capricious whim of his own, the cost of operation of the ship increases, delays and annoyance are experienced, and competitive advantages given to foreign vessels who have no such foolish statutes of their own.

If any examination is required to determine the technical ability of a seaman or his attitude in relation to the immigration laws of the United States, such examination should be given by experts competent to make it and at the port in which the seaman makes his contract with the ship; not require the master to obey the laws of the United States and all the laws and then, when the ship arrives in the United States compel him to meet conditions that he could in no way avoid, no matter how much he might desire to do so.

This provision is intended to prevent alien seamen from entering the United States illegally, but when we turn to the act of March 4, 1915, commonly known as the seamen's act, as laid down in Public Law No. 302, Sixty-third Congress, we find section 4530 provides that every seaman on a vessel of the United States in any port and every foreign seaman on a foreign vessel in an American port has a right to draw half his wages in every port in which the vessel loads or discharges cargo, and if the master does not comply with this demand (although the ship's articles may provide something entirely different), the seaman, either on a foreign or an American ship, may sue the ship and break his contract with her.

Section 16 of this act also provides for the repeal of all statutes that gave the right of a master of a ship to arrest a seaman for desertion, and also repeals all treaties with foreign nations that permitted the arrest of deserting foreign seamen in United States ports.

It has been said that many alien seamen are entering the United States illegally through a side door; that is, coming into the United States as mala fide seamen, deserting ship, and entering into occupations, in violation of the immigration laws of the United States.

Section 4530, Revised Statutes, and section 16 of the so-called seamen's act not only provide a side door but a wide-open door that enables seamen on American ships in any port and foreign seamen arriving on foreign ships in American ports to desert the vessel, draw half pay, and also use the courts of the United States to enforce their demands, without penalty for the violation of their contract.

Section 4 of the bill we will consider under discussion of section 7.

Section 5 provides for the inspection of seamen by the United States Public Health Service, which is in accord with the present law.

Section 6 provides that all vessels entering the ports of the United States manned with crews the majority of which, exclusive of licensed officers, have been engaged and taken on in foreign ports, shall, when departing from United States ports, carry a crew of at least equal number, and any such vessel which fails to comply with this requirement shall be refused clearance. This provision is intended by the proponents of this bill to promote safety at sea, but that it does nothing of the kind may be readily determined. This bill would affect American ships as well as foreign ships, and if the American ship had to comply with it, it would be an added burden of expense of the American ship, that pays higher wages and more costly subsistence than its foreign rivals.

Under our United States inspection laws the ship's ticket determines the number of men required in the deck and engine crew and their qualifications, and these regulations can not be changed except by the consent of the Steamboat Inspection Service. The minimum number of men in the deck and engine departments must be maintained, and as this minimum is a regulation to aid in preserving life and for the safety of the ship and passengers, the question of safety does not enter into the consideration, as there are sufficient men in the navigation and engineering departments to maintain safety at all times.

In the steward's department the number of men required changes in proportion to the number of passengers the vessel carries. In the summer months the passenger traffic is heavy outbound and a large number in the steward's department is necessary. It frequently happens that these men desire to remain at the port of destination outbound for a trip or two, and the ship takes advantage of this and thus reduces the expense. This is also true in the fall of the year when the passenger traffic homeward bound is heavy, and if the ship could not take advantage of this condition it would only add a useless financial burden without accomplishing any good result. It must be remembered that the term "seaman" includes all the members of the ship's complement of men, and of this complement the steward's department is composed of cooks, waiters, scullery men, etc., who are not required to have knowledge of lifeboats and the gear utilized for the safety on shipboard except under certain conditions. Added numbers of men in the steward's department, with certain exceptions, of course, rather add to the hazard at sea than detract from it. So as a means of safety at sea added numbers do nothing unless the numbers added are skilled in handling the means used on shipboard for safety measures. This bill would not add to the safety of life and property at sea. It would add to the ship's cost of operation, would be an unwarranted interference in the management of foreign as well as domestic ships, and if passed might cause reprisals by foreign nations on our ships in the foreign trade.

SEC. 7. This section provides that no vessel shall, unless such vessel be in distress, bring into a port of the United States as a member of the crew any alien who if applying for admission to the United States as an immigrant would be subject to exclusion under subdivision (e) of section 13 of the immigration act of 1924, except that any ship of the merchant marine of the country, islands, dependencies, or colonies, immigrants coming from which are excluded by the said provision of law, shall be permitted to enter ports of the United States having on board aliens of such description who are natives of the particular country, island, or colony to the merchant marine of which such vessel belongs. Any alien brought into a port of the United States in violation of this provision shall be excluded from admission or temporary landing and shall be deported either to the port of shipment or to the country of his nativity as a passenger on a ship other than that on which the alien was brought into the United States and at the expense of the ship, and the ship shall not be granted clearance until such expenses are paid or satisfactorily guaranteed.

Subsection (e) of section 13 refers to aliens ineligible to citizenship, such as Chinese, Japanese, Lascars, etc.

During a previous hearing on this bill before the House Committee on Immigration this section was discussed at length, and was opposed by the State Department, who sent representatives to voice their objections to this provision. It was opposed by foreign embassies at Washington and was opposed by nearly every American shipping concern in the United States, and at the hearing before the Senate Immigration Committee on this bill objections were voiced at that time by the Immigration Department and the State Department.

It is rather hard to understand that vessels under foreign flags whose nationals are ineligible to become citizens of the United States may come into the United States loaded down with these nationals, who under provisions of the seamen's act may draw half their pay and land temporarily under the provisions of the immigration act of 1924, while vessels of other foreign countries and also American ships can not be permitted to enter, unless in distress, even if they have but one lone Chinese cook or Japanese waiter or Lascar sailor on board.

The provisions of this act were aimed at steamship companies like the Dollar Steamship Co. on the Pacific coast, who by the very nature of its oriental trade is required to employ Chinese in the steward's department on their round-the-world ships. These ships, purchased from the United States Shipping Board, are in steady competition with many foreign lines who have no such restrictions as to the nationality of their crews. These ships can not be diverted from their established lines for five years, according to the terms of their contract; they must make a return on their investment that will not alone permit them to pay the amount due for the purchase price of the vessel, and with interest, but if they are to remain in the shipping business they must provide for the replacement of the ships in due course. The wage scale and subsistence charges on American ships is higher than on foreign ships, and if a ship can not meet the wage and subsistence competition, provide for replacements, pay the loans and interest, the American ships must go out of business in the foreign trade. Bills like the one under consideration provide just such added disadvantages, and they provide no means that with any sense of worth, increase safety or prevent undesirable immigration nor will they provide aid for the American merchant marine.

Shipowners and operators of the United States who are bearing the heavy burden of foreign competition and are trying to keep the American flag on the seven seas are with unanimity opposed to the proposed legislation. They need national aid, not national opposition. They want constructive legislation, not laws that will impair their efficiency and provide no added means for safety of life and property at sea, nor does S. 202 provide a means of restricting immigration of mala fide seamen into the United States. As we have already pointed out to you, a seaman is any person employed on the ship for the navigation and operation of the vessel, from the newest recruit in the engine room, deck department, or steward's department, without previous sea experience, to the oldest seaman of the crew. To determine whether a seaman is mala fide or bona fide is, first, the task of an expert who can determine the qualifications of the members in the several departments on shipboard. This an immigration inspector is not competent to do, because, as a general rule, he has no experience in determining such qualifications.

The seaman's national status can not be determined because it is largely a matter of intent for the time being, in so far as alien seamen are concerned. An alien seaman who intends to desert on arrival in an American port will answer the questions of an immigration inspector with intent to deceive, while a perfectly innocent alien seaman may answer questions truthfully without being familiar with the immigration laws of the United States, and thereby be deprived of admission for the purpose of reshipping foreign, with no intent to violate the immigration laws of the United States.

Therefore the undersigned are unanimously opposed to the passage of S. 202.

PACIFIC AMERICAN STEAMSHIP ASSOCIATION,
SHIPOWNERS' ASSOCIATION OF THE PACIFIC COAST,
By W. J. PETERSEN.

WASHINGTON, D. C., *December 9, 1930.*

Mr. BINGHAM. Mr. President, I have explained the principal objections to the bill as they occur to me, and I hope that the motion by which it was passed, at a time when one objection might have prevented its passage, passed without debate and without consideration, may be agreed to. I do not desire to take any more time in discussing the motion.

The PRESIDENT pro tempore. The question is on agreeing to the motion made by the Senator from Maine [Mr. GOULD] to reconsider the vote by which the bill was passed.

The motion was rejected.

Mr. KING. Mr. President, I did not take the time of the Senate to reply to objections urged to S. 202, the so-called seamen's deportation bill, as I was unwilling to interfere with the consideration of measures which it is important to pass before Congress adjourns. I, therefore, ask unanimous consent to have inserted in the RECORD the following documents and data dealing with the provisions found in S. 202.

The report accompanying a bill identical in terms which passed the Senate several years ago; a memorial to Congress submitted by Andrew Furuseth, president of the International Seamen's Union and chairman of its legislative committee, and a letter written by him to Hon. JAMES J. DAVIS, the then Secretary of the Department of Labor; a memorandum prepared by Mr. Furuseth dealing with a statement made by Hon. Frank B. Kellogg, while Secretary of State with respect to a bill identical in terms with S. 202; a memorandum prepared by Mr. Furuseth of this date; a letter addressed to me by the president of the American Federation of Labor attached to which is a resolution adopted by that organization at its convention in 1930; a telegram from Mr. George Larsen, secretary Sailors' Union of the Pacific; an editorial from the Washington Post; an article from the American Federation of Labor in its issue of February 14, 1931, and an excerpt from the annual report of the Commissioner General of Immigration for 1930; excerpts from the testimony of Mr. Furuseth and Mr. Jeremiah J. Hurley, a representative of the Labor Department, given by them at a hearing before the Committee on Immigration of the Senate when an identical bill was being considered by that committee in the Sixty-ninth Congress.

There being no objection, the matters referred to are inserted in the RECORD as follows:

[Senate Report No. 1037, Seventieth Congress, first session.]

DEPORTATION OF ALIEN SEAMEN

Mr. KING, from the Committee on Immigration, submitted the following report (to accompany S. 717):

The Committee on Immigration, to whom was referred the bill (S. 717) to provide for the deportation of certain alien seamen, and for other purposes, having considered the same, reports the bill with the recommendation that the same do pass.

The measure referred to is identical with S. 3574, Sixty-ninth Congress, first session, which passed the Senate on February 2, 1927, with an amendment offered by the Senator from Pennsylvania [Mr. REED]. The bill now reported includes in its provisions this amendment.

The reasons in favor of the passage of the bill during the Sixty-ninth Congress, first session, were set forth in report No. 1069, Sixty-ninth Congress, first session, which is made a part of this report. The committee urges the same reasons for the adoption of S. 717. Indeed, the intervening time has clearly emphasized the necessity of this proposed law. The evils described in the report on S. 3574, Sixty-ninth Congress, first session, have increased and will continue to increase until the legislation provided in S. 717 has been enacted into law.

Report No. 1069, Sixty-ninth Congress, first session, is as follows:

"The Committee on Immigration, to whom was referred the bill (S. 3574) to provide for the deportation of certain alien seamen, and for other purposes, having considered the same, reports the bill with the recommendation that the same do pass.

"Quite recently the United States has perceived the necessity of restricting immigration and has enacted measures to accomplish that result. It has also sought to develop a merchant marine, not only for the purpose of aiding in the expansion of our foreign trade but also to serve as auxiliary craft to our Navy in any crisis.

"For a number of years a million or more immigrants were annually landed upon our shores, but under the present laws those lawfully permitted to enter as immigrants will not exceed 160,000 annually.

"A similar bill to the one under consideration was offered as an amendment to the immigration act of 1924. Hearings were had upon that bill and also upon S. 3574. It was shown by competent witnesses at both of the hearings that large numbers of persons have been smuggled into the United States in violation of treaties as well as of our laws. Testimony was submitted at the hearings showing that for a considerable number of years persons who were not admissible, particularly orientals, have been brought into the United States in ships of various countries and smuggled ashore. Testimony was given that the smuggling of orientals was exceedingly profitable to those engaged in this illegal traffic. The latest prices paid for landing persons of the nationalities just referred to were from several hundred dollars per person up to $1,100. Shortly after the immigration law of 1917 was enacted, many persons from Europe and western Asia were smuggled into the United States, those engaged in the work receiving large sums for their illegal operations. With the strengthening of our immigration laws, the greater has been the number of aliens who have sought to enter the United States in violation of the law. As a result, the smuggling of aliens into the United States has increased, and the use of ships entering our ports for that purpose has been enlarged. Congress has made liberal provisions to enforce the immigration laws and to guard our ports of entry and our borders against the surreptitious entry of aliens.

"The hearings referred to clearly indicate, however, that no effective plan has yet been devised of preventing seamen and persons claiming to be seamen from entering into ports of the United States. Some of the witnesses declared that those illegally entering as seamen, or alleged seamen, pass through a side door which is not guarded. The necessity of protecting our country from these illegal entries has been apparent for some time, and to effectuate that object the measure referred to was offered.

"There was also testimony tending to show that there are a large number of desertions of so-called seamen in the various ports of the United States. It is claimed that the number of desertions for the purpose of illegally entering the United States approximates 40,000 per annum. With the increasing number of vessels coming to our shores, it is obvious that the number of illegal entrants through this side door will increase.

"Mr. Hurley, representing the Department of Labor, in his testimony, stated that many persons who were not eligible to enter the United States as immigrants have landed upon our shores and are now scattered throughout the United States. They entered as seamen, but did not depart with the vessels upon which they came, and they are to be found by the thousands, particularly in the industrial centers of the United States.

"Efforts to deport these illegal entrants have not been successful. It is true that approximately 2,000 persons illegally entering as seamen have been deported. Some of these have been deported at the expense of the United States. It was testified before the committee that various shipping interests, directly and indirectly, received large sums for bringing these illegal entrants into the United States. When any of these persons are discovered by any of the immigration agents and deported, the vessels carrying them from our shores are paid by the United States. There is testimony tending to show that many of those who illegally enter as seamen would be excluded under the immigration laws. To ship as seamen they resort to subterfuge and fraud. They are unable to perform the work of seamen and thus impose additional burdens upon bona fide seamen; and also, because of their lack of knowledge, they imperil those who travel upon the high seas. They, furthermore, injure competent seamen by accepting lower wages, and because of their lack of character they attach a stigma to the reputation of faithful, competent, and bona fide seamen.

"The United States has attempted to develop a body of efficient seamen and to that end amended our maritime laws by distinguishing the law for safety at sea, as such, from the master and servant law, as such, relegating the enforcement of the master and servant law, in so far as it is not repealed, to the civil courts, leaving the seamen as free as other American workers while the vessel is in a safe harbor and retaining the fullest discipline when the vessel is subject to the hazards of the sea.

"Senate bill 3574 distinguishes between a bona fide and a mala fide seaman. The former may come and go as provided in the so-called seamen's act and the rules prescribed under the immigration law; it further provides for the immediate deportation as a passenger in a vessel other than that which brought him to our shores, but at the expense of the ship upon which he came to the United States.

"Opposition to the bill can not be raised upon the supposed difficulty of distinguishing bona fide seamen from the mala fide seamen. Mr. Peterson testified before the committee, as a representative of the shipowners, and Mr. Hurley also gave testimony upon this point, and both testified that those employing persons to serve as seamen could readily determine whether persons seeking employment were seamen or otherwise.

"Another important provision of the bill is as follows:

"'All vessels entering ports of the United States manned with crews the majority of which, exclusive of licensed officers, have been engaged and taken on at foreign ports shall, when departing from the United States ports, carry a crew of at least equal number.'

"It was shown at the hearings that maritime countries have their statutes or regulations providing for a minimum number of men in the crew of a vessel; that the master and owner of the ships may agree to carry a greater number. Presumably this is done for the safety of the vessel.

"The testimony further showed that the same number of men should be required to take a vessel from the United States ports as are required to man it upon its voyage to our ports. The provision just referred to is, therefore, in the interest of safety, and foreign nations can not complain, as the law will aid them in executing their own laws for the protection of ships and passengers.

"Section 7 of the bill provides that no person can come into the ports of the United States as a seaman unless he (a) could come as an immigrant; (b) unless he is a subject or citizen specifically of the country under whose flag he serves, as distinct from being born in and subject to any of its colonies, possessions, or mandates; (c) unless the vessel upon which he serves comes into a port of the United States in distress.

"This provision was considered by the House Committee on Immigration and Naturalization prior to the passage of the act of 1924. It was offered as an amendment to the 1924 immigration bill by Mr. Raker, of California. It was approved by the Department of Labor and the Commissioner of Navigation, with a slight amendment. The Department of State suggested an amendment, and stated that with its adoption there was nothing in existing treaties which would conflict with the bill and the amendments suggested. The hearings contain the letters from the various officials mentioned. In order that the bill would not be endangered, the amendments were withdrawn in the House, but when the bill was under discussion these provisions were offered as amendments. Because of a lack of understanding of their full significance the amendments were not agreed to.

"The same provisions were offered in the Senate, but there was some objection, based upon the mistaken view that it might have some influence upon our commerce. It is believed that the bill will aid American shipping and will not be offensive to foreign nations. It applies to the vessels of all nations, American as well as others. It is not discriminatory, nor does it offend against treaties or that spirit of comity which should exist between nations. It is deemed necessary in order to enforce the immigration laws of the United States. This measure will increase the freedom of vessels obeying it as well as diminishing their expenses for the reason that they are now subject to fines which, in some instances, can not be guarded against, but from which, under this bill, if it becomes law, they would be immune.

"The bill, if enacted into law, may not completely abolish the smuggling of persons into the United States, but it will prevent frauds and prove effective against the efforts of many who illegally enter the United States."

PETITION AND MEMORIAL

To the honorable the Members of Congress in the Senate and House of Representatives of the United States:

On behalf of the seamen of the United States, I hereby humbly submit this, our petition and memorial, that S. 202, "A bill to provide for the deportation of certain alien seamen, and for other purposes," introduced by Mr. KING, of Utah, be passed for the following reasons:

(a) The Chinese exclusion act, passed in 1891, has been steadily, and in a constantly increasing number of instances, violated by means of substitution by "young Chinese" coming and "aged ones" desiring to return to China departing as seamen on ships. It is generally believed that nearly 40 years have made very little difference in either the number or age of Chinese in this country;

(b) By smuggling Chinese excluded by law, into the United States;

(c) By smuggling narcotics into the United States. Such smuggling is made profitable through the exclusion of the Chinese and the high duty on narcotics, and is accomplished through the vessels, American and foreign, being permitted to come to our ports with men serving as seamen who could not, under the law, be admitted as immigrants for permanent residence in the United States.

Since 1917, when the act forbidding certain persons to come to the United States was passed, such excluded persons came in an increasingly large number into the United States in violation of law. They could not come as immigrants and, therefore, came and are coming as seamen on vessels that often carry a very much

more numerous crew coming to the United States than they carry leaving the United States; because—

(a) There was no practical distinction made between bona fide and mala fide seamen;

(b) Because there was and is no law of the United States providing that foreign vessels leaving the United States should carry the same number of men in their crew as they had on arrival;

(c) Because it is possible for somebody to obtain large sums of money in a way that is easy and comparatively safe.

Chinese have paid from $1,000 to $1,100 for being landed in the United States, and excluded Europeans and South Americans have paid from $200 to $400 each. As exclusion became more extensive, the sums of money to be gathered by the smugglers became greater. As the quota laws reduced the number of men who could come and as the supervision became stricter, the number of Europeans and South Americans smuggled in became greater and the business more profitable. These violations of law are still continuing and are capable of almost unlimited expansion.

The number of seamen arriving in ports of the United States was in the last fiscal year 1,155,826. Desertions are reported 11,314, but that figure represented only those reported by foreign shipmasters to our immigration officials. The real number is at least 50 per cent more, as it now stands. It is quite common to carry a much larger crew in coming to the United States than in going away. The difference in the number of desertions reported to the consuls is very great. Comparison between the number given by the masters of vessels of 10 firms and the number furnished to consular offices in New York showed an increase in the consular offices of 40 per cent, and that comparison was made in New York alone and in 10 firms only.

In the more than 1,000,000 of seamen arriving, at least 500,000 might well desert. The other half million would be officers or men holding positions which make desertions unprofitable. It is true, of course, that American consuls are required to visa the crew lists of vessels going to ports of the United States, but the consuls have no means of ascertaining who are or who are not bona fide seamen, and they maintain that nothing can stop this smuggling except a thorough examination of the crews of vessels as they arrive in American ports, together with the deportation of mala fide seamen and excluded persons coming as seamen on vessels under whose flag they were not specifically born, at the expense of the vessel by which they were brought.

During my stay in Europe during the summer I visited the consuls at Antwerp (Belgium), Rotterdam and Amsterdam (Holland), Bremen and Hamburg (Germany), Oslo, Stavanger, and Bergen (Norway), and London, Cardiff, Liverpool, and Glasgow (England). I discussed this smuggling with them and they were so interested that they furnished me with letters showing the number of aliens on vessels going to the United States, the crew lists of which vessels they had visaed in the three first months of the year. These letters, copies of which are appended, show:

Antwerp	4,938
Rotterdam	4,559
Amsterdam	1,048
Bremen	10,814
Hamburg	8,737
Oslo	1,365
Stavanger	130
Bergen	1,206
Glasgow	5,220
Liverpool	15,144
Cardiff	1,077
London	8,413

The total for three months is 62,651, and this makes during the year about 250,600. It is, however, when the present system of hiring men in those ports is examined that some real understanding of the opportunity for smuggling is made plain.

In Great Britain the seamen go on board of the vessels seeking employment. When accepted they receive a slip of paper which they bring to the Seamen's Union office, where they are examined both as to their seamanship, their past conduct, and their standing in the union. If found satisfactory, they are given what is known as a P. C. 5 (Post Consultant No. 5). With this paper they go to the shipping offices of the Board of Trade and are signed on the vessels. While this system continues the number of mala fide seamen signed on in British ports is and will remain small, but what will it be if this agreement between the British shipowners and British seamen should be abrogated?

In Antwerp the seamen come to the joint shipowners and union shipping offices to be registered. I watched this registration for the best part of two days and saw a very large number of frauds exposed. They presented papers which did not belong to them. They were, if doubtful, asked questions which any real seaman would readily answer. They failed to give the proper answers; were then asked further questions, and finally refused registration. Not much chance of getting through there, so they went to other places. Substantially the same system is in operation on Norwegian vessels in Antwerp and Hamburg.

In shipping his men the master, and usually the chief engineer, come to pick out the men they want. They are then taken to the consul to be signed, and then to the American consul to be visaed. If later on some are missing, the substitutes are obtained from the union office in the same way.

Substantially the same system is in operation in Rotterdam, though not so strict as in Antwerp and Hamburg, but in Amsterdam and Bremen there is no such system. Both these ports are as wide open as Pennsylvania Avenue. Bremen and Bremerhaven are of places visited by me—the places whence the largest number of mala fide seamen sail for the United States—and where there is likely to be a considerable increase as the situation now is.

If and when the present system in use in Great Britain is abrogated, it will, of course, abolish the system now in use in Antwerp and Hamburg and partly in Rotterdam, and then there will be more immigrants coming as seamen than are now permitted to come legally, and they will as now be mostly the kind of men to whom no visa could be given.

The purpose of this bill is to stop the violations of our immigration laws, and incidentally to remove unfair competition from American ships and American seamen.

The evils above mentioned and the remedies, which we seamen have from time to time respectfully submitted, have been brought to the attention of the departments and Congress. Hearings before congressional committees on this matter date back to 1923. We made an effort to have the remedies included in the immigration bill of 1924, but on being told that this might endanger the immigration bill we ceased our efforts.

The first objection to the bill in its present form was that it would be impossible to distinguish between a bona fide and a mala fide seaman. This contention was disposed of when Captain Petersen, who represented the shipowners and who was and is serving as their employment agent on the Pacific coast, had to admit that he and his office staff were constantly engaged in determining who is a seaman in fact and who is a pretender claiming to be one, and when Mr. Hurley, representing the department and having in charge the question of seamen in the Bureau of Immigration, stated that he could see no serious difficulties in the administration of that particular phase of the bill.

The second objection was the provision that vessels must carry away as many persons in their crews as they had on arrival, and that this provision would be sure to delay the sailing of vessels. Some of the crew of a vessel might conspire to that end by leaving her lying ready to go with passengers and mail on board. The answer to that was and is that vessels which have any expectation of men leaving in the last moment always provide for men in readiness to fill the places of those who might leave. But aside from that the present laws provide that seamen are not to leave their vessels except under order or by permission within 24 hours of the time of sailing.

The third objection was that it was contrary to treaties with foreign nations. This was answered from the State Department, stating that there were no treaties directly bearing upon it, but that the bill might for the sake of safety be amended so as not to make it compulsory to hire men in lieu of those who might be dead or in the hospital. This suggestion was taken care of by an amendment.

The fourth objection was that Americans were not willing to serve in the steward's department. The answer to this was and is that they are serving in the same kind of work in hotels, restaurants, and lodging houses throughout the country, that they serve now on vessels willing to employ them, and that, what the Americans object to, is not to serve in the steward's department of vessels, but to serve in the steward's department together with Asiatics doing the same kind of work, sleeping in the same room, and eating in the company of and living on equality with Asiatics.

The bill was reported to the Senate in the Sixty-ninth Congress, together with a favorable report shortly analyzing the testimony that had been taken. The bill passed the Senate by unanimous consent. In the House it was referred to the Committee on Immigration and Naturalization, where it was brought up for a hearing on February 23, 1927, in which new objections were raised. The objections came from the Pacific coast in the shape of telegrams from the Dollar Steamship Co., which employs Chinese, and from the Shipowners' Association, of which Dollar is a member. The first telegram presented was addressed to the Hon. FLORENCE P. KAHN and signed by R. Stanley Dollar. It reads as follows:

"Was very much surprised to learn the other day that Senate bill 3574, known as King bill, has passed Senate. This is a very vicious piece of legislation and extremely detrimental to everybody in the foreign trade. Sincerely hope we can count on your support to defeat this bill in the House. Kindest regards."

It will be noted that the objection to the bill on the part of Mr. Dollar is general. He says: "This is a very vicious piece of legislation and extremely detrimental to everybody in the foreign trade." Mr. Dollar is here evidently speaking for foreign as well as American vessels, and he admits that it applies equally to all nations' vessels.

The second telegram from the Pacific coast was also addressed to the Hon. FLORENCE P. KAHN and signed Pacific-American Steamship Association. It reads as follows:

"Advised that King bill, Senate 3574, will be heard by House Immigration Committee 10 o'clock a. m., February 23. This bill would considerably cripple operations of American vessels engaged in offshore trades and give Japanese vessels opportunity to monopolize Pacific trade. In view of the vital importance to American shipping and commerce, we respectfully ask that you oppose this bill before House Immigration Committee."

Here you will note the expression, "This bill would considerably cripple operations of American vessels engaged in offshore trades and give Japanese vessels opportunity to monopolize Pacific trade." Here the suggestion is made that the passage of the bill would be of great advantage to the Japanese. One member of the committee from the Pacific and one from the Atlantic opposed the bill in the committee, Mr. BACON, of New York, suggesting that it would be very detrimental to Japanese because it might seriously delay

some of their vessels. It was on the principle that no white seaman would sail together with Japanese. It might well be that this bill would hit the Japanese vessels hard if their seamen should desert, but in that case how could it possibly assist the Japanese in monopolizing the Pacific trade, as the objection runs in the telegram from the Pacific-American Steamship Association quoted above.

Japanese steamship companies, however, have consented to increase the wages of their seamen for the third time, so that now the Japanese pay more wages than the general wages paid by the French or Italians, and aside from that they are paying premiums for continuous service, specifically with a view of diminishing desertions, which during the last fiscal year, according to the report, amounted to only 70 persons.

The contention that the Japanese will have the advantage over English, Dutch, and other vessels coming to ports of the United States by being permitted to bring orientals when other ships could not, is an idea sponsored by the Pacific-American Steamship Association and the answer is that Japanese can bring Japanese—to prevent that would constitute an embargo—but they can not bring other persons excluded for racial or other causes, and in this they are on an equality with all other nations.

Mr. Coert du Bois, chief of the visa section of the Department of State, was present. Part of his testimony is as follows:

"From the viewpoint of our foreign relations, the worst feature is the apparent departure from the time-honored practice of considering a foreign ship in our port as a bit of the territory of its flag. Under existing international practice, any undesirable alien arriving in a foreign port is detained aboard the ship and leaves with the ship 'if the government of the country considers he can not be landed under its laws.' This bill violates international comity in that it proposes to enforce a domestic law by taking seamen off foreign ships in our ports—presumably by force if necessary—and sending them home on another ship. There is no doubt that this would lead to complications, no matter how carefully and discreetly the provisions were enforced.

"The bill is not on its face discriminatory against any country, but since certain practices have grown up in the merchant marines of various countries, its effect can not fail to be discriminatory. Take the British tramp trader, for example, which may touch its home port once in four years. Those which trade in the Indian Ocean or the Orient habitually carry Lascars or orientals in their crews. In the course of their voyaging they may get a cargo, jute, for example, for the United States. The master's alternative is to ship a new crew of white sailors, charging the difference in cost on the freight, or to refuse to accept a cargo for an American port. Multiply this instance by several hundred each year, and the accumulated effect on our regulations with other maritime nations is obvious. * * * It is going to be difficult to convince the British, French, or the Netherlands Governments that such a wide difference in practical effect is not discrimination in favor of the Japanese."

It will be seen that Mr. du Boise's testimony may be divided into three aspects: First, the "international relations" in which he pleads for the continuation or rather the restoration of a condition gradually brought about by treaties under which a vessel visiting another sovereignty carried with her the laws of the sovereignty of the flag under which she sailed. So far as the United States is concerned, that international arrangement was abolished on the part of the United States, when the seamen's act was passed and the treaties standing in the way were abrogated. The idea that vessels might go everywhere under the law of their own sovereignty had been set aside at an earlier date by Great Britain, when laws dealing with load line, seaworthiness, and minimum manning were passed for vessels under the British flag and made applicable to all nations' vessels coming to or sailing from British ports. The international arrangement had likewise been set aside when Australia insisted that the loading and discharging of vessels in her ports was to be done according to decisions handed down by the court or arbitration under the arbitration law of Australia.

Second, he says: "This bill violates international comity in that it proposes to enforce a domestic law by taking seamen off foreign ships in our ports. * * * There is no doubt that this would lead to complications no matter how carefully and discreetly the provisions were enforced."

Very serious offenses against domestic law taking place in the port of another sovereignty have always come under the law of the place. It was not held that the British laws enforced upon foreign nations' vessels, either in Austrialia or in any other British ports, were in violation of comity, and it would be highly remarkable if domestic laws passed by the United States in order to make previous domestic laws more effective should be held to be in violation of comity. The second aspect is a purely commercial one dealing with the disadvantages that might accrue to a foreign tramp steamer, if it were to obey the laws imposed upon the like vessels carrying the flag of the United States.

Third, the expression "if the government of the country considers he can not be landed under its laws," in which case such seaman is to be kept on board of the vessel, has no application in the United States because of the thirteenth amendment to the Constitution and decisions by courts to the effect that a vessel in a harbor of the United States is not a prison.

When an effort is made to compel the shipping of the United States to obey domestic law, we are met by the statement that such laws are discriminatory against the United States and unpatriotic. If the laws be made applicable to all nations' vessels, American and foreign alike, we are met by the assertion that it is contrary to comity and will result in foreign complications. Nothing is done, and as a result year after year passes, the evil grows, the violations of law become more flagrant and the disadvantages to the United States become more pronounced, yet nothing can be done, because we are impaled upon one of the two horns of this dilemma. Surely this is not to apply to immigration.

The report of the Commissioner of Immigration for 1928 says that 12,357 seamen deserted their vessels in ports of the United States during the fiscal year. During the same fiscal year 17,272 were held on board their vessels, which, if they were bona fide seamen, was contrary to law and the Constitution of the United States (amendment 13); that 3,295 were not on the crew lists (evidently stowaways) and 448 were placed in immigration stations to be placed again on the vessels, also against law, and if they were in fact seamen, they could, if they had any friends, have been released on habeas corpus. Thus, the innocent are punished in place of the guilty.

If this open side door is permitted to stand open, the number of excluded aliens coming as seamen, when they are in fact immigrants, together with the number of those smuggled in by the vessels coming from foreign ports to ports of the United States, will ultimately grow to be greater than the number that may come legally, according to the immigration law of 1924.

The annual report of the Commissioner General of Immigration for 1928 contains a warning about the situation into which this country at present is drifting. It reads as follows:

"Seamen: As indicated in the last annual report, the trouble confronting the service in the control of alien seamen is the most difficult and vexatious with which it has to deal. As the immigration laws have been tightened up from time to time the problem has been correspondingly accentuated. Particularly is this true since the adoption of the numerical limitation policy as expressed by the acts of 1921 and 1924. As has been previously pointed out, seamen occupy a privileged position in the scheme of things; commerce must not be unduly hampered, seamen come and go largely at will, and the crux of the problem is to prevent aliens gaining a foothold in this country in the guise of seamen."

The report on the King bill (S. 717), "A bill to provide for the deportation of certain alien seamen, and for other purposes," is No. 1037, first session, Seventieth Congress. There was no minority report. It was called up in the Senate three times and objections were made each time.

Your petitioners humbly pray that the bill may be given consideration by the Senate at the earliest possible time, in order that the House may have an opportunity to act on it early in this session.

On behalf of all the seamen, most respectfully submitted.

ANDREW FURUSETH,
President International Seamen's Union of America, and Chairman of its Legislative Committee.

APRIL 23, 1930.

Hon. JAMES J. DAVIS,
Secretary Department of Labor,
Washington, D. C.

DEAR MR. SECRETARY: Your kind favor of the 19th instant, inclosing the memorandum submitted by Mr. White, has been received.

The King bill passed the Senate on the 14th instant by unanimous consent. On the 15th Senator BINGHAM asked for unanimous consent to reconsider and put the bill back on the calendar. An objection was made, and he then gave notice of a motion to reconsider. He did not, however, enter the motion. On Wednesday, the 16th, Senator GOULD, of Maine, offered the motion to reconsider, which motion, so far has not been considered. This is the present status of the bill.

Trying now to deal with the memorandum: The only real objection to the bill, from an administrative point of view, seems to be in section 3. The objection to section 3 is that—

"From an administrative standpoint the provisions of the foregoing section (sec. 3) not only offer difficulties but in some instances insurmountable obstacles for the following reasons."

The "difficulties and obstacles" are listed under headings 1, 2, 3, 4, and 5. The chief objection under point 1 is that a vessel coming in, say on Hampton Roads (and I think that is the only place where it happens) to take in fuel can not be denied clearance because she has never entered. That is perfectly true. Such vessel is in the same position as she would be if she was met outside by lighters and took fuel from those lighters. Constructively, such a vessel is not within the United States at all; she is not in an American harbor, and the crew could not be examined except by the freely given permission of the master of such vessel. I think it will be found that such vessels are not now examined at all for any purpose. In other words, the bill would not apply to such vessels at all.

Under the second point it is stated—

"* * * that if an alien is removed from a vessel to an immigration station he must be taken before a board of special inquiry, and if the board finds that he is not a bona fide seaman, such alien shall have the right of appeal to the Secretary of Labor."

This will not apply to anybody who is racially excluded from the United States. As I understand it, those who are excluded because of their race have no appeal, consequently they would not have to go before a board of special inquiry.

Dealing next with the European who may be excluded for special reasons and to whom an appeal is granted by law, he is, after the inspector shall have determined that he is a mala fide seaman and ordered his removal, in the same position as a man accused of

having committed an offense. That is, he will be held in custody until his case has been determined. Objection is raised that if it is found that he is not guilty of trying to violate the immigration laws of the United States by smuggling himself into the United States, then a serious injustice has been done to him, because he has lost his job. He is, however, under no greater hardship than any American citizen who is placed in custody because there are good reasons for believing that he is guilty of an offense under the laws of this country. No special indemnity is paid or given to such citizen after a court or grand jury shall have ordered him released.

We, of course, must assume that the inspector will, or that the rules made by the department under the law, will treat those who are there specifically to learn the work of the seaman in one department or another, as bona fide. There is no way of determining him to be anything else, because no one can look into his mind. With reference to all the others, which is more than 90 per cent of the crew, an examination into his industrial qualifications will make it possible to determine whether he is a bona fide or a mala fide seaman. In other words, whether he is a real seaman, or whether he is trying to use the status of a seaman to smuggle himself into this country. There have been questions raised about such examination, but when skilled seamen, such as masters appearing before the committees, have been asked whether they could distinguish a mala fide from a bona fide seaman, that is, a seaman from a landlubber, the invariable answer has been "yes."

The seaman dismissed from custody will simply be in the same position as the bona fide seaman who has a right to quit the vessel, to come ashore, and to look for another vessel going foreign.

Under point 3 I find the main objection to be that—

"At only a comparatively few of the ports in the United States where vessels arrive do we maintain immigration-detention stations. That being true, if the alien is to be detained at some of the ports of arrival, it would be necessary to place him in jail pending a decision in his case by the departments."

If that were necessarily the fact, a few seamen might innocently have to endure some hardship because of a mistake made by the inspector. There would be very few of these under any circumstance because that presumes that the inspector is either ignorant or careless in holding him to be a mala fide seaman when he is, in fact, a bona fide seaman. If he be, in fact, a mala fide seaman and yet insists upon appeals, that would hold him in custody for a longer time than was necessary to find a vessel in which he might be deported. Such man is only treated in the same way as a seaman who has forfeited his status by violating the immigration laws after having landed. But the man who is found to be a mala fide seaman, and, therefore, an immigrant, is to be delivered to a detention station by the ship; that is to say, at the expense of the ship. He is in the custody of the ship until he is delivered to the station and the vessel is responsible for him and pays all expenses, not only while in such custody but after he has arrived at the station.

There is nothing in this bill that says that the detention station must be in the same port. It is suggested in a way that he can not be held in custody traveling from one port to another. There is no difference in principle between that and being held in custody going from a vessel at anchor to a detention station in the same port, nor is there any distinction between that and the man arrested after having reached the shore and detained until his case is disposed of. When the vessel is within the harbor in the United States and legally entered the United States will have a greater right to hold him in custody on an immigration station, or in a jail, than on board of a ship.

The next question is the one raised under point 4 and has to do with passports. The bill does not provide that a man shall be sent to his own country or the country of which he is a subject or citizen. That is, it is not necessary, if he be a Hindu, that he should be sent to India; or if a Chinese, that he should be sent to China. The vessel in question took him from some particular port somewhere, and the vessel will be required to send him back whence he came. That is to say, if he be a Chinese and was shipped in England, he would be sent back to England. If an English ship took him in India, he would be sent back to India. If a Dutch ship took him in Java or Sumatra, he would be sent back whence he came. If he was a subject of Russia, having signed on board of a vessel in Russia, he would, of course, be sent to Russia and to the port from which he had been shipped. The vessel always has records to show where the man was shipped.

Under point 5 it is suggested that if an alien seaman declares it to be his intention to continue as a seaman on the vessel on which he arrived, that nothing could be done with him. The examination takes place in order to ascertain whether he is or is not a seaman in fact. If he is not a seaman in fact, then he is an immigrant, and it makes no difference what he says or thinks, his status is determined by what the examination shows him to be. Even if he made an application for admission, it could not be considered, because under this bill he is an immigrant without a passport visaed by the United States consul. It is stated here that, if he kept silent and refused to answer any questions, the department would have nothing to consider. That can not be so, because when found on board of the vessel in the rating of a seaman, for which he has no or insufficient qualifications, that is under this law as much an evidence of his bad faith as if he were a man caught with burglar's tools in his possession.

The presumption would be against him, and in that case it would be for him to explain to the court how he came into possession of the tools. In the case of the seaman, it would be for him to explain where he shipped, why he shipped, and how he came to ship on the vessel. We may safely assume that the vessel in shipping the man would take care not to violate this law, and that there would be few of these men who would try to smuggle themselves into the country. The expenses of detention and the passage back to the country whence he came would be too serious to be played with.

In conclusion and speaking about those mandatorily deportable, the memorandum says:

"* * * if the vessels on which they arrived do not enter and clear, there would be no means of collecting the cost of their deportation."

If a vessel does not enter or clear, she can not be examined, as has already been referred to under point 1. Now, let us assume that the man in question is a bona fide seaman and is held on board of the vessel against his will and in violation of the immigration law, as well as the seamen's act; it will have to be recognized by everybody that a writ of habeas corpus would release him from the vessel, just as it would release him from a prison on shore if he was held there in violation of law. The courts have already held that a vessel lying in an American harbor is not a prison and is not to be used as such.

From the foregoing it should appear that the difficulties are not the insurmountable obstacles which they are represented to be; that, in fact, there is nothing that will make the administration of this bill, if it should become law, so difficult as to accept that as a cause for leaving it open for thousands of men, specifically excluded, to come into this country in violation of its laws.

Hoping this will be a sufficient explanation, I beg to remain,

Most respectfully yours,

ANDREW FURUSETH.

MEMORANDUM

By Andrew Furuseth

On the opinion of Secretary of State, Hon. Frank B. Kellogg, on S. 717, as expressed in letter dated February 21, 1928, and forwarded to Hon. HIRAM W. JOHNSON, chairman Committee on Immigration and Naturalization of the Senate.

On April 24, 1924, a bill containing the same provisions as are found in S. 717 was submitted to the then Secretary of State, Hon. Charles E. Hughes, by Hon. John E. Raker, then Member of the House of Representatives, and the answer is printed in hearings held in the last Congress on S. 3574, on pages 18, 19, and 20.

Mr. Hughes was asked by Mr. Raker whether there are any treaties with which the provisions (e) and (f) of section 19 of H. R. 7995 would conflict.

After reviewing these subsections, the Secretary says that it appears to him that subdivision (e) "might operate in such way as to interfere with reciprocal freedom or liberty of commerce and cause serious loss to British and Japanese, and perhaps vessels of other countries with which the United States has commercial treaties similar to those from which I have quoted."

He illustrated by stating the seamen might die or become sick or might desert and delay might be caused by compelling the vessels to remain in port until other men could be obtained. The committee cured this possibility by a proviso dealing with the dead or sick; but because all the men might desert under our laws, and because the laws of the several nations provide a minimum crew on leaving home port and give to the master of vessels the right to take more men, if, in his judgment, safety so requires, the committee decided to disregard the point about desertion and the Senate concurred. It was held self-evident that safety will require the same number in leaving the United States traversing the same waters, as in leaving the home port to go to the United States, and that there could be no undue hardship to the vessel or offense to the nation by insisting that the master's judgment, as to the number of men needed for safety, be upheld, more especially when such judgment had been accepted as correct by his Government.

The letter from Secretary Kellogg suggests that the men might be kept on board; but that can not be done under the Constitution and laws of the United States. The letter from Mr. Kellogg then speculates upon the injury that might be caused by delay. The delay would be caused by desertion, for which the remedy is with the master. If the men be bona fide seamen—if the men on the vessel be capable of doing the work called for, according to their rating, they will, of course, be held to be bona fide seamen, and such seamen are not to be interfered with. If such men desert, it will be because the treatment or the wages, or both, are so much below what they can obtain in some other vessel in the port that it will pay them to desert and then the master has himself to blame, unless in hiring the men he did so according to instructions of the owner.

In commenting upon section 3 the Secretary seems to pass judgment upon the penalty as being improper, because the vessel might not have been at fault or the penalty too severe. He even suggests that such vessels might shun the United States because of it. With reference to the vessel's guilt, it must be remembered that the master is supposed to choose the members of the crew, and when he does he is well able to prevent mala fide seamen from being signed on his vessel.

The Secretary's criticism of the bill repeats the objections which were in the former hearings submitted by opponents of the bill. Then they were presented on behalf of the American shipowners, but in this letter they are presented as coming from the shipowners of foreign nations through their governments and their representatives here. The representatives of foreign governments assert that they will not be able to carry the same kind of men which they now carry. This goes to the effective-

ness of the bill. The bill is designed to stop smuggling in of men in violation of our immigration laws. They say that the vessel will not be able to carry excluded aliens on coming to ports of the United States, and then suggest that the harm to come to the vessels will be greater than the good to come to this country by stopping the smuggling. That, however, seems to be for the United States to determine.

Congress, at least approximately, knows the extent of the smuggling and it knows in fact the sum appropriated to deport those that are found and arrested. The real information to be furnished by Secretary Kellogg had reference to treaties. In this he seems to be in accord with Secretary Hughes. The answer is that there are no treaties that conflict. With reference to comity, it can not be possible that we offend against comity by taking needed steps to prevent other nations' vessels violating our immigration laws, especially when the law will apply equally to domestic and foreign vessels.

MEMORANDUM PREPARED BY ANDREW FURUSETH

The opposition to this bill comes from the shipowners. They have at the present time the right to bring into ports of the United States any kind of men as seamen on board of their ships. And so there come into the ports of the United States the very kind of men who, in the immigration laws, are excluded from landing. Coming from China they pay up to $1,100 to be landed. Coming from Europe they pay from $200 to $400, and those coming from Europe are nearly all of them men who could not possibly get a consular visa to come. The only check on this condition is the Executive order which makes it obligatory on all of the vessels coming here to have their crew list visaed by American consuls abroad. The consuls have no machinery to segregate the bona fide seamen from those immigrants who masquerade as seamen. Consuls all say that the examination must be in ports of the United States. It will add practically nothing to the cost of examination which now is made in our ports.

Those who are not found to be bona fide seamen are, under this bill, to be delivered to the detention station by the master, to be kept at the detention station and to be sent out of the country as passengers on some other vessel except the one by which they were brought, and this is all at the expense of the vessel which brings them.

If this bill is not passed foreign vessels will be permitted to continue to bring 100 per cent of the kind of men who pay to be landed. On the other hand, under the mail subsidy American ships will be reduced to carry no more than 33⅓ per cent of noncitizens on vessels sailing under the mail contracts. The difficulty of organizing the crew so as to carry that third of orientals is so great as to make it almost impossible. With 50 per cent, as it is now, the orientals are employed in the steward's department. There are three departments of the vessel—the deck, the engine, and the steward's departments. It has shown itself possible to carry whites on deck and orientals in the engine and steward's departments, or to carry whites on deck and in the engine department with orientals in the steward's department. It has at all times shown itself to be impractical and substantially impossible to mix whites and orientals in the same department. And this does not rest alone upon the objections of the whites, but upon the feelings and desires of the orientals. They refuse as strongly to be mixed as do the whites, and that can be well understood not only for racial reasons but from the fact that the smuggling of men and narcotics would be extremely difficult if not impossible. Men can not be hidden for two weeks crossing the Pacific. They must have exercise and air, and the system which now obtains of working stowaways together with the crew will not be possible with part of the crew in the same department being whites. The result of this difficulty seems to be inevitable, namely, that the American ships will have to carry all whites while the foreign vessels coming here are permitted to carry 100 per cent orientals or men who are otherwise excluded. I call this specifically to the attention of the Senators here. The vessels under American flag will be at a serious handicap in about a year's time from now, unless this bill passes. It is astonishing that the American shipowners themselves can not see this and therefore continue their objections to this bill.

WASHINGTON, D. C.

WASHINGTON, D. C., *December 2, 1930.*

HON. WILLIAM H. KING,
Senate Office Building, Washington, D. C.

DEAR SIR: For many years vessels arriving in the United States have been manned by an excessive number of seamen. Sometimes the number is 100 per cent more than is required.

After the vessels arrive in the United States all excess alleged seamen are smuggled into the country. They go ashore and remain in the United States. Large sums are paid to the vessel owners or the officers for the privilege of being smuggled into America.

S. 202 introduced by Senator KING has for its object the prevention of the smuggling of aliens into the country as seamen. The bill provides that the vessels must carry away from the United States as many seamen as they brought here. It has passed the Senate but is held up on a motion to reconsider made by Senator BINGHAM.

The American Federation of Labor convention held in Boston October 6–17, 1930, adopted a resolution calling upon Congress to pass S. 202. Copy of the resolution is inclosed.

The resolution is submitted to you for your earnest consideration in the hope that you will protect the American wage earners during these days of acute unemployment by defeating the motion to reconsider.

The American Federation of Labor convention also declared its opposition to the unification of the immigration, customs, and prohibition patrols on the Canadian and Mexican borders. The opposition was based on the ground that "immigration enforcement would be sacrificed to prohibition enforcement."

Yours respectfully,

WM. GREEN,
President American Federation of Labor.

TO PREVENT SMUGGLING OF ALIENS

The American Federation of Labor, at its convention held in Boston, Mass., October 6–17, 1930, adopted a resolution urging Congress to reject the motion to reconsider the passage of S. 202 in order to protect the American wage earners. The resolution is as follows:

"Whereas it is known that a very large number of immigrants are smuggled into this country over the Mexican border because of an insufficient border patrol; and

"Whereas some 50,000 immigrants also yearly come into this country as seamen for the purpose of mingling with our population in violation of law; and

"Whereas these immigrants are such as can obtain no visas, being for sufficient reasons excluded from this country; and

"Whereas we have repeatedly petitioned for relief and have submitted efficient remedies, without obtaining action: Therefore be it

"*Resolved*, That the convention of the American Federation of Labor, assembled in Boston, Mass., demand that the King bill be passed and sufficient money appropriated to provide an efficient border patrol; and be it further

"*Resolved*, That this resolution be sent to our Senators and Members of Congress."

(Telegram)

SAN FRANCISCO, CALIF.

The following telegram received while at the convention of the American Federation of Labor, held in Boston, Mass., October 6 to 17, 1930:

ANDREW FURUSETH,
Care of Convention of the American Federation of Labor, Boston, Mass.:

States Steamship Co., of Portland, Oreg., operators of subsidized vessels from Pacific coast ports to Orient, have recently imported 21 Chinese seamen on said subsidized ships to be transferred on Pacific coast for service in steward's department on other American ships operated by said company in Pacific coast-Europe trade. Please enter vigorous protest and call attention to fact that thousands of American seamen are now unemployed and available for this work.

GEORGE LARSEN,
Secretary Sailors' Union of the Pacific.

[From the Washington Post, Saturday, February 19, 1927]

SMUGGLING OF BOGUS SEAMEN

The King bill (S. 3574) providing for deportation of certain alien seamen should pass this Congress. Immigration Committees of the Senate and House have had it under consideration for the last four years. It passed the Senate unanimously on February 2. There is no reason why it should not pass the House before adjournment. Between thirty and forty thousand immigrants are shipped on vessels as seamen in Europe and landed in the United States every year, and the number is growing. Average-size vessels are coming to the United States with a crew of between 50 and 60 and leaving again with a crew of 30, leaving behind them 20 or more persons who are of the excluded classes and who could not come into the United States at all except by being smuggled in. Larger vessels leave larger proportions of their crews behind.

These facts are admitted. The price per person for the smuggling ranges from $200 to $400. This, too, is admitted, and has been proved in courts in Hamburg, Germany, and in Norfolk, Va. Consuls in Europe know all about it. They are doing everything they can to stop it, but state without hesitation that they can do very little, and that the remedy is examination of the crews of vessels upon arrival in American harbors, so as to distinguish between the bona fide seaman and the immigrant who masquerades as a seaman. The bill provides for such examination. It is not any more difficult to determine who is a bona fide seaman than who is a bona fide stenographer, or watchmaker, or shoemaker, or any other calling that requires particular skill. A few technical questions will determine the matter.

The bill provides that those who are not bona fide seamen shall be deported, as passengers, on some other vessel at the cost of the vessel which brought them. The bill further provides that any vessel in leaving must have as many persons in her crew as she had on arrival. The bill also provides that no one can come as a seaman unless he can come as an immigrant—unless, first, he comes in a vessel in distress; secondly, unless he comes under the flag of the country in which he was born, as distinguished from that country's dependencies, colonies, or mandates. It is difficult to understand why there should be any hesitation about passing this bill, unless the opposition offered by foreign ship-

ping companies and their governments is to be accepted to the extent of permitting them to violate American laws.

In 1924 this bill was submitted to the Department of Labor, where it was indorsed, and to the Commissioner of Navigation, who suggested an amendment, which was incorporated. It was then submitted to the State Department, which answered that there was nothing in the treaties to prevent its passage. It suggested a minor amendment, which was incorporated in the bill.

It is difficult to conceive of any legitimate reason for hesitating to enact this legislation to put a stop to the smuggling of aliens pretending to be seamen.

[Editorial from the American Federation of Labor February 14, 1931]

WHY IS ALIEN GATE LEFT OPEN

President Hoover asked Congress to appropriate $500,000 to arrest and deport aliens who are unlawfully in this country.

The gate through which most of these aliens enter, however, will remain open.

Europeans pay $200 to $400 for the privilege of signing as seamen on a ship bound for the United States. Chinamen pay up to $1,100. On arrival here they step ashore and are lost in the large cities. Between 40,000 and 50,000 are annually smuggled in by this method, which is profitable to the captain and shipowners.

The International Seamen's Union for years has attempted to secure a law which would authorize immigration officials to examine these "seamen" before they are permitted to leave the ship. These aliens, if found to be not bona fide seamen, would be returned at the expense of the vessel.

The vessel would also be denied clearance papers if she attempted to sail with fewer seamen than she employed on arrival.

The King bill, now pending in Congress, has these provisions but it can not be moved.

[Annual Report of the Commissioner General of Immigration, 1930, p. 18]

For many years the problem of preventing alien seamen from deserting their vessels and remaining here without compliance with the provisions of the immigration laws relating to applicants for admission has sorely perplexed the bureau and its field officers. Shore leave and the right to search for another berth outward after being paid off or even following desertion can not be questioned, if the arriving seaman is a bona fide one in fact and physically fit. Sixty days are allowed for this purpose. All would be well if alien seamen would always go out after landing allegedly in pursuit of their calling, but we can not keep such seamen under surveillance and we do not know, as a matter of fact, how many leave and how many remain. The situation has been rendered more acute in recent years by immigrants, barred from admission by the quota law, effecting entry as alleged seamen in pursuit of their calling. Some improvement in the situation, however, has been noted, particularly in the past year, brought about in part, perhaps, by the act of March 4, 1929, making it a misdemeanor for any alien to enter irregularly and a felony to enter or attempt to enter after arrest and deportation. In the case of a seaman, arrest and deportation now spell forfeiture of all future seaman landing privileges.

During the past year there were 9,117 recorded desertions of alien seamen, as compared with 11,314 in the fiscal year 1929 and 12,357 in the fiscal year 1928.

STATEMENT OF ANDREW FURUSETH, LEGISLATIVE REPRESENTATIVE NATIONAL SEAMAN'S UNION, BEFORE SENATE COMMITTEE ON IMMIGRATION

Mr. FURUSETH. Mr. Chairman and members of the committee, there are about 1,000,000 seamen coming to the ports of the United States every year. Deducting the licensed officers who do not desert, and taking away the petty officers who very rarely desert, you have still between 400,000 and 500,000 men who are possible deserters or who may come into the country for 60 days under the law and according to the rules; and the result has been for many years now—it began in 1920 to some extent, but in 1921, after the quota law was passed, it took final shape and it has gone on ever since—that the vessels came here with men who claim to be able seamen and who claim to be ordinary seamen and who are shipped on the other side as seamen, but who as a real practical matter are immigrants coming here in violation of the immigration laws.

I first brought the matter to the attention of the then Secretary of Commerce, Mr. Alexander, in 1921, and he said that he thought they could make regulations dealing with it; but that after a while they found they would not be efficacious, and the fraudulent immigrants have continued to pour men in here ever since. Vessels have been coming here with 200 men and going away with 160. In one instance a vessel came in with over 300 men and went out with 250, those being Greek vessels.

On the Atlantic it is constantly going on, especially vessels coming from Mediterranean ports, from French ports, from Belgium, Holland, and Germany. Up to the present time they have not been using this method of emigrating to the United States to any great extent from England nor from the Scandinavian countries. But as the pressure to get to the United States becomes stronger and stronger there is not any doubt as to what they are finally going to do.

The decent, law-abiding shipowners at the present time do not want to do those things, and if this bill that was introduced by Senator KING is adopted it will be a protection to the really high-class shipowners, to those who want to obey the law; but it will be a deterrent to those who do not try to obey the law, and it can be done without in the slightest way bringing about any friction with foreign governments.

Each government has either a regulation or a statute law dealing with the manning of vessels, but that is a minimum. Now, the master or the owner, as the case may be, may add as many more to that as they want to, but the laws of their own country pledge them to bring back again the men, in so far as they can, or an equivalent number of men. They are not punished if they do not bring back an equivalent number, of course, as long as they have the minimum that they must have for safety.

So that this thing continues all along the line. In the matter of the Chinese it has gone on now for over 20 years to my knowledge. We have had a tight exclusion act since 1891—as tight as we could make it. Notwithstanding the fact that there are very few Chinese women in the country, we have more Chinese men in the country now than we ever had, and they are as young as they were in 1891. The explanation of that is very simple: They bring in all young men and exchange and take old men away, and add to the population, of course, bringing in stowaways, which they are doing constantly. Once in awhile they are caught as when one of the big Shipping Board ships was caught with 83 on board at Seattle some years ago. Another was caught with some of them hiding in coffins in the hold of the vessel in Honolulu, and so on. There are always men coming in as stowaways because they want them to come.

Senator REED. Will you let me put in the figures at this place, Mr. Furuseth?

Mr. FURUSETH. Yes.

Senator REED. The report of the Commissioner General shows that in the last fiscal year there were 19,710 deserting alien seamen, of whom 11,218 deserted at New York, 2,378 at Philadelphia. The same report also shows that alien stowaways were found on board vessels arriving at American ports to the number of 1,907, of whom 929 were found at New York and 204 at New Orleans.

I thought it just as well to have those figures in the record at this point.

The CHAIRMAN. In the last fiscal year how many alien seamen deserted?

Senator REED. Nineteen thousand seven hundred and ten.

Mr. FURUSETH. I presume that they get that from the consuls.

Senator REED. They would get that from the clearance of the ships, would they not?

Mr. FURUSETH. No; I don't think they examine into that. That is just the trouble; they do not examine into the crew when the vessel goes out. That is true, is it not, Mr. Hurley, unless there is some special arrangement?

Mr. HURLEY. I might state for the benefit of the chairman that the master of the vessel is supposed to make a report of all changes in his crew while in United States ports. We are obliged, under section 36 of the law, at the present time to depend upon the master to make that report. During the war we had a check on them, as a result of which we imposed fines to the amount of $79,000. But, owing to the depleted state of our appropriation, and, hence, inadequate force, we do not check out the crews of vessels before sailing. But the master is under a penalty of $10 each for failure to make report of the crew. He submits a report, 689, at all ports in the United States. Those reports are inaccurate and incomplete, as I know from my own investigations.

The CHAIRMAN. What becomes of these 20,000, in round numbers, that desert? They get into the country and that is one of the holes that we have in the immigration law?

Mr. HURLEY. Yes, Mr. Chairman; they do.

Senator REED. Do they not often reship?

Mr. HURLEY. Sometimes they reship, but we find them in the factories and industrial plants all over the country. I have been making an investigation of that at the direction of the commissioner and Attorney General.

Senator REED. Some one from the Department of Labor, as I recall it, estimated that about two-thirds of them reship foreign.

Mr. HURLEY. In my annual report I made that estimate, but men who are probably more accurate on the estimating than I am said——

The CHAIRMAN. It is a hole in the immigration law that if we can properly do so we ought to stop up?

Mr. HURLEY. Oh, absolutely, because it is the biggest hole we have in the immigration law. I will not say to the figures at the present time—probably our temporary visitors are about one of the biggest, but that is one of the biggest problems we have to deal with.

Mr. FURUSETH. Mr. Chairman, I think it can be proven it is the biggest hole of all, for this reason, that you take the vessels which come to Mexico and then take the vessels that come to Canada and examine the passengers who come in those vessels, if they were all to come across the border that would not account for the men who are here in violation of the law.

So that, as I say, is the biggest thing.

After investigations that I have made for years into it, I know how they do these things. When I was over in Europe I watched them signing on, I watched the men being registered in the shipping office in Antwerp—it was a joint shipping office operated by the shipowners and the seamen together, and I sat there for one solid day watching men being registered for

shipping out of that shipping office, and during the time that I was sitting there more than 20 men were turned down as not being seamen, although they had papers that showed that they were everything—they had continuous discharge books, their American seamen's certificates, their able seamen's certificates, American seamen boat service—they had papers in the fullest and most complete order. But there being a seaman behind the counter examining them, he looked at them and said, "This man don't look very much like a seaman to me"; and he asked him some technical question and the man fell down, and then he said, "No; you are not a seaman. Never mind about the papers; you are not a seaman."

They are manufacturing fraudulent papers in Europe, so that you can buy them in every port in Europe from Greece all around the Mediterranean to Hamburg, to my knowledge. I know of a consul's office in Berlin where I was told they had an entire building, occupying it for no other purpose than to make fraudulent papers of all descriptions. The men who made those papers were usually Russian Jews, but they were making them, although they had succeeded in breaking it up.

The consul at Antwerp and the consul at Hamburg and the consul at Berlin told me that they did everything they could to stop this kind of thing, but that it was utterly impossible for them to do it.

Of course, the consul at Berlin said, "I am dealing largely with false visas in one way or another, and false certificates of birth." But the consul at Antwerp, the consul at Rotterdam, and the consul at Hamburg were unanimous in telling me, "You can not stop this kind of thing. It is utterly impossible to stop it. It has got to be stopped by prompt investigation when the vessel comes into the United States."

Let me show you how it went on there: After they had been examined and listed for shipment, the next day I stayed there watching the men come in, and man after man came in before the captain and he picked the best-looking men and the men with the best papers for the fireroom, for the engineer was there with him and picked for the fireroom; the captain himself picked men for the steward's department and the deck department.

I saw those men go from that shipping office to the English consul to be signed. I went with them from there to the American consul to have their articles visaed, and I was there the next day when the vessel was going to go to sea, and there were seven men missing. The shortage of seven men was filled up from a Greek boarding house—the men who backed out were Greeks; the men who took their places were Greeks. The captain and the Greek boarding master and the men worked together. The consul was as helpless as a babe; he could not do anything to stop it.

That is the situation in the shipping offices where they are trying to do everything they can to prevent this thing.

The CHAIRMAN. It is your view that these substitutes come here and they are the deserters who get in?

Mr. FURUSETH. They are; the bona fide seamen you do not need to worry about. They come and go. But these people I was talking about a moment ago do not come as bona fide seamen. They pay up to 10,000 Belgian francs—last year they were paying as high as 10,000 Belgian francs to get across. They are paying in Hamburg a similar sum, but in German marks. Here in this statement that I prepared is a report upon an entire arrangement, so to speak, of some 12 or 14 men working together to send men from Hamburg over to the United States as seamen ostensibly, but as passengers in fact as emigrants.

The CHAIRMAN. That statement is a brief one, is it not?

Mr. FURUSETH. Yes.

The CHAIRMAN. Would you like to have that inserted in the record?

Mr. FURUSETH. I would like to have the whole thing inserted, because it deals quite fully with the subject.

The CHAIRMAN. If there be no objection, it will be inserted.

(The statement referred to is as follows:)

SMUGGLING IMMIGRANTS AND NARCOTICS THROUGH THE UNGUARDED SIDE DOOR

"There is almost unlimited wealth to be obtained through smuggling of immigrants and narcotics by means of the vessels that visit ports of the United States. The smuggling of diamonds and opium was profitable in the past, when duties were very much lower than now and the use was mostly limited to Chinese; but since costlier and less bulky narcotics are being sought and used by many citizens, the profit and therefore the temptation is very much increased.

"Up to July 1, 1921, there was no absolute exclusion of persons except Chinese and the smuggling of Chinese was very profitable, as shall be shown later; but on July 1, 1921, the immigration policy of the United States was reversed. Excepting the Chinese, the policy was that all who were not excluded for cause might come and be welcome; since July 1, 1921, all are excluded except those who are by law specifically permitted to come. In the last Congress this was made effective by adopting a quota to be filed in the country of departure and that none may come except such as may become citizens of the United States, thus excluding the Japanese, Hindus, and others. In addition to this general exclusion, the number of persons permitted to come from the shores of the Mediterranean countries from eastern Europe and western Asia was so seriously reduced that there are legions who want to come but who are excluded and who, therefore, are seeking the means to evade the law. Thus the smuggling of immigrants is already a very thriving business, which will be increasing until the immigration is made something like a farce. If this last is to be prevented, the unguarded side door—the shipping—must be controlled and properly guarded.

"The experience with the Chinese will serve as an excellent illustration. We have had what has been thought a tight exclusion of Chinese since 1891, and yet we have, notwithstanding the practical absence of Chinese women, more Chinese than we had in 1891, and they are as young as ever. The explanation is rather simple. American and other vessels bring Chinese as seamen to our ports. The importers—the Tongs—send young men in the vessels from China; they are in our ports exchanged for those here who are old and want to go home; but in addition there is a premium of $1,000 or more for each Chinese so landed in the United States, that they can mix with and be lost in the Chinese population. To earn this premium is easy, if the vessels are permitted to come here with Chinese as seamen. There are two regular ways of doing this. In an American vessel the number of seamen, exclusive of officers, is determined by the local inspectors of steam and motor vessels. The inspection contemplates men belonging to the Occident. The vessel goes to the Orient and there she takes on a Chinese crew, which by custom or general usage means two Chinese for one white or so-called white; one-half of the crew, or thereabouts, leave in our ports and the vessel goes away presumably fully manned, since she has the number of persons provided by the inspectors.

"The other but less safe method is to stow away any reasonable number of Chinese on leaving the Orient. Those men then exchange with the proper crew at sea to give them the needed airing and the officers can not be proven to be informed of this unless the Chinese will talk, and that they never do. The Chinese have the well-deserved reputation of being the most reliable of all men in such matters. The question is then one of landing them. That is generally successful. Once in a long time there is a slip, but then the vessel can not be proven guilty. From one dozen to eighty-odd such Chinese have been found even on vessels belonging to the United States and operated by or under contract with the United States Shipping Board. Thus the Chinese come.

"The smuggling of narcotics is so general and discovery and capture so common that it is hardly considered news worth printing as such. The profits may be easily estimated from the following letter, originally published in facsimile in the Seattle Post-Intelligencer and dated November 9, 1922:

"'I went to your office this afternoon applying for a job as interpreter. I beg to say that I will hand you over $1,000 for the job if you can fix up for me. I will come to see you immediately when your ship returns from Manila, and I do hope you will combine with the chief steward and also I will do him good when the job succeeds.

"'Yours truly,

"'LO WING PO.'

"The Japanese are now excluded, and they will be willing to pay about the same price as is now being paid by the Chinese. The Hindus are coming here in English vessels, especially. So much for the orientals.

"With reference to the Europeans, the greatest violations up to the present have been on vessels coming from the Mediterranean, in so far as immigrants are concerned, with Germany, Belgium, and Holland gradually coming to the front. The Italian longshoremen in New York could tell much about it, if they, as they quietly say, 'were tired of life.' It is notorious that vessels have gone away with less number of men in their crew than they had on arrival here in the United States. About what takes place in such ports as Havre, France, from whence many come, I can only speak of as it was told to me in Europe; but as to what is being done in Antwerp, Rotterdam, Amsterdam, and Hamburg I can speak from personal knowledge. I was, in June, July, and part of August this year, in Antwerp and Rotterdam twice, Hamburg and Berlin once, besides some ports in England, Norway, Sweden, and Denmark.

"In Antwerp there are two regular shipping offices. One is run by the British shipowners and seamen's union jointly, and there is every effort to prevent emigrants to the United States being shipped as seamen. I watched the men register for shipping. They were registered by a practical seaman; they had to show that they were real seamen by exhibting discharges from previous vessels, able seamen's certificates (American), passports, and such other papers as they might have; but there were some who nevertheless were rejected. I asked why and was told that their papers were forgeries. They were asked some technical questions, which exposed them.

"The next day I watched them being picked by the masters and engineers. I saw them go to the consul to be signed and then the crews of vessels going to the United States were taken to the American consul to have the crew list visaed, and then when the vessel was going out some of the best looking men, in this case Greeks, were missing and substitutes were furnished by the Greek boarding masters. With all the care taken emigrants were sent, the leak was obvious, and the men who tried to prevent it were helpless. When the men, the boarding master, and the shipmaster work together, there is no way that I can see of preventing those substitutes, and such is also the opinion of consuls with whom I spoke. The consuls say that there must be a thorough examination of the men on the arrival of the vessel in the United States and it must be made before any substitution can be arranged.

"In the Belgium shipping office where the men are registered by landsmen, the number who register on fraudulent papers uttered in Belgium, and more especially in Germany, is very large. I was shown a large bundle of false papers taken from men within

a very short time. I was told that they simply take away the papers unless there is some chance of getting at the forger, but if he has not forged any Belgium papers he can not be sent to prison. I asked why do you interest yourselves in whether the papers are false or not, and they told me that they desired especially to protect the vessel, which might be fined $1,000 in the United States. On inquiry among men who knew what was going on, I was told that by paying from 1 to 5,000 Belgian francs one could get the needed papers and be sent as a seaman to the United States. I was further told that most of the forgeries were uttered in Berlin, Germany, and that the forgers were Russians living in Berlin. I shall speak of this later. The situation in Rotterdam and Amsterdam is a duplicate of Antwerp. In Hamburg the whole thing is on a larger scale, which is best described in the report of court proceedings published in Die Schiffahrt, February 25, 1925, and the system described is by no means ended. The extension and continuation is shown in and the other items of news attached. A translation by the Bureau of Labor Statistics is appended to this report. I was informed by the consul that reports of that trial and other matters of immigration interest are from time to time reported to the Consular Bureau of the State Department whence they will no doubt be obtainable by Members of Congress or of the Senate. In Berlin I was told by the consul that some time since they had succeeded in breaking up a very well-equipped establishment where all kinds of forgeries were uttered to provide emigrants with the needed papers to get to the United States as seamen, or as emigrants, and that this had been reported to the Department of State. There I was again told that when one forgery establishment is broken up another is shortly established, and that the only hope is proper and quick examination in the United States. There does not seem to be much of these violations as yet in English or Scandinavian ports, but as the pressure increases there does not seem to be any reason why it should not develop from those ports as well as from other ports in Europe.

"What becomes of those men when they arrive? A large percentage of those from the Mediterranean seem to go, to begin with, into the coastwise trade and in vessels with a good chance for smuggling. From these vessels in the coastwise trade they seek and find other employments. They are, next to the Chinese, the most expert and reliable smugglers.

"The remedy for this condition—the guarding of the present open side door—would seem to lie in the adoption of the amendments which Mr. Raker, of California, offered to the immigration bill and the deportation bill before the last Congress. With reference to the coastwise trade, there does not seem to be any real obstacle to provide that the coastwise vessel found employing men not properly entered into this country should as a penalty for violation of law be compelled to pay the expenses in keeping and deporting such men as may be found on the vessel. If they were compelled to pay the cost of deporting such men, they would not employ them. It is said that a burnt child shuns the fire.

"Respectfully submitted.

"ANDREW FURUSETH.

"DECEMBER 1, 1925."

[Translated from "Die Schiffahrt" Berlin, February 28, 1925, in Bureau of Labor Statistics, October 3, 1925]

NEWS ITEMS

LAND SHARKS AND DEALERS IN SOULS CARRY ON FOR YEARS A LIVELY TRADE IN HUMAN BEINGS

The old proverb, "The pitcher that goes too often to the well is broken," came true also in the case of this gang and in spite of all its slickness. A deceived deceiver raised a hubbub and thereby attracted the attention of the State's attorney to himself and his accomplices. In a relatively short time 10 to 12 persons suspected to have smuggled Germans and aliens to America were arrested. The judicial inquiry took months. At the beginning of the present year a number of the suspects were indicted and the trial took place March 17, 18, and 20.

The persons indicted were Behrens, a police officer; Barnost, a lodging-house keeper; Evers, Grimm, Stark, and Fegert, employees of the employment office of the Hamburg-American Line; Asmussen and Miles, employees of the seamen's registry office at Hamburg; Glussing and Bromme, shipowners' agents; Lehnert, a former first mate; and Lebowitz, a teamster.

With the exception of Barnost, who said he was a merchant, all other defendants were poor devils with itching palms.

The business of the gang consisted in getting men with cash funds, mostly Czechoslovaks, to America, who could not get there in a legal manner. At first this smuggling of emigrants was a rather simple and easy matter, but after the American Government had issued stricter regulations on immigration, the method had to be changed. In the first place emigrants had to have "white" registry certificates. These were furnished by Behrens, the police officer, who issued them to alien emigrants at the home of Barnost. These, however, were not sufficient, they also needed seamen's books. These were provided by Asmussen and Miles, employees of the seamen's registry office. But in order to be hired on a vessel bound for America, a seaman must have served on board of ships. Asmussen and Miles, therefore, certified false voyages in the bogus seamen's books. But the procedure was still incomplete. According to an order of the consulate only German citizens could be hired as seamen, therefore, the names of the emigrants and their places of birth were falsified in the seamen's books. However, even when the alien is in possession of the false "white" registry certificate and the false seaman's book with a falsified name and place of birth, he can not get to America unless he is hired as a seaman on a vessel. The alien in question was, therefore, entered on the register of applicants for employment by the employees of the employment office. But to get on board the alien must have a physician attest that he is suited for sea service. The smugglers' gang did, however, not risk to bring the aliens before a physician for examination, being afraid that he would discover the whole swindling procedure. Therefore Stark issued falsified medical attests. The aliens, who by this lengthy procedure had now become experienced German seamen were then hired by the agents of the shipping company (Glussing and Bromme) and brought on board of a vessel. In this manner dozens, nay, even hundreds of aliens have been brought on board of vessels as seamen, and, when their vessel arrived in America, they promptly deserted. The shipping companies had to pay head taxes for them and fines, and meanwhile a large number of German seamen idled away their time in unemployment. The smugglers, however, did a thriving business. Whoever wished to be smuggled to America had to pay from $160 to $200, which were divided by the gang. It happened, however, sometimes that the smugglers cheated each other out of this graft money.

Five attorneys attempted in a very able manner to obtain an acquittal of their clients. Numerous witnesses and experts were summoned to the trial, but among them were not experts from seamen's circles, although the seamen are being most injured by this smuggling.

The State's attorney demanded that the principal defendants be sentenced to two years in the penitentiary and that the other defendants be given jail sentences. The court meted out the following sentences:

To the defendant Barnost, six months in jail and 2,000 marks fine; to the defendant Behrens, six months in jail; to the defendant Lehnert, eight months in jail and 1,000 marks fine; to the defendants Asmussen and Miles, each six months in jail; Lebowitz, four months in jail (considered served through detention while awaiting trial); Stark, three months in jail; Grimm, 600 marks fine; Fegart, 100 marks fine. The defendant Bromme was acquitted. In case of nonpayment of fines the defendants had to serve one day in jail for each 10 marks.

Through the above sentences the court has attempted to punish the culprits. It is, however, our belief that neither all the smuggling nor all the smugglers have been discovered. This should be a lesson to all those who have got off for the present with a black eye, to keep their hands off such kind of busnness—or to proceed with greater smartness. The seamen themselves can, however, and must make impossible such graft by better organization and mutual control on board ship and on land. Every case in which smuggling is suspected should be reported to the bureau of the federation. Only then will it be possible to remove smugglers and smuggled aliens from navigation.

[New York Herald Tribune, November 27, 1927]

FIND 11 CHINESE HIDING IN COFFINS ON "PRESIDENT LINCOLN"

HONOLULU, November 26.—Working on information from special agents in the Orient, immigration officers searched the Dollar liner *President Lincoln* as she docked here to-day and discovered 11 young Chinese hiding in coffins in the hold of the vessel.

According to letters which had been forwarded here, the men were consigned to individuals in San Francisco and $1,100 was to be paid to Tong Nam, a steward, upon the safe delivery ashore of each Chinese. Tong Nam was arrested, but refused to talk, so the immigration officials ransacked the vessel.

It was not until an officer climbed through tons of ship's gear and accidentally knocked off the top of one of the coffins that the plot was discovered. In the coffin a Chinese youth was stretched out, with baggage and food alongside him.

The officer then unearthed 11 coffins and each was found to contain a live Chinese with baggage. All were taken into custody, together with Tong Nam and several other members of the crew who were suspected of being accomplices. It was said that the *President Lincoln* is liable to a fine of $1,000 for each "bootleg" Chinese.

District Director of Immigration A. E. Burnett said it was ridiculous to believe that only the steward had engineered the smuggling, as the men in the coffins had been fed daily and the ship had undergone a thorough search before clearing from the Orient. He blamed "higher-ups" aboard the ship. He said the fact that only 10 sets of paper and pictures were found leads him to suspect that some one aboard the vessel had similar data.

[Daily News, New York, November 25, 1925]

Biggest opium haul in recent years was made by customs inspectors, headed by John Sterling, when they searched the steamship *Eastern Prince*, which arrived yesterday, and seized half a million dollars' worth of the drug.

Mr. FURUSETH. They explained how they were doing this thing right along, and complaints were made. The authorities of Hamburg investigated it. They found it was true, and they sent some of them to jail with heavy fines and some to jail without fines, and only one of the clique escaped. But that only lasted for a few days, and then it was simply working along in the same way again.

I went into a shipping office run by the Ship Owners' Association, and I was sitting there talking with him and he said, "Our

great trouble here is to prevent frauds from getting aboard the ships. They are coming here with false papers every day. That bundle of papers lying on the desk are false papers that have been gathered here in about a month." And I picked them up, and they were packed closely together, and it was all I could do to pick them up like that [illustrating]; that is to say, I grabbed over them like that [illustrating]. You can see how many there were.

The CHAIRMAN. Mr. Furuseth, perhaps there is no question about them fraudulently coming in.

Mr. FURUSETH. I have disposed of that.

The CHAIRMAN. Would you state, please, wherein this bill would prohibit the practices of which you complain?

Mr. FURUSETH. First, you want to examine the men as they come in, and then distinguish the bona fide from the mala fide seamen. That is not a difficult matter, gentlemen. I can do it; anybody who knows anything about seamen can do it. The immigration officers have men they can put at that work.

They go and examine the crew. First, they have papers in the ship's cabin and they look at the papers that the men have given to the skipper. They have got to do that anyway in foreign ships. So there is no difficulty about that.

Then they find men about whom they are in doubt. This bill provides that the mala fide men, those who to all appearances are fraudulent and have come here as emigrants, shall be taken out of the vessel, shall be put in the detention station, shall be kept there at the expense of the vessel that brings them in, and then send them back as passengers on another vessel to the port from whence they came.

The CHAIRMAN. Right there. You will pardon me for this informal sort of way of going about this. I thought I might hasten the thing a little bit. Is there any reason why if you have here appropriate help under section 2 of this bill the examinations that are suggested can not be made?

Mr. HURLEY. Not if we have sufficient appropriation to provide adequate help. I am satisfied the Government can do almost anything, Mr. Chairman.

The CHAIRMAN. It provides that every alien, and so forth, shall be examined by an immigration inspector to determine whether or not he, first, is a bona fide seaman, and, second, whether he is an alien of the class described in section 7 of this act; and by a physician of the United States Public Health Service to determine whether or not he is suffering from any debilities or diseases specified in section 35 of the immigration act of 1917. Those things can easily be done by the immigration officers?

Mr. FURUSETH. They are done right along.

Senator REED. That adds a million examinations to the 600,000 you are making now, does it not?

Mr. HURLEY. Our figures were given in the commissioner general's report as 1,400,000. But when speaking about those desertions, I just want to have the committee straight on that. I checked up with the consuls representing 10 of the leading maritime nations of the world. The figures given in New York at the immigration offices as submitted by the master on his report, 689, were verified and they were more than 7,000 short of what I found the figures in the consuls' offices.

Senator REED. Then wouldn't you get better results from more people if you are given enough appropriations to check up on these masters' reports?

Mr. HURLEY. Absolutely. We did that during the war; and if we do that, I think we ought to have full control.

Senator REED. That would help?

Mr. FURUSETH. That would help but would not stop this thing.

Mr. HURLEY. It would not stop them coming in.

The CHAIRMAN. Do I understand that the discrepancy of 7,000—that there were 7,000 more than the masters of vessels had reported?

Mr. HURLEY. Yes, sir; that is from one port alone.

The CHAIRMAN. What is the reason for that?

Mr. HURLEY. I will tell you, Mr. Chairman, from my observation, having full charge of this seamen's work throughout the United States, the master seaman does not care for our laws to start with, and he will make no report for anybody to check up. I will say this: Reputable steamship lines, I think, have required the masters to be more careful in signing that report.

Here is another thing in connection with a lot of people signing off: The master, when he comes to New York and enters his boat at the customhouse, is invited to go and visit friends. He may arrive at New York or elsewhere. Under the rules of the Cunard or White Star Lines they understand they have got to be aboard 24 hours before sailing. He goes aboard and says to the purser or ship's clerk and the steward and chief engineer to submit a report to him of changes in the crew. He signs that automatically; he depends upon his subordinates to furnish him with an adequate report of changes in the crew.

Senator REED. He has to do that?

Mr. HURLEY. Yes; but he understands there is no responsibility except to sign it. If we had men there to check up, we would know.

Mr. FURUSETH. I want to say one word about this proposed increase in examinations: It would not increase the number of examinations at all, because they are compelled under the existing law to examine everybody as to health. So, it will not increase examinations, and all the immigration officials have got to do is add two additional columns on their report sheet and check that. When they come to a man who is a bona fide seaman, they check him off as a bona fide seaman; and when they come to one who is not, they check off that man as a mala fide seaman. It does not increase the examinations at all.

Some one will possibly say that the master and owner of a vessel are here being penalized for something that they do not know anything about. Gentlemen, I will take that with a "grain of salt."

I have myself sailed for 12 years all over the world, and I have had to do with nothing but seamen since that time; that is, since I quit sailing. I know what is going on, and I know and will stake my reputation for truthfulness on this proposition, that the smuggling of narcotics to any great extent and the smuggling especially of men can not take place at all unless the master knows it, and in some instances my conviction is—though I do not charge that universally—that the owner knows it.

There is so much money to be made in this thing that if you take away the incentive and put the cost back upon them, checking them back from the country from which they bring in illegally, you will stop this thing, and in a simple way, without hurting any legitimate steamship company.

The next proposition in the bill is that they shall take away as many men as they bring.

Senator REED. As many aliens of the same kind?

Mr. FURUSETH. No; take away as many as they bring.

Senator KEYES. You mean as many as there are in the crew?

Mr. FURUSETH. As many as there are in the crew.

Senator REED. Would you let them take away Americans to replace aliens?

Mr. FURUSETH. Some will come here and say that that will likely be the situation. But that is not likely to be the situation. What they will take away is the men they brought; if not the same men, they will come in with one vessel and be here 40 or 50 or 60 days, and then they are ready to go back, because they have made a failure or something, and they have no difficulty getting them. They go to the ordinary "crimp" to get them. The crimp knows how to find them, and he will furnish them, and they will have no difficulty at all as to getting them.

But if you say that they shall take away the alien, then they will simply say, "Why, I can't get them"; and then they hide themselves under that proposition; and that would then be equivalent to putting an embargo on them. If you apply that to the Japanese—and necessarily you must, because the Japanese will do the same as Chinese—if a Japanese vessel comes in here with a crew two to one of what we carry, and they leave behind 25 or 30 or 50 per cent. Under the terms of this bill they have got to take away as many as they bring. They can not get Japanese, because the Japanese will not go away again; they will have to get men to go. Then they will have to take any men they can get, but in that case they will have to pay men to go to Japan and pay their passage back to the United States, and it becomes so expensive that instead of doing that kind of thing they will carry the kind of men who will stay on board the ship.

There is no harm to them in that direction.

Then, with reference to taking away, it has been stated here several times that the vessel may be held up.

The CHAIRMAN. You mean "held up" because it is declared to carry a crew equal to the number that is brought in?

Mr. FURUSETH. Yes; that the men may leave at the last minute and they have not a complete crew, and the big liner will be held up on that account.

The CHAIRMAN. As I recall the argument a couple of years ago on a bill somewhat similar, that was the statement that was made?

Mr. FURUSETH. Yes.

The CHAIRMAN. That it would prevent vessels from sailing?

Mr. FURUSETH. Yes.

The CHAIRMAN. Now state, please, what you think will be the result.

Mr. FURUSETH. I will show you exactly what is taking place, so that you will know there is nothing to that argument. First of all, our law provides that a man can not leave a vessel except with the captain's permission in a port of the United States—that is, an American ship—within 24 hours of the time of the vessel's sailing. He has shipped himself on board the vessel. The presumption is he wants to go. He came there voluntarily, and in order that the vessel may have a full crew when it pulls out the captain is given authority to prevent anybody leaving in the last 24 hours. That applies to foreign vessels just as much as to American vessels. They check out the crew in the morning and leave in the afternoon or they check out to-day and leave tomorrow.

Under their laws they can not sail vessels unless they have a certain minimum crew. What do they do to guard against that? They have a boarding master, or "crimp," as we call them, who brings down to the vessel a certain number of prospective men. We call them "pierhead jumpers." They are waiting there until the vessel is ready, and if the vessel does not need anybody they are paid that day's wage for coming and waiting; and if they are needed they have their bag with them and they jump on board. So that this thing will not delay any vessel 15 minutes.

I have looked into that most carefully, and I know that all the steamship companies that want to do the right thing, such as the Cunard, White Star, Scandinavian, and American Lines, are not violating the law to any extent, if they are at all. But there are others who are making a practice of it.

These companies who want to do the right thing are suffering because of the other fellows and you put a thousand-dollar fine on them under certain conditions, and let me show you how that works out: A few days ago a vessel by the name of *Batavia* came to Boston. There were two men there of whom the immigration official undertook to state in his opinion were mala fide seamen. One unquestionably was, because he was shipped as an able seaman, or as they call "seaman," when he had never been to sea

before. That is a mighty good evidence that there is something fraudulent about it. The other was a young fellow who was shipped as an ordinary seaman. They were ordered to keep on board the vessel. What did the captain have to do in order to keep them? He put them in jail in New York and in Baltimore. I was told about it from Baltimore and I learned the vessel was to go to Norfolk, and I sent a wire to our agent there, and I said, "Get a lawyer and get habeas corpus; get those two men before the court. They have no right to make any ship a prison." Why did the captain do that? Because if he lost one of those men he was $1,000 out; if he lost them both he was $2,000 out; so he pays somebody to keep them in jail for him. If you adopt this kind of a proposition, all that thing falls of its own weight.

So that there is nothing to hinder you from adopting that provision that they shall carry away as many as they bring in the crew. Some will come in and say, "Well, we don't need them in the crew." The laws of their country provide that they shall bring them back unless they are deserters. If they are sick and put off because they are sick, they must be brought back at the expense of the country in question—repatriation of seamen, as they call it. So that if a man is left in the hospital, you see, there is the exemption, there is no need of taking anybody in his place, because from the immigration point of view, at any rate, that man will be sent home by the consul when the time comes, when he is fit to go; and if he is dead, of course, he does not add to the population.

The third thing in the bill is this—

Senator REED. Before you get to the third thing, let me ask you this:

Mr. FURUSETH. Go ahead.

Senator REED. If there are $300 or $400 in it for the master of a ship to bring an immigrant over here in the guise of a seaman, why will he not continue to do that and then go to the crimp, as you call him, and get some seaman to replace him. He will make the same amount of money?

Mr. FURUSETH. If you examine the men to begin with, don't you see that there will be no difficulty?

Senator REED. I can see that this check will serve a useful purpose, but I was looking at this requirement about taking away as many as they bring in?

Mr. FURUSETH. That only checks the number; the second proposition checks the number, that is all it does. It is not calculated to do anything else. It can not very well do anything else, because you can not demand of them that they shall take aliens, because they claim then they will not be able to get them, and they claim that is embargo.

Senator REED. Will not that put the outgoing ships, the great liners which sail on schedule, at the mercy of a strike in their crew? Suppose an hour before sailing time 20 of their steward's department walked out?

Mr. FURUSETH. They might do that if they could get ashore within an hour. But they are on board of the vessel, there are guards at the gangways, and within 24 hours of sailing time they can not leave the vessel at all except by the captain's permission.

The CHAIRMAN. What is the last provision in the bill?

Mr. FURUSETH. So that I think that answers the proposition raised by Senator REED.

Now, Mr. Chairman, the last provision in the bill is that no one shall come to the United States as a seaman unless he could come as an immigrant, unless the vessel comes in distress, or he was born in the country under whose flag he comes as a seaman. In the case of a Japanese vessel, as long as it has a Japanese crew it can come and go and the men come and go ashore just like the men on an English ship. But if she has Koreans, Chinese, or Hindus in her crew, they would be taken from her and sent back at the expense of the vessel that brings them in, except, of course, if she comes in here in distress. That simply means that they are not going to come here as they do now, with a mixed crew of Koreans, Chinese, and Japanese, and the Chinese go ashore and add to our population. They are not going to continue to do that then; they are going to carry Japanese, because that would cost them less; on the other hand, it would cost them a good deal to violate this kind of law, more than they could get out of it.

FEDERAL FARM BOARD WOOL-MARKETING PLAN

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent to have printed in the RECORD certain data relating to the resolution offered on February 18 by the Senator from Tennessee [Mr. McKELLAR]. The resolution is Senate Resolution 455 and is entitled "A Resolution for an Investigation of the Subject of the Federal Farm Board's Dealings with the Cotton Situation." The data, comprising a telegram and certain articles which I have asked to have printed in the RECORD, relate to the Federal Farm Board wool marketing plan.

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

The data are as follows:

BOSTON, MASS., *February 19, 1931.*

Hon. DAVID I. WALSH,
United States Senate:

To-day's newspapers state Senator McKELLAR, Democrat, of Tennessee, has presented resolution for appointment of special committee of five Senators to investigate all dealings of Federal Farm Board relative to cotton. I suggest you amend this resolution to include wool and mohair. Please note my letter on editorial page Boston Herald to-day headed "Farm Board Chairman"; also, Herald editorial to-day headed "After Legge What?"

ROBERT L. STUDLEY,
Of Studley & Emery.

[Reprinted from the January, 1931, issue of Boston Business]

THE FEDERAL FARM BOARD'S WOOL-MARKETING PLAN—WE ARE THE VICTIMS OF AN UNWORKABLE SCHEME

By Robert L. Studley, partner, Studley & Emery

Since the establishment of the first woolen mills in New England along the sides of the streams which furnished water power, Boston has been the wool-distributing market of this country. How far back this dates I do not know, but I do know that as the business of this country has expanded, the wool market of Boston has done likewise. Wool is the one industry that has stayed in Boston. While other industries had their origin in Boston and have moved to New York, to the West, or to the South, the raw-wool industry has remained within the confines of Boston. Outside of London, Boston is the largest wool market in the world, and at times, in the quantity handled, Boston has exceeded London.

The wool business has been managed and financed by Boston men. The wool business is the one business that still holds, almost in its entirety, to personal management, personal responsibility, and to partnership agreements. While other industries have become largely incorporated bodies, where the personal liability is limited, the management of the wool industry is still largely centered in individuals or partnerships, which means that all the individual possesses, outside and inside of the business, is at the risk of the business.

HAS EXPANDED WITH TRADE

As the industry has grown, so has the wool trade expanded. Originally the wool houses were centered largely on Federal Street in close proximity to the present Boston Chamber of Commerce Building. Then as larger and more commodious warehouses and offices were necessary, due to the growth of the business, the wool trade was centered largely on Atlantic Avenue; and then, dating back some 25 years, due to the still greater growth of the industry, the trade centered itself in the large commodious warehouses and offices on the South Boston side of the Summer Street bridge in buildings erected for the sole purpose of warehousing wool to the capacity of hundreds of millions of pounds.

The wool houses with their substantial capital and large borrowing resources have been able to go into the West and South, and into the foreign markets, and purchase wool during the clip season—financing the product, bringing it to the Boston market, assembling and grading it and selling each manufacturer such grades as he required—on terms mutually satisfactory to the buyer and the seller.

It is a recognized fact that wool notes sell readily at the lowest market rates because of the fact of the personal responsibility behind the notes and the record of the wool trade that notes are met invariably at maturity, no matter what the financial conditions may be at the time, and the losses from legitimate wool-trade failures of Boston wool merchants have been negligible over a period of the last 50 years or more. The only failure that I recall that was at all substantial during the past 40 years was that of a corporation made up of a personnel that came to Boston from a distant State.

CONDITIONS WERE FAVORABLE

It would seem, with such facilities and opportunities, that the grower could market his wool, when sheared, under most favorable conditions—and I believe he has been able to do so. There has been competition among the dealers year after year in the buying of the wool clip of the country, some 20 or 30 buyers, or more (representing as many different concerns), attending some of the sales. Buyers in the past few years, in their anxiety to purchase wool and to beat out their competitors in buying, have resorted to the use of high-powered automobiles, to airplanes, and to the daily use of the long-distance telephone. With 15 to 20 to 30 buyers after one lot of wool, the grower has been in the strategic position to obtain the highest market price for his product. He has had the opportunity, if he has not seen fit to sell his wool at the prices offered, to consign his accumulation to reputable, representative houses at high cash advances and a very reasonable commission charge.

I believe it to be an undeniable fact that the grower, through the dealer, has received, on an average of 9 years out of 10, fully 95 per cent of the selling value of his wool to the ultimate consumer (the manufacturer of goods), less the expenses of freight, storage, insurance, and interest. In other words, I believe it to be an unquestionable fact that for the past 25 years the dealer has not made, on an average, 5 per cent gross profit on the business done. No other raw material that I know of has yielded the producer so close to the ultimate selling value, on an average, as has wool during the past 25 years.

Everyone connected with the business recognizes that wool is the one raw material that we produce in this country of less quantity than we consume. For instance, over a series of years, we have raised only 60 to 70 per cent of the wool we consumed and have had to import the other 30 to 40 per cent. Therefore, the high tariff which is placed on wool acts as a buffer against low prices for the woolgrowers of this country. Even in such an

abnormally poor year for business as 1930, we undoubtedly will have consumed a quantity of wool equal to the domestic clip of some 350,000,000 pounds.

NOT FOUND WANTING

In the past, the wool merchant has had to take the risk of handling the business, and, therefore, much has depended upon his intelligence, ability, and resources; and his record shows that he has not been found wanting. Up to the fall of 1929, the wool business has been practically centered in Boston and the trade has functioned properly—having served with success and satisfaction the grower of wool on the one hand and the manufacturer of wool goods on the other. Then what happened?

ENTERS FEDERAL FARM BOARD

Congress passed and the President approved in 1929 the agricultural marketing act—which created the Federal Farm Board. The act was intended to favor the farmers of the country through cooperative organizations—with the support of the Government and with loans furnished by the taxpayers. The Federal Farm Board decided that wool and mohair should be included as a farm product to be so favored. Why they did so I can not understand. I thought the intent of the agricultural marketing act was to stabilize products of which there was a surplus raised in this country. Wool is not one of these commodities—because, as stated above, we consume more than we produce; and so far as I know, the machinery of the wool trade has never broken down in carrying the load, even during the peak of the season, of taking the wool from the grower, paying him a good market price for same at the time of purchase, or, if he desired to consign rather than sell, taking his wool on consignment at substantial advances.

However, for some unknown reason, wool and mohair were included among the commodities which came under the jurisdiction of the Federal Farm Board—and the organization for the handling of wool and mohair began to function early last spring. The independent wool merchant naturally was disturbed by this competition, as he had been used to competition from the open field of merchants who had to take the personal responsibility and risk pertaining to the business. In other words, the merchant has to furnish money to make his purchases; has to personally suffer the losses, if there are any, whether they result from declining values, bad debts, or in any other way. In substance, he is responsible for his own acts.

CO-OPS FURNISHED MONEY

In comparison, the co-ops are furnished money by the United States Government, with any losses paid by the taxpayers. This, of course, is an entirely different kind of competition than has been the independent wool merchant's experience in the past. Therefore it called for caution in the operation of this past season and will call for caution during the succeeding ones. A merchant who stands or falls on his own responsibility has to be careful what he pays for merchandise in competition with others and has to use care that he does not overadvance on merchandise consigned to him for sale, and further, has to see that the merchandise is properly marketed and a reasonable profit obtained, if possible, and do everything he can to prevent undermining the market. The co-ops, on the other hand, can, in competition with the independent dealer, advance on consignments more than value and more than good judgment would dictate; and can sell their merchandise at an inopportune time and at low prices compared with the advances made and with the market value and so undermine the whole structure. And who stands the loss? If I had one guess, I would say the taxpayers. Is this not a good reason why the independent wool merchant should use due caution in competition for his own financial protection?

The cooperatives during the season of 1930 are supposed to have secured some one hundred and twenty-five to one hundred and thirty million pounds of wool and mohair on consignment, or some 35 per cent of the entire clip of the country. As to how much of this has been marketed—and whether at a loss (eventually) to the Government (as most likely the Government has to stand the loss in the last analysis) no one knows, probably not even the cooperatives themselves.

WILL FALL BY OWN WEIGHT

I will hazard the guess, however, that inside of 24 months the agricultural marketing plan will fall by its own weight, either economically or politically or both, and that there will be no cooperative organization in the wool business controlled and financed by the United States Government. We in the wool business are the victims of an unworkable scheme. No government can control artificially the supply and demand of the commodities of the world, no matter how much the scheme is sponsored by politicians, office seekers, and job hunters. If I am right in my prediction, then what?

Already some of our oldest, strongest, and ablest wool concerns are retiring from business; others may follow; and I view with sadness the future prospects of the wool industry in Boston compared with the past, as cited above, if the handling of this vast industry is placed in the hands of men from the West and South, with no personal responsibility commensurate with the problems and unfamiliar with the methods, the personnel, or the ancestry which built up this fine, stable wool business, which has benefited Boston during the past 100 years or more.

STILL A NEED FOR THE INDEPENDENT WOOL MERCHANT

That there is still to be a wool business no one will deny. Wool is still a necessity. It can still be economically spun, woven, knitted, and felted into materials which are attractive to the eye, to the comfort, to the health, and to the pleasure of the users. If we can consume under such adverse conditions as have existed during the year of 1930 a quantity of wool equivalent to the entire domestic clip, then there are splendid prospects, in my opinion, as business revives—as it unquestionably will—for the use of a much larger quantity, which will have to be imported from abroad. There is still a field for the legitimate, honest, hard-working, intelligent wool man; and I hope and believe that the wool man who sticks to his chosen field in the wool business will by his persistency, his intelligence, and his ability win out in the years to come. There is a field for him, just as there has been in the past. The growers need him for the marketing of their wool; the manufacturers need him as a source of supply for their wool requirements; and he will be needed more than ever when the cooperative scheme fostered by the Government smashes, as it surely will. When that time comes, Boston will need the rugged, experienced, resourceful, time-honored New England wool merchant.

[Reprinted from the Commercial Bulletin, January 17, 1931]

A TIME OF DISILLUSIONMENT—FALLACY OF FARM BOARD PLAN MORE APPARENT—GROWERS REALIZING IMPOSSIBILITY OF FARM BOARD PLAN—COOPERATIVE PLAN HAS CREATED FEELING OF UNCERTAINTY THUS FAR INSTEAD OF STABILITY—A FREE COMPETITIVE MARKET BEST FOR GROWERS—WOOL DEALERS ABLE STILL TO FINANCE CLIP—COOPERATIVE SCHEME A BOOMERANG TO GROWERS

(By Robert L. Studley, senior member of Studley & Emery and president of the Wellesley Trust Co.)

EDITOR THE COMMERCIAL BULLETIN,
144 High Street, Boston, Mass.

DEAR SIR: In the article that I wrote for you last year (January, 1930) I stated under the heading of A New Era and New Problem the following:

"But 1930 is likely to usher in a new era for the wool business. Regardless of the fact that the wool merchant has made a loss on his business during 1929, showing that he paid the grower too much for his wool; regardless of the fact that manufacturers have made little or no profit in the manufacture of the wool handled during the past year, the grower is apparently dissatisfied with the price he received, believing it to have been too low, and is now making his influence felt politically in obtaining the support of the Government in the way of loans through the Federal Farm Board and organized 'cooperatives'—and so take his merchandise out of its former channels of distribution and distribute it through his own organization.

"The grower no doubt feels that he has been ill used. He feels that he can sell his merchandise to better advantage through his own organization than through the old channels of well-organized, well-known, and well-financed merchants. He will likely wake up before he has gone very far and find that to build up a new organization, particularly for the physical handling and selling of wool, as well as the many ramifications of financing, distributing, and credits, will be much more expensive than by selling or consigning his wool to one of the older established wool firms, who are free from making the errors, which may be costly, of any new organization.

"I believe that the grower in marketing his wool through any cooperative organization will find it much more expensive to him and that his net return will be much less than when marketing it through the former regular channels, viz: Either selling it outright at the point of production or consigning it to regular, established commission houses.

"The Government may have a panacea for all ills but it is yet to be determined when it takes a hand in the running of business that it is as successfully and as economically run as when privately handled."

GROWERS IN PROCESS OF DISILLUSIONMENT

Another year has rolled around since I wrote the above, and I am wondering how the growers feel at this time pertaining to their shipments to the cooperatives. Many of them, I understand, do not know whether they are afoot or horseback pertaining to their shipments; they know that they received their first advance, but as to whether their wool has been sold or not they are uncertain; and if it has been sold they are undoubtedly wondering whether they are going to get a drawback instead of a further remittance.

In my opinion, the whole thing is a first-class farce. Wool was the one commodity on which the Government, through the co-ops, had a chance to make good, as everybody connected with the industry knows that we produce less wool than we consume, but it looks as though the co-ops would make a failure of handling it. Mr. Legge, in his desire to oust the independent wool dealer, as it seems to have been his desire to destroy independent agencies in other commodities which he is trying to control, slopped over (as usual) and permitted his subordinates to advance more for wool than good business judgment warranted. Consequently, there is likely to be a loss in the transaction rather than a profit.

POLICY OF STABILIZATION ABANDONED

We have read much about the Government stabilizing prices, and yet the following statement was issued by the National Wool Marketing Corporation on December 20, 1930:

"The cooperative wool will be sold not only at values corresponding to importing parity of similar foreign wool, but also at prices which definitely make wool raised by the United States woolgrowers better value to the purchaser than similar foreign

wool. Regardless of the cost of foreign wool, duty paid here, whether above or below to-day's level, these values will be met by the wool held by the National Wool Marketing Corporation; not only met but will be priced to make the cooperative wool better value than the foreign wool to the American consumer."

Whatever may have been the intent of that announcement, it led buyers to believe that the co-ops were weakening and were going to sell wool regardless of value and regardless of the advance made on it. Consequently, in my opinion, more harm was done to the wool market and to the goods market by that statement than anything that had occurred since the co-ops entered the field. It had all the earmarks of a schoolboy's declamation and must have emanated from Washington or the South or West. Certainly a concern that has been in the wool business for the past 10 years only would have some understanding of business psychology and realize the adverse effect such an announcement would have on the market.

I think Sol Mayer, of San Angelo, Tex., must have been correct in the statement he is recently reported to have made, viz:

"The operations of the National Wool Marketing Corporation are to be controlled absolutely by the growers themselves, and the sales agents, Draper & Co., with whom the contract was continued, are also under the direction of the corporation."

COOPERATIVES CREATE FEELING OF UNCERTAINTY

It was the fear of just such statements as above quoted and the uncertainty of what it all means that kept the independents from operating freely in the primary markets the past wool-shearing season. The independent wool merchant, if he makes a bad trade or sells his wool at below cost, has to personally stand that loss. The co-ops, if they make a bad move or undermine market values, saddle their loss on the United States Government—and the deficit has to be met by the taxpayers. This is unfair competition; always has been, and always will be.

We are in a mess at the present time; and no one knows how we are coming out. It perhaps accomplishes nothing for one to iterate and reiterate what we all know of the unsound practices of the Government entering into the legitimate field of barter and trade. President Hoover emphasized this in his message to Congress a year ago last spring, when he said:

"No governmental agency should engage in the buying and selling and price fixing of products, for such courses can only lead 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."

FARM BOARD PLAN FUNDAMENTALLY FALLACIOUS

Ex-President Coolidge in a more recent statement, under date of December 23, 1930, said substantially that: When trade declines and goods begin to accumulate, whether they are raw materials or farm or factory products, instead of letting the market take its own course there is always a great temptation for the people to try some artificial remedy, especially of having the Public Treasury assume in some way the burden of absorbing their losses. Except for matters of distinct public value, such as maintenance of highways and waterways, Mr. Coolidge holds that it is better for everyone in the end to let those who have made losses bear them than to try to shift them onto some one else, since price-fixing, subsidies, and Government support can only produce unhealthy business.

Mr. Coolidge is, as usual, sound in his statements. It is all wrong for the Government to enter business. He well holds that Government interference disorganizes the whole economic fabric and is a wrong method because it does not work.

This is just the state of affairs that we have in the wool business to-day. No one knows what move to make; what to pay for wool, or what to advance for wool on consignment; because no one knows what the Government will do.

REGULAR WOOL MERCHANTS ABLE TO FINANCE CLIP

Joseph P. Draper, the lawyer publicity member of Draper & Co. (Inc.), the selling agents of the co-ops, stated in an article published last spring that:

"It is well known that heavy losses have substantially impaired the financial power of many (wool) firms. A new season's clip is even now in progress and, but for the support of the present movement (cooperative) our domestic market might well have become chaotic when heavy weights of wool began to accumulate in the West and the necessity of moving them became urgent."

This was not so. There was plenty of money ready to finance and handle the wool competently. There is plenty of money now for next season's clip—to handle and finance it intelligently. The only fear is that of governmental interference. It is foolish to say that the wool merchants have not the resources and can not obtain the financial support necessary to properly finance the domestic clip of wool. They have done it in the past and they can do it in the future. I venture to say that not 50 per cent of the borrowing capacity of the wool trade was used during the buying season of 1930. Some maintain that with the increased clip of wool it would be a financial hardship to handle it without the aid of the co-ops. That is another foolish statement.

For example, in 1923, the shorn wool of this country amounted to 225,000,000 pounds. Wool was selling that season (fine and fine medium territory and 12 months Texas) on a basis of $1.30 to $1.40 clean basis—or 54 cents (on an average) in the grease, which meant a value for the entire clip of in excess of $120,000,000. In 1930 we produced of shorn wool 325,000,000 pounds, or 100,000,000 pounds more than in 1923, and the market value was an average of 70 cents clean basis—or 28 cents in the grease, making a total value for the clip of $90,000,000. In other words, it took $30,000,000 less in 1930 to handle 100,000,000 pounds more wool than in 1923.

A FREE COMPETITIVE MARKET BEST FOR GROWERS

Just give the wool merchants an opportunity for free trading and a chance to make an honest dollar without fear of governmental competition and the grower will again have an opportunity to sell his wool freely for cash—and the dealer will be able to promptly furnish it.

All of the wool raised in this country for many years to come will be wanted by our American manufacturers. Even in such an abnormally poor year as 1930, it has been estimated by the First National Bank of Boston that for 11 months 490,000,000 pounds of raw wool had been consumed, which would be equivalent (on the same basis) to a consumption of some 530,000,000 pounds for the 12 months. Deduct, if you please, 130,000,000 pounds for carpet purposes and we have 400,000,000 pounds of so-called clothing wool consumed.

As previously stated, our own clip of shorn wool for 1930 is estimated at 325,000,000 pounds. Adding say 50,000,000 pounds more for pulled wool—and we have a grand total of about 375,000,000 pounds produced in this country. Some people think that there is an oversupply of domestic wool on this market to-day—but I am of the opinion that if the manufacturers at this time were carrying 50 per cent of the wool that they have carried in normal years, there would be a shortage on this market of several grades of domestic wool, such, for instance, as the finer ones.

COOPERATIVE SCHEME A BOOMERANG

When the Government gets through playing horse with the legitimate merchants—under the guise of "benefiting the farmer"—then we will return to normal methods of doing business and everyone will be better off. There will be buying competition at shearing time and the grower will obtain nearer the value of his wool than he is now doing—and he will know what the results are at the time of making the sale. Whereas, by consigning to the co-ops, he apparently knows nothing.

If this whole cooperative movement does not prove to be a boomerang to the woolgrowers, I shall miss my guess. The only ones who will profit by the movement will be the politicians, the office seekers, the job hunters, and the selling agents.

The sooner the agricultural marketing act is repealed, the better it will be for the country as a whole and for all who are legitimately connected with farming industries. I hazard the guess that inside of two years' time, due to inefficiency, internal rows, passing the buck, and governmental investigations, the wool co-ops, aided and abetted by governmental support and governmental money furnished by the taxpayers, will land on the scrap-heap—and they may have written on their tombstone the same epitaph as that placed on a tombstone in a country cemetery, namely: "I expected this but not so soon."

[From the Boston Herald, Thursday, February 19, 1931]

AFTER LEGGE, WHAT?

As Alexander Legge, who is retiring from the Farm Board, has overstayed already his stipulated period as chairman, he can not properly be trotted out at sunrise and shot as a deserter. Nobody, perhaps could have done better than he under the circumstances. Nevertheless, our correspondent, Robert L. Studley, voices the opinions of many persons when he says that a competent man of the Legge type is needed more badly now than formerly. Mr. Studley also asks a question to which we have seen no adequate answer: What is the Government going to do with its 120,000,000 bushels of wheat, 75,000,000 pounds of wool, and 1,000,000 bales of cotton? The day of reckoning must come, but nobody seems to know when, or just what the process and the cost will be. As the Farm Board has been operating on a huge scale, the market place will probably audit the accounts with a heavy pencil.

The Farm Board is demonstrating again that a "withdrawal" of such commodities as cotton, wheat, and wool does not decrease the available supply. The trade discounts the ultimate appearance of the reserves, and modifies its transactions accordingly. Indeed, the uncertainty as to how and when a Federal board may dispose of huge amounts is likely to cause more disturbance than if the products were subject to the usual laws of buying and selling. The board has not been able to peg prices, and the permanent benefits of any pegging are questionable. In the end, the Federal Treasury will probably lose many million dollars and will merely learn a lesson which has been studied many times, but is constantly forgotten by legislators, executives, and farm agitators.

FARM BOARD CHAIRMAN

To the EDITOR OF THE HERALD:

I was much interested in your editorial in The Herald yesterday morning, headed "The Farm Board Chairman." I think you sized up the situation very clearly in your closing statement: "He has simply been the victim of conditions which he could not curb." Just as I stated in my article of several weeks ago: "We, in the wool business, are the victims of an unworkable scheme."

The question that now naturally arises is: What next?

President Hoover, in selecting Chairman Legge, evidently believed that he had picked the best man obtainable for the job—and I think this was the consensus of unbiased business men.

He was a friend of the farmers and knew their characteristics well; he knew big business; and he was in close touch with the banking interests. He had the respect and confidence of all three, as well as that of the administration and the American people. If the job he undertook had possessed merit and had been workable, he would have been in a fair way to become a candidate for the presidency of the United States.

Mr. Legge has had free rein. He has heralded his views freely and emphatically, and now, after a little more than 1½ years' service, he is to retire. I can not believe that his retirement is due entirely to the International Harvester Co.'s need of him. Certainly, the Government at this time needs him more than at any time before. I can not believe that a man of his intensity and determination, a man who believed he was 100 per cent right and all the rest of us wrong, would resign his job and necessitate changing horses in the middle of the stream unless he felt it was a hopeless proposition.

If Mr. Legge is unable to carry the matter to a successful conclusion, what may we expect of his successor?

What is to become of the 120,000,000 bushels of wheat, the 1,300,000 bales of cotton, and the probably 70,000,000 to 80,000,000 pounds of wool—with more to come? These commodities, held by the United States Government, are going to be a cloud on the horizon. Not one of the merchants—who have had the machinery in the past and have it at the present time to handle these commodities—is going to try to penetrate the fog except on a step-to-step basis while the Government is holding these immense quantities of farm products—with no one knowing when they will be dumped on the market or at what price they will sell.

My opinion regarding the wool commodity is that it would be the best thing for all concerned, farmers included, if the cooperatives were forced to shut up shop and the wool on hand placed in the hands of responsible, practical wool men to be sold at public auction for the Government's account, just as was done after the World War. In this way prices would reach their level and we could continue to do business on its merits— and on a basis of supply and demand. There was sold here at public auction, after the World War, some 475,000,000 pounds of wool, which was carried over, and it was done in an orderly way for the Government's account by practical wool men who knew the business. I think that wool liquidated with less net loss than any other commodity, barring perhaps cotton cloth.

No government, no organization, regardless of its strength, can control for any length of time, by artificial means, supply and demand—and, therefore, the price of commodities.

ROBERT L. STUDLEY.

BOSTON, *February 17.*

"CONGRESS AND THE UNEMPLOYED"

Mr. WAGNER. Mr. President, I ask permission to have inserted in the RECORD at this point in connection with my remarks an editorial appearing in the New York American of yesterday entitled "Congress and the Unemployed."

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

The editorial is as follows:

[From the New York American, February 19, 1931]

CONGRESS AND THE UNEMPLOYED

Congressmen should not return to their constituents on March 4 without having voted for the Wagner public employment office bill.

At a time when distress resulting from unemployment results in numerous crank schemes, the national legislature would be shamefully negligent if it failed to adopt this sensible proposal which meets with the approval of leading economists and social workers.

The Rules Committee of the House of Representatives last week voted to bring the bill (S. 3060) to a vote in the lower House at this session. The bill was passed by the Senate last June, and was favorably reported on by the House Judiciary Committee.

Inertia and the search for local favors, rather than for the national welfare, have made many lawmakers apathetic toward this measure embodying elementary social justice.

This bill is the last of a trilogy, which Senator Wagner introduced before the depression, to carry out the enlightened scientific proposals of the President's Conference on Unemployment in 1921.

It is an attempt to replace bungling and stupidity in the market places for human services with a higher degree of efficiency.

As a group of social and economic leaders pointed out in a recent letter to President Hoover, it would be a tragedy if Congress adjourned without enacting into law this measure to rehabilitate the Federal Employment Service.

The mechanism proposed in the bill would provide for effective cooperation of employment exchanges operated by the States with a Federal agency, which would give financial aid and supervision.

It is shameful to treat this obviously sensible measure to aid millions of unemployed as an unimportant and routine matter which has been lost in the shuffle.

It is stupid for a Congress which has appropriated millions to the Farm Board to support agricultural commodities to ignore an opportunity to help millions of distressed citizens sell their own services.

The Wagner bill is no cure-all for the ills of society.

But it creates a useful instrument for better meeting the Nation's major problem; namely, that of getting unemployed men and women back on the job.

The great need is to stop political bickering over small matters, and to concentrate on such a proposal as the Wagner bill, which goes to the heart of the problem of relieving unemployed workers.

NAVY DEPARTMENT APPROPRIATIONS

Mr. HALE. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 16969, making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1932, and for other purposes.

Mr. FRAZIER. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. HALE. Mr. President, I move that the Senate proceed to the consideration of the bill.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Ashurst	Frazier	La Follette	Sheppard
Barkley	George	McGill	Shipstead
Bingham	Gillett	McKellar	Shortridge
Black	Glenn	McNary	Smith
Blaine	Goff	Metcalf	Smoot
Borah	Goldsborough	Morrison	Steiwer
Bratton	Gould	Morrow	Stephens
Brock	Hale	Moses	Swanson
Broussard	Harris	Norbeck	Thomas, Idaho
Bulkley	Harrison	Norris	Thomas, Okla.
Capper	Hastings	Nye	Townsend
Caraway	Hatfield	Oddie	Trammell
Carey	Hawes	Partridge	Vandenberg
Connally	Hayden	Patterson	Wagner
Copeland	Hebert	Phipps	Walcott
Couzens	Heflin	Pine	Walsh, Mass.
Cutting	Howell	Pittman	Walsh, Mont.
Dale	Johnson	Ransdell	Waterman
Davis	Jones	Reed	Watson
Dill	Kean	Robinson, Ark.	Wheeler
Fess	Kendrick	Robinson, Ind.	Williamson
Fletcher	King	Schall	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present. The question is on agreeing to the motion of the Senator from Maine.

Mr. FRAZIER. Mr. President, I made an objection to the unanimous consent proposed by the Senator from Maine under the impression that it was the naval construction bill he was asking to have taken up, so I withdraw my objection.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Maine.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. HALE. Mr. President, I ask that the formal reading of the bill be dispensed with, that the bill be read for amendment, and that the committee amendments be considered as they are reached.

Mr. COUZENS. Mr. President, I shall have to object to that request and have the bill read, for the reason that there are many of us who have not had any chance to see the bill. I think the bill should be read for the information of the Senate.

The PRESIDENT pro tempore. Objection is made, and the clerk will proceed to read the bill in full.

The legislative clerk proceeded to read the bill and read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Navy Department and the naval service for the fiscal year ending June 30, 1932, namely:

NAVAL ESTABLISHMENT

OFFICE OF THE SECRETARY

Pay, miscellaneous

For commissions and interest; transportation of funds, including the cost of insurance on shipments of money by registered mail when necessary; exchange; for traveling expenses of civilian employees, including not to exceed $2,000.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. ASHURST. I wish to ask the chairman of the committee if the bill reduces the number of nominations which Senators may be entitled to make to the Naval Academy at Annapolis?

Mr. HALE. No, Mr. President; it does not. It increases the number. The House decreased the number from 4 to 3, but the Senate committee put the number back to 4.

Mr. ASHURST. The Senate committee has restored it to 4?

Mr. HALE. Yes.

Mr. KING. Mr. President, may I inquire of the Senator having the bill in charge the reason for increasing the number?

Mr. HALE. Mr. President, we were informed by the department that if the number were reduced to three we would not have a sufficient number of officers to carry on the work of the Navy; indeed, that we would not have as many officers after the graduation of the three classes now in the academy, those who were appointed on the 4-year basis, as we have at the present time.

Mr. KING. I have seen in the press a statement to the effect that a very large number of those who will graduate in June of this year will not have any places.

Mr. HALE. We have made provision in the bill for taking care of those who graduate this year, as the Senator will see when we come to it.

Mr. KING. The impression I got from the newspaper account was that they were a superfluity, that we did not need them at all, and that we would have to eliminate them from the Navy. Is that true?

Mr. HALE. Under the existing law in all probability they might have to be eliminated from the Navy, but we have taken care of them in this bill by an amendment which the committee has inserted, which I will take up when we come to that question.

Mr. KING. Is it the purpose merely to make places for officers when they are not needed, or to give to officers subordinate positions to keep them in the Navy?

Mr. HALE. No, it is not; and we are informed that if those men stay in, we will still not have more than a sufficient number of men to take care of the needs of the Navy.

The PRESIDENT pro tempore. The clerk will continue the reading of the bill.

The LEGISLATIVE CLERK. On page 2, line 8, under the heading "Office of the Secretary," the committee proposes to strike out "$2,000" and to insert in lieu thereof "$3,000."

Mr. COUZENS. Mr. President, the first reading of the bill has been ordered, and the amendments are not to be dealt with until the second reading.

The PRESIDENT pro tempore. The bill has already been read twice.

Mr. COUZENS. I objected to the waiving of the first reading of the bill.

The PRESIDENT pro tempore. It was the formal reading of the bill to which the Senator objected, but the notation on the back of the bill, if the Chair may call it to the attention of the Senator from Michigan, is that the bill was read twice and referred to the Committee on Appropriations. This is the formal reading of the bill, and in the formal reading the Chair will hold that amendments as reached will have to be dealt with.

Mr. LA FOLLETTE. Mr. President, a parliamentary inquiry. Did not the Senator from Maine ask unanimous consent to dispense with the formal reading of the bill?

The PRESIDENT pro tempore. He did; but that was a form of words which did not fit the situation as the Chair views it.

Mr. LA FOLLETTE. It is well known that the bill has not been read at length.

The PRESIDENT pro tempore. Except under the rule. If the Senator propounds that as an inquiry as to whether it has been read vocally, it has not been.

Mr. LA FOLLETTE. Then I think that under the rules we are entitled to a formal reading of the bill, before any amendments are considered.

The PRESIDENT pro tempore. The Chair knows nothing in the rules that would cover that. The objection which the Senator from Michigan made, as the Chair understood it, was to dispensing with the formal reading of the bill. That was sustained. An objection can be interposed at any stage. If the Senator from Michigan now interposes an objection to the further request of the Senator from Maine that committee amendment shall be first considered, he may do so, and we will pass forward.

Mr. LA FOLLETTE. I enter that objection.

The PRESIDENT pro tempore. Objection is made; whereupon the complete reading of the bill will proceed.

Mr. KING. Mr. President, that will mean textually, I presume, so that those of us who have had no chance to examine the bill may at least listen to it as it is read?

The PRESIDENT pro tempore. Without question.

The reading of the bill was resumed and continued to line 7, page 5.

Mr. KING. Mr. President, I would like to ask the Senator from Maine [Mr. HALE] to what extent education is afforded the marines in the various schools referred to in the item just read, and whether or not there are Federal schools for the instruction of marines? Has it been the custom in the past in schools maintained by the States to have instruction given to marines?

Mr. HALE. Mr. President, these schools are simply aided by the Government to the extent of contributing $25,000 apiece to them. Then the States must contribute an equal amount. The Navy has furnished the ships for the use of the schools. The men who are trained go into the merchant marine. The service is considered a very valuable one, and the men who have been turned out of the schools have proven to be excellent seamen. Does that answer the Senator's question?

Mr. KING. No; not quite. I was wondering whether the schools are for the purpose of furnishing education to enlisted men or officers in the Marine Corps.

Mr. HALE. Oh, no; they have nothing to do with the Marine Corps. This is a matter relating to the merchant marine.

Mr. KING. I was not clear about it. I was wondering, if it is for the education of young men who intend entering the merchant marine, why they should not come under the jurisdiction of the Shipping Board?

Mr. HALE. The Navy Department has furnished the ships which are used for the training of the men, and therefore it has always been considered to be a part of the Naval Establishment.

Mr. KING. Does the Senator know whether there have been any benefits derived from the schools?

Mr. HALE. I know that excellent reports have reached the department with reference to the results of the training these men get.

The VICE PRESIDENT. The clerk will resume the reading of the bill.

The reading of the bill was resumed and continued to line 5, page 7.

Mr. KING. Mr. President, I would like to ask the Senator from Maine what amount has been expended by the Secretary of the Navy in sinking wells and in protecting petroleum naval reserve No. 1 or any other reserve, how many wells are in operation, what is the cost, what has the result been of the sinking of wells by the Navy Department, and what is the necessity for an appropriation of $10,000,000 or at least an authorization for the appropriation of that amount? There are several questions in one and I should be glad to have the Senator give me the information.

Mr. HALE. The $10,000,000 is not really an appropriation. The bill provides that $10,000,000 may be taken out of funds otherwise provided for the purpose of protecting these wells, but there is no intention to use the sum for any such purpose and there is no prospect that it will have to be used. The House held very complete hearings on the matter and I will read to the Senator from the House hearings. Perhaps the Senator would like to have me go back and give the complete status of the reserves?

Mr. KING. I should be very glad if the Senator would do so.

Mr. HALE. I read from the House hearings:

Naval petroleum reserve No. 1, California, known as the Elk Hills reserve, is located about 150 miles northwest of Los Angeles, Calif., and comprises 38,068 acres. Of these, 5,931 acres are patented to private interests and the Government has issued leases to 1,090 acres of the remainder.

Litigation is now pending looking to the return to the Government of 692 acres of the patented lands and the cancellation of leases involving 661 acres.

On the 31,047 acres under direct naval control there are 21 oil wells and 2 dry-gas wells. The oil wells have been shut in since April, 1927. The two dry-gas wells offset two dry-gas wells operated by the Standard Oil Co. of California on section 36 and by contract with the Southern California Gas Co. approximately equal amounts of gas are taken from each set of wells. During the fiscal year 1929-30 the two Navy gas wells produced 383,865 thousand cubic feet of gas, for which $23,031.90 was received and turned into the Treasury.

Mr. KING. I shall not ask the Senator to read further. The point about which I was seeking information was whether it is contemplated that $10,000,000 would be expended or might be expended for the sinking of wells?

Mr. HALE. We took up the matter in the hearings before the Senate committee. The department informed us that there is no prospect of a need of any of the money for any such purpose; but the provision was put in the bill, as it has been before, in order simply to protect the oil holdings if it were found necessary to do any such thing as is referred to.

Mr. KING. Apparently for $10,000,000 they could sink very many wells. I am amazed that the Navy Department should ask for an authorization of such a stupendous sum.

Mr. HALE. They want to be on the safe side. The Senator must remember that there are tremendous quantities of oil in the naval reserves. It has been estimated that there are more than 600,000,000 barrels in the Government reserves.

The VICE PRESIDENT. The clerk will resume the reading of the bill.

The reading of the bill was resumed and continued to page 8, line 12, the last three paragraphs read being as follows:

BUREAU OF NAVIGATION

RECREATION FOR ENLISTED MEN, NAVY

For the recreation, amusement, comfort, contentment, and health of the Navy, including subscriptions to newspapers, to be expended in the discretion of the Secretary of the Navy, under such regulations as he may prescribe, $400,000: *Provided*, That the amount paid from this appropriation for personal services of field employees, exclusive of temporary services, shall not exceed $36,000.

CONTINGENT, BUREAU OF NAVIGATION

For continuous-service certificates, commissions, warrants, diplomas, discharges, good-conduct badges, and medals for men and boys; purchase of gymnastic apparatus; transportation of effects of deceased officers, nurses, and enlisted men of the Navy, and of officers and men of the Naval Reserve who die while on duty; books for training apprentice seamen and landsmen; packing boxes and materials; books and models; stationery; and other contingent expenses and emergencies arising under cognizance of the Bureau of Navigation, unforeseen and impossible to classify, $10,000.

GUNNERY AND ENGINEERING EXERCISES, BUREAU OF NAVIGATION

For trophies and badges for excellence in gunnery, target practice, engineering exercises, and for economy in fuel consumption to be awarded under such rules as the Secretary of the Navy may formulate; for the purpose of recording, classifying, compiling, and publishing the rules and results; for the establishment and maintenance of shooting galleries, target houses, targets, and ranges; for hiring established ranges and for transporting equipment to and from ranges; entrance fees in matches for the rifle team, and special equipment therefor, $50,000.

Mr. COUZENS. Mr. President, I should like to ask the Senator from Maine if any of the last three items have been increased over the amounts appropriated in previous years? I refer to the $400,000 item for recreation, the $10,000 item for certificates, and the $50,000 item for trophies, and so forth. Have they been increased over the amounts carried in previous years?

Mr. HALE. Mr. President, last year we appropriated $732,000 for recreation of enlisted men, but $332,000 of that amount was used to obtain modern, up-to-date talking-picture machines for the fleet. As those machines have been procured and are now on hand it is not necessary to put that amount in this bill; therefore it has been reduced accordingly.

Mr. COUZENS. It has been reduced, then, from $732,000 to $400,000. Is that correct?

Mr. HALE. Yes.

Mr. COUZENS. And has the amount in the next item, on line 24, page 7, been reduced or retained at the same figure?

Mr. HALE. The sum of $10,000 is the same amount as was appropriated last year.

Mr. COUZENS. And on page 8, line 12, is the appropriation there the same as was provided for the previous year?

Mr. HALE. The amount in this bill is $50,000, while last year it was $46,950. There is a slight increase.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed and continued to line 7, page 21.

Mr. KING. Mr. President, a moment ago we passed over two items to which I desire to direct the attention of the Senator from Maine with the view to propounding an inquiry.

On page 16 an item is found of $19,243,040 for the Bureau of Engineering, and on page 19 an item of $18,057,500 under the head of "Bureau of Construction and Repair." Apparently those two large items relate to the repair of vessels and the engineering incident to the repair of the vessels. Do those items include any part of the $30,000,000 carried in a bill which passed the Senate and is now being considered by the House for the modernization of three old battleships?

Mr. HALE. Oh, no, Mr. President. These are simply the current yearly appropriations for these two bureaus, and have to do with the ordinary construction, repair, and engineering of the Navy. They have nothing whatever to do with the modernization of the battleships.

Mr. KING. Then there will be $30,000,000 in addition to these large sums for engineering and repair work?

Mr. HALE. Of course, that will not all go to these particular bureaus. It will be divided about among the various bureaus of the department, and will include the cost of materials, and so forth.

Mr. KING. What construction will be carried on out of the item of $18,057,500?

Mr. HALE. None. The ships of the Navy constantly have to go to the yards for repairs and upkeep. The maintenance of the ships of the Navy is cared for by these two appropriations in "Construction and Repair" and "Engineering."

I may say to the Senator that any new construction or any special construction, such as the modernizing of the battleships, comes under separate appropriations. That money is entirely in addition to anything that comes in here and is used entirely for the job for which it is appropriated.

Mr. KING. Under the present policy of the Navy, is any repair work done in private yards, or is it all done in the yards owned by the Government?

Mr. HALE. It is all done in the Government yards.

Mr. KING. Has it been proven that it can be done cheaper and better in Government yards than in private yards?

Mr. HALE. We never have had it done in private yards. It always has been the practice to have it done in Government yards.

Mr. KING. Is there any movement on foot in the Navy to close some of the many yards and repair places and naval bases that the Navy has?

Mr. HALE. I think not at the present time. That has been suggested from time to time; but I think the general feeling is that if we ever do get into difficulty we shall want all of the yards that we now have and many more to take care of the work that will have to be done.

Mr. KING. Does not the Senator know that boards of admirals after full investigation have strongly recommended

the abandoning or closing of a number of the naval bases and naval yards?

Mr. HALE. I think certain boards have recommended the closing of certain yards, and that certain other boards have recommended the closing of other yards. I do not think they have ever come to any final agreement which represents the policy of the department.

Mr. KING. Does the Senator justify the enormous overhead that is incident to the conduct of the Navy, in part due to the maintenance of naval stations and bases and repair shops that are not necessary.

Mr. HALE. I do not think they can be said to be not necessary. The Senator fails to take into consideration the fact that when an emergency comes we shall have to be prepared to meet it, and we shall have to be prepared to keep up the fleet in instant readiness for action. That means that in time of peace we must have some yards and some stations that will not be completely using their facilities; but the facilities must be there so that we can use them in time of emergency.

Mr. KING. I think, if the Senator will pardon me for so saying, that the Senator would be serving his country well if he would seek to pursue the policy which Great Britain pursues instead of having yards and bases and repair shops scattered all up and down the coast, half a dozen more than we need, the recommendation to close many of which has been frequently made.

Mr. HALE. If we could pursue the policy that Great Britain pursues, of having a large number of naval bases with repair shops scattered all around over the world, we probably could take better care of our commerce than we can under existing conditions.

Mr. KING. Obviously, the admirals must have felt that there was some justification for their constant recommendations that many of these stations, repair shops, and so on, should be closed. The Senator remembers that the admirals have repeatedly, as I recall, recommended closing the one at Portsmouth and the one in South Carolina; and a committee of the Senate made a recommendation with respect to the South Carolina station or base.

Mr. HALE. I do not recall that. When was that?

Mr. KING. That was in 1919 or 1920. The then Senator from Delaware, Mr. Ball, the Senator from New Hampshire, Mr. KEYES, and the junior Senator from Utah, Mr. KING, made the report.

Mr. HALE. Then the Senator should know thoroughly about the report.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed and continued to line 10, page 45.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16738) 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, 1932, and for other purposes, and that the House had receded from its disagreement to the amendment of the Senate numbered 36 to the said bill and concurred therein with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1932, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 504. An act for the relief of James Earl Brigman; and

H. R. 7272. An act to provide for the paving of the Government road across Fort Sill (Okla.) Military Reservation.

DISTRICT OF COLUMBIA APPROPRIATIONS—CONFERENCE REPORT

Mr. BINGHAM. Mr. President, I ask that the conference report on the District of Columbia appropriation bill may be laid before the Senate at this time.

Mr. LA FOLLETTE. I object.

The VICE PRESIDENT. It is a privileged matter and may be laid before the Senate at any time. The Chair lays before the Senate the following conference report.

The Chief Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16738) 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, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 7, 10, 17, 18, 19, 37, 38, 39, 40, 42, 46, 47, 52, 57, and 58.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 11, 12, 13, 16, 20, 35, 41, 43, 44, 45, 48, 49, 50, 51, 53, 54, 59, 60, and 61, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$161,160"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "including for teachers' colleges assistant professors in salary class 7"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Woodridge School, $2,095; Murch School, $2,900; school at Fourteenth Street and Kalmia Road, $4,995"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$44,015"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$16,190"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$18,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,090"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$44,015"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,115"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,440"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,820"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,570"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,570"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,415"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,660"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$202,890"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$853,900"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding $37,000 for grading and improving the roadway of Rock Creek Park to the District line"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 36.

HIRAM BINGHAM,
L. C. PHIPPS,
ARTHUR CAPPER,
CARTER GLASS,
JOHN B. KENDRICK,
Managers on the part of the Senate.

ROBT. G. SIMMONS,
WM. P. HOLADAY,
M. H. THATCHER,
CLARENCE CANNON,
ROSS A. COLLINS,
Managers on the part of the House.

Mr. BINGHAM. Mr. President, I move that the Senate agree to the conference report.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Black	Bratton	Bulkley
Barkley	Blaine	Brock	Capper
Bingham	Borah	Broussard	Caraway
Carey	Harrison	Morrow	Smith
Connally	Hastings	Moses	Smoot
Copeland	Hatfield	Norbeck	Steiwer
Couzens	Hawes	Norris	Stephens
Cutting	Hayden	Nye	Swanson
Dale	Hebert	Oddie	Thomas, Idaho
Davis	Heflin	Partridge	Thomas, Okla.
Dill	Howell	Patterson	Townsend
Fess	Johnson	Phipps	Trammell
Fletcher	Jones	Pine	Vandenberg
Frazier	Kean	Pittman	Wagner
George	Kendrick	Ransdell	Walcott
Gillett	King	Reed	Walsh, Mass.
Glenn	La Follette	Robinson, Ark.	Walsh, Mont.
Goff	McGill	Robinson, Ind.	Waterman
Goldsborough	McKellar	Schall	Watson
Gould	McNary	Sheppard	Wheeler
Hale	Metcalf	Shipstead	Williamson
Harris	Morrison	Shortridge	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present. The question is on agreeing to the conference report on the District of Columbia appropriation bill.

Mr. COUZENS. Mr. President, I have no desire to hold up legislation. I am asking for the reading of the Navy Department appropriation bill, and I am going to insist on the second and third reading of all bills until we know whether or not the soldiers' bonus bill is to be vetoed by a message from the President or whether it is going to be pocket vetoed. It appears from the press and from a statement of the parliamentarian that we got the bill to the President at such a time that he has a perfect right under the Constitution to pocket veto it. It is entirely within the power of the President to determine whether the appropriation bills shall be passed or not, so far as I am concerned.

As I have said I have no desire to hold up any conference reports or appropriation bills or any other legislation, but so far as it is within my power I am going to insist that the so-called soldiers' bonus bill be sent back to the Senate with a veto message, if that is the plan, in adequate time to have it considered by both Houses of Congress before we adjourn. I do not propose to permit the final enactment of all legislation relating to appropriations and other matters of importance and then find that we are going to have the bonus bill killed by a pocket veto. I make this announcement in order that none may misunderstand my purpose in insisting upon having the bills read in full.

The VICE PRESIDENT. The Chair directed the reading of the conference report because action would have to be taken upon it before action could be taken upon the separate amendments, so perhaps the action of the Chair was misunderstood.

Mr. BINGHAM. Mr. President, I move that the Senate agree to the conference report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

Mr. BINGHAM. I move that the Senate agree to the House amendment to Senate amendment numbered 36.

The VICE PRESIDENT. Let it be reported.

The CHIEF CLERK. In lieu of the matter inserted by said amendment insert the following:

Provided, That this limitation shall not be considered as preventing the employment of a matron and the care of children under school age at the Webster School whose parent or parents are in attendance in connection with Americanization work.

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

The amendment was agreed to.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATIONS—CONFERENCE REPORT

Mr. PHIPPS. Mr. President, I ask the Chair to lay before the Senate the conference report on the Treasury and Post Office Departments appropriation bill.

The VICE PRESIDENT. The Chair lays before the Senate the conference report.

Mr. PHIPPS. I may say that this is a complete agreement. It would be necessary, however, for the House to have a vote on two matters in accordance with their rule. The amendments are really of no great importance.

The VICE PRESIDENT. The report has previously been read. The question is on agreeing to the report.

Mr. BLAINE. Mr. President, is this a unanimous-consent request to take up the report?

Mr. PHIPPS. It is.

Mr. BLAINE. Then I enter my objection.

Mr. PHIPPS. I move that the Senate proceed to the consideration of the report.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Colorado to proceed to the consideration of the conference report.

The motion was agreed to.

The VICE PRESIDENT. The question is on agreeing to the conference report.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Frazier	La Follette	Sheppard
Barkley	George	McGill	Shipstead
Bingham	Gillett	McKellar	Shortridge
Black	Glenn	McNary	Smith
Blaine	Goff	Metcalf	Smoot
Borah	Goldsborough	Morrison	Steck
Bratton	Gould	Morrow	Steiwer
Brock	Hale	Moses	Stephens
Broussard	Harris	Norbeck	Swanson
Bulkley	Harrison	Norris	Thomas, Idaho
Capper	Hastings	Nye	Thomas, Okla.
Caraway	Hatfield	Oddie	Townsend
Carey	Hawes	Partridge	Trammell
Connally	Hayden	Patterson	Vandenberg
Copeland	Hebert	Phipps	Wagner
Couzens	Heflin	Pine	Walcott
Cutting	Howell	Pittman	Walsh, Mass.
Dale	Johnson	Ransdell	Walsh, Mont.
Davis	Jones	Reed	Waterman
Dill	Kean	Robinson, Ark.	Watson
Fess	Kendrick	Robinson, Ind.	Wheeler
Fletcher	King	Schall	Williamson

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present. The question is on agreeing to the conference report.

Mr. BLAINE. Mr. President, I do not know that anything I may say will change the vote of any Senator on the conference report. However, the Senate twice rejected this report. On both occasions it was rejected after considerable debate, and in that debate the question respecting the continuance of the leasing of post-office facilities was discussed.

To make the matter plain, the Senate conferees have yielded to the House in rejecting the amendment which was adopted by the Senate providing that in all subsequent leases for garages, substations, parcel-post stations, and other structures the lease should contain what has become popularly known as the cancellation clause; that is, a clause providing that whenever the Government has available a Government-owned building the lease may be canceled at the option of the Postmaster General, and also providing that in the making of such leases the same procedure shall be followed as is now followed in connection with the erection of post-office buildings by the Treasury Department.

No reasons, I am sure, have occurred to anyone why this amendment should not be retained in the bill; at least I have not heard any reason stated up to this time, and the investigation which is being conducted by the special committee that is investigating leases of postal stations demonstrates conclusively that there is great opportunity for such fraud and collusion and grave abuses as have obtained in the past and which have cost the taxpayers of this country many millions of dollars. The purpose of the amendment is to put a stop to that sort of thing; at least to hedge about such leases and provide some protection for our Government.

Now, I understand it is contended that the Postmaster General has no authority to obtain postal facilities for the housing of Government-owned automobiles used in the Postal Service and that there is no authority either in the Postmaster General or in the Treasury Department to acquire sites for such postal facilities. It is also claimed that neither the Postmaster General nor the Treasury Department has authority to acquire sites and erect buildings thereon for commercial stations, parcel-post stations, and the various substations that are required in the Postal Service.

But, Mr. President, the public buildings act, which was approved May 25, 1926, gives ample authority and power to enable the Treasury Department to proceed by way of purchase, if that is the method they choose to adopt, or to acquire all of these leasehold properties by way of condemnation proceedings, if the Postmaster General requests that that course be followed and makes his request to the Attorney General of the United States. In that event, condemnation proceedings may be instituted to obtain whatever buildings the Postmaster General feels should be acquired. The public buildings act referred to gives him ample authority to provide for all postal activities and to acquire all necessary buildings.

That authority has been exercised in the past. It was exercised by Postmaster General New, as was disclosed this morning before the special committee, in one instance, which is of course sufficient to demonstrate that the Postmaster General then conceived, and conceived properly, that he had authority to proceed to acquire sites and buildings necessary for the housing of Government-owned facilities, automobiles, and so forth. That authority has also recently been sustained by the Attorney General of the United States in the case of the commercial station at St. Paul; for in 1929, following the exposures which were made in both Houses of Congress relating to the postal station there the Attorney General directed that condemnation proceedings should be instituted in that case. Condemnation proceedings were instituted and carried on; first, through commissioners appointed by the district judge, which commissioners made their award; and then after an appeal was taken to the district court from the condemnation proceedings so conducted, by a jury which rendered its award. Only recently, within the last two or three weeks, the Attorney General of the United States made a settlement in that case, accepting the award rendered by the jury and acquiring that property through condemnation proceedings at a cost of about three times the annual rental that was being paid for the commercial station at St. Paul. So there is no question in my mind, and there can be no question in the mind of anyone else who gives the matter study, that the public buildings act referred to gives ample authority so that through the Director of the Budget requests may be made for estimates for the acquiring of these leaseholds or the property to which the leaseholds attach. There is no question but what the Postmaster General and the Treasury Department and the Attorney General's Department can proceed to condemn these properties, and there is no necessity whatever for the execution of even a single lease.

All I propose, however, is that when the Postmaster General does propose a leasing policy we shall hedge about his acts so as to provide some protection for the Government of the United States. I can not understand why the conference report should be adopted. We have plenty of time in which to consider this matter further. This conference report can go back to the conferees; it can be returned to the House for action by that body. If there is any objection to the amendment, which I have proposed on the ground that it is retroactive, I have heretofore in the debate on this floor pointed out how that objection may easily be overcome; so the conferees could agree to the amendment as adopted by the Senate with the appropriate amendment that the House, in its conception of the matter, thought would be necessary in order to prevent the retroactive feature of the amendment, as they contend, in this matter.

So I hope the Senate will not yield on this proposition; that it will not reverse the position it has taken twice by an overwhelming majority of the votes, and taken after full debate upon this proposition. There is not any reason in the world why there should be any leasing policy at all at this time. The time was when that perhaps was desirable; but the time has come when the Government should abandon the leasing policy that was established some 10 years ago, and construct the buildings that are necessary for the postal facilities of our Government. But, Mr. President, I did not go that far. I only asked, since the leasing policy

is to be continued for the time being, that when the Postmaster General enters into a lease for 10 or 20 years, as he is authorized to do, a provision be inserted in the lease providing that when the Government has a Government-owned building for the housing of Government automobiles the Postmaster General may cancel that lease, and that in all cases where leases are to be executed notice shall be given, and there shall be competition identically as there is under the public buildings bill in acquiring post offices and other public buildings under the jurisdiction of the Treasury Department.

Before a vote is taken on this matter, I desire to ask for the yeas and nays.

Mr. PHIPPS. Mr. President, the amendment under discussion was not brought to the attention of the subcommittee or the full Committee on Appropriations for consideration. It was offered on the floor of the Senate. I had but little time to give it consideration. In my opinion it was subject to a point of order, in that it did affect existing contracts to the extent of modifying them. However, I desired to give the Senator from Wisconsin full opportunity to have his proposal considered; and I refrained from making a point of order, which I believe would have been sustained.

We met in conference, not only three different times, but I think four or five times we have sat down over this measure with the House; and each time the conferees on the part of the Senate tried to induce those representing the House to accept the Blaine amendment in some form. At our last two sessions we tried to induce them to agree to a modification, calling attention to the fact that it was found desirable to place a limitation upon the contracts that might be made for future leases. The attitude of the conferees on the part of the House is that the matter is clearly a legislative one, that it is not within the province of conferees to decide a question of such importance, and that there was and still is time for consideration of it by the standing committees who should have jurisdiction of such matters. I am confident that sending this report back for further conference would be futile, and absolutely useless.

Mr. President, this bill carries $61,600,000 for building construction that is made immediately available to help meet the unemployment situation. The time has now arrived when contracts can be let. Every day's delays on this bill means that the letting of those contracts is being deferred. I feel confident that the conferees on the part of the Senate have made their best efforts to carry out the wishes of the Senate as expressed by their vote.

I believe the main point of difference upon which the conference reports heretofore presented were rejected was the question of the salary step-ups. Now, that question has been disposed of in the passage of the Interior Department appropriation bill; so the only questions of difference between the House and the Senate are the garage leases and the matter of the northwestern air mail route.

Mr. JONES. Mr. President, on behalf of my colleague [Mr. DILL], as well as myself, I desire to express our regret that the conferees were unable to sustain the provision with reference to the northern air mail.

I feel that the conferees have done everything they possibly could do, everything that could be expected of conferees. The time is short before the close of the session. We can not afford to have this appropriation bill defeated by reason of the failure to secure this appropriation; so I feel that the conferees have receded from that amendment only because of the imperative necessity of doing so. I want to say that I think the sentiment of the Senate, as indicated in the discussion of this amendment a few days ago, is very strongly in favor of the establishment of this air line. They feel the necessity of it and also the justice of it as compared with the air lines across other sections of the country.

I desire to take this opportunity to say to the department that we expect this line to be taken care of in the next Budget estimates that come down to Congress; and if it is not taken care of in the Budget estimates we feel that we will have the Senate back of us in providing for the establishment of that air mail line.

Mr. PHIPPS. Mr. President, I move the adoption of the report.

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

Mr. BLAINE. I call for the yeas and nays.

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

Mr. SWANSON (when his name was called). I have a general pair with the junior Senator from Colorado [Mr. WATERMAN]. I understand, however, that if he were present he would vote as I shall vote. Therefore I feel released from my pair, and I vote "yea."

The roll call was concluded.

Mr. PATTERSON. I have a general pair with the junior Senator from New York [Mr. WAGNER]. As I am informed that he would vote as I am about to vote, I will vote "yea."

Mr. GILLETT. I have a general pair with the senior Senator from North Carolina [Mr. SIMMONS], but I am informed that if present he would vote "yea." Therefore I vote "yea."

Mr. FRAZIER. I have been asked to announce that the junior Senator from Iowa [Mr. BROOKHART] is paired on this question with the senior Senator from Mississippi [Mr. HARRISON]. If the junior Senator from Iowa were present, he would vote "nay," and if the senior Senator from Mississippi were present he would vote "yea."

Mr. BINGHAM. I have a general pair with the junior Senator from Virginia [Mr. GLASS]. He is unavoidably absent, out of town. I am informed, however, that he would vote as I intend to vote, and therefore I am at liberty to vote. I vote "yea."

Mr. McKELLAR. On this question I am paired with the junior Senator from Delaware [Mr. TOWNSEND] and withhold my vote.

Mr. KING (after having voted in the affirmative). I had forgotten for the moment that I have a general pair with the Senator from New Hampshire [Mr. KEYES], who is not here. I am advised, however, that if he were present he would vote as I have voted. Therefore I will permit my vote to stand.

Mr. WATSON (after having voted in the affirmative). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from California [Mr. SHORTRIDGE] and will let my vote stand.

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

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from Maine [Mr. GOULD] with the Senator from South Carolina [Mr. BLEASE]; and

The Senator from Illinois [Mr. DENEEN] with the Senator from New York [Mr. COPELAND].

Mr. SHEPPARD. I desire to announce that the Senator from New York [Mr. COPELAND], the Senator from Georgia [Mr. GEORGE], the Senator from South Carolina [Mr. SMITH], and the Senator from Massachusetts [Mr. WALSH] are necessarily detained on official business.

The result was announced—yeas 52, nays 18, as follows:

YEAS—52

Ashurst	Goff	Kendrick	Reed
Bingham	Goldsborough	King	Robinson, Ark.
Brock	Hale	McGill	Schall
Bulkley	Harris	McNary	Sheppard
Caraway	Hastings	Morrison	Steck
Carey	Hatfield	Morrow	Steiwer
Connally	Hawes	Moses	Stephens
Dale	Hayden	Oddie	Swanson
Davis	Hebert	Partridge	Trammell
Fess	Heflin	Patterson	Vandenberg
Fletcher	Howell	Phipps	Walcott
Gillett	Jones	Pittman	Watson
Glenn	Kean	Ransdell	Williamson

NAYS—18

Barkley	Capper	Norris	Thomas, Okla.
Black	Couzens	Nye	Walsh, Mont.
Blaine	Cutting	Robinson, Ind.	Wheeler
Bratton	Frazier	Shipstead	
Broussard	La Follette	Thomas, Idaho	

NOT VOTING—26

Blease	Brookhart	Deneen	George
Borah	Copeland	Dill	Glass

Gould	McMaster	Simmons	Wagner
Harrison	Metcalf	Smith	Walsh, Mass.
Johnson	Norbeck	Smoot	Waterman
Keyes	Pine	Townsend	
McKellar	Shortridge	Tydings	

So the conference report was agreed to.

WAR DEPARTMENT APPROPRIATIONS—CONFERENCE REPORT

Mr. REED. Mr. President, I send to the desk the conference report on the Army appropriation bill and ask that it may be read.

The PRESIDENT pro tempore. The clerk will read the report.

The Chief Clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, 27, 28, 29, 31, 33, 34, 35, 42, 47, 49, 50, 51, 52, 53, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68, 69, 73, 75, 76, and 77.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 22, 23, 37, 38, 39, 45, 46, 55, 64, 65, 70, and 71, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$85,413"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,105,897"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,472,585"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$31,479,635"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,779,129"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In line 7 of the matter inserted by said amendment, before the period, insert: ", to be available immediately"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 30, 32, 40, 41, 43, 44, 48, 72, and 74.

DADID A. REED,
W. L. JONES,
HIRAM BINGHAM,
WM. J. HARRIS,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.

HENRY E. BARBOUR,
FRANK CLAGUE,
JOHN TABER,
ROSS A. COLLINS,
WILLIAM C. WRIGHT,
Managers on the part of the House.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. BINGHAM. Mr. President, I desire to ask the Senator from Pennsylvania what the agreement finally was on the amendment, which the Senator will remember, which permitted the War Department to buy goods of the growth, production, or manufacture of the United States?

Mr. REED. Mr. President, that amendment was agreed to by the House conferees with an amendment, so that the provision reads in this way:

That in the expenditure of appropriations in this act the Secretary of War shall, unless in his discretion the interests of the Government will not permit, purchase or contract for within the limits of the United States only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

Mr. BINGHAM. Mr. President, I should like to ask the Senator whether, in his opinion, that would prevent the army in Porto Rico from buying Porto Rican coffee, for instance?

Mr. REED. No; it would not. In fact, it would encourage them to buy Porto Rican coffee.

Mr. BINGHAM. Of course, the Senator will realize that Porto Rico does not come within the phrase "the limits of the United States."

Mr. REED. I understand that; but, of course, the policy which Congress lays down is meant to encourage absorption and use of domestic articles, and the Secretary of War has assured us that that will be his policy.

Mr. BINGHAM. One other question. In the case of the Army in the Territory of Hawaii it would permit the Secretary of War to purchase beef raised in the Territory of Hawaii, even though beef raised in New Zealand and brought by ships with refrigeration might cost a little less?

Mr. REED. If it would cost only a little less; yes. In his discretion, he might buy the native Hawaiian beef.

Mr. McKELLAR. Mr. President, will the same course be followed so far as the buying of furniture made of American wood is concerned?

Mr. REED. Yes, Mr. President. At the present time the Army is buying as much furniture of American wood as possible. It is buying furniture made of foreign woods, particularly mahogany, only where it is necessary to fill a broken set. In all new sets that are bought American wood is specified.

Mr. McKELLAR. I hope so, because it is a very important matter to the people of my State.

Mr. REED. I agree with the Senator.

Mr. COUZENS. Mr. President, the conference report referred to some amendments which have not been agreed to. What are those?

Mr. REED. Those are actually agreed to by the conferees, subject to action by the House; and the House has taken action on those. There are nine amendments which are technically in disagreement. Out of those nine the House has accepted the Senate action on three, so that they are not in disagreement at all, and no action is necessary here. The remaining six are cases where the House accepted our amendments with amendments, and those are technically in disagreement until the House accepts the amendments, which they have just done this afternoon.

Mr. COUZENS. So that if we approve this conference report, it closes the incident.

Mr. REED. Yes; except that I must make a motion to concur in the House amendments to the Senate amendments, which I shall do as soon as the Senate agrees to the report.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDENT pro tempore. The Chair lays before the Senate the action of the House of Representatives upon certain amendments to the bill, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
February 20, 1931.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 41, 43, and 72 to the bill (H. R. 15593) making appropriations for the military and non-

military activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, and concur therein.

That the House recede from its disagreement to the amendment of the Senate numbered 30, and concur therein with an amendment as follows:

In line 2 of the engrossed Senate amendments, strike out the word "in" after the word "man," and insert in lieu thereof "on the active list of."

That the House recede from its disagreement to the amendment of the Senate numbered 32, and concur therein with an amendment as follows:

Restore the matter stricken out by said amendment, amended to read as follows:

": *Provided*, That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

That the House recede from its disagreement to the amendment of the Senate numbered 40, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$20,695,990."

That the House recede from its disagreement to the amendment of the Senate numbered 44, and concur therein with an amendment as follows:

In lieu of the sum inserted by said amendment insert "$19,195,990."

That the House recede from its disagreement to the amendment of the Senate numbered 48, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment insert the following:

"That in the expenditure of appropriations in this act the Secretary of War shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable."

That the House recede from its disagreement to the amendment of the Senate numbered 74, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: ": *Provided further*, That the conditions imposed upon the improvement of Biloxi Harbor, Miss., authorized to be carried out in accordance with the report submitted in House Document No. 754, Sixty-ninth Congress, second session, may, in the discretion of the Chief of Engineers of the Army and the Secretary of War, be modified so as to provide that the local interests shall give assurances that they will construct a public terminal adequate for coastwise traffic, under plans to be approved by the Chief of Engineers of the Army, whenever in his opinion such construction is necessary, and that such local interests, in the event of modification of such conditions, shall contribute therefor at least $5,000 toward the first cost of the improvement and at least $5,100 annually thereafter for five successive years."

Mr. REED. I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 30, 32, 40, 44, 48, and 74.

The motion was agreed to.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

The PRESIDENT pro tempore. The Chair lays before the Senate the action of the House of Representatives on certain amendments of the Senate to the Agricultural Department appropriation bill, which will be read.

The Chief Clerk read as follows:

IN THE HOUSE OF REPRESENTATIVES,
February 18, 1931.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 130 to the bill (H. R. 15256) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1932, and for other purposes, and agree to the same with an amendment as follows:

In lieu of the matter proposed in said amendment insert the following:

"To enable the Secretary of Agriculture, for the crop of 1931, to make advances for loans to farmers in the States of Alabama, North Carolina, South Carolina, Georgia, and Florida who suffered storm and/or drought losses to crops in 1929 and 1930 where he shall find that an emergency need for such assistance exists, for the purchase of seed of suitable crops, fertilizer, feed for work stock, and/or fuel and oil for tractors used for crop production, upon such terms and conditions and subject to such regulation as he shall prescribe: *Provided*, That a first lien on all crops growing, or to be planted and grown, during the year 1931 shall in the discretion of the Secretary of Agriculture be deemed sufficient security for such advance or loan, to be immediately available, $2,000,000."

That the House recede from its disagreement to the amendment of the Senate numbered 131, and agree to the same with an amendment as follows:

In lieu of the sum proposed in said amendment insert "$215,579,082."

Mr. McNARY. Mr. President, I move that the Senate concur in the House amendments to the Senate amendments.

Mr. ROBINSON of Arkansas. Mr. President, may I inquire of the Senator from Oregon, in charge of the conference report, what change has been made in the provision relating to the revolving fund for the Southeastern States?

Mr. McNARY. Mr. President, the Senate amendment proceeded upon the theory that the amount of money advanced and repaid to the Treasury for this fund should be again appropriated. It was estimated that it would be about $2,220,000. The House did not want that language but wanted a fixed sum of $2,000,000. So the Senate conferees agreed to the House language appropriating $2,000,000 upon the same plan as that incorporated in the original measure rather than the indefinite sum agreed to in the Senate.

Mr. ROBINSON of Arkansas. Very well.

Mr. FLETCHER. Mr. President, the original appropriation was $3,000,000, was it not?

Mr. McNARY. The original appropriation was a little in excess, but about 80 per cent had been covered into the Treasury. We reappropriated that as a revolving fund. The House did not desire the revolving fund feature, but wanted to make it a specific sum of $2,000,000.

Mr. ROBINSON of Arkansas. Which would probably be somewhat less than the amount contemplated by the Senate amendment.

Mr. McNARY. Very little less, however.

Mr. ROBINSON of Arkansas. The Senate amendment being indefinite as to the amount.

Mr. McNARY. That is true.

Mr. GEORGE. Mr. President, the Senator from Oregon has correctly stated the situation. The Senate amendment simply reappropriated the amount that had been paid in. The conference report fixes a definite amount, to wit, $2,000,000.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

USES AND STATUS OF SILVER AS MONEY

Mr. PITTMAN. From the Committee on Foreign Relations, to which was referred the resolution (S. Res. 442) advising the President as to the depressed condition of our commerce with China and other silver-using countries, and suggesting that the President take certain steps looking to remedial action, I report the resolution with amendments and I submit report (No. 1716) thereon.

Mr. President, I should like to ask the Senator from Maine if he would have any objection to permitting me to ask present consideration of the resolution, which has been unanimously approved by the Foreign Relations Committee, if it does not lead to any debate?

Mr. HALE. Does the Senator think it will lead to any extended debate?

Mr. PITTMAN. I do not think it will. If it does, of course, I shall withdraw the request.

Mr. HALE. Very well.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Nevada?

Mr. COUZENS. Let the resolution be read.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the amendments of the Committee on Foreign Relations were agreed to, and the resolution as amended was agreed to, as follows:

Resolved, That the Senate, having had under investigation and consideration, through its Committee on Foreign Relations and a subcommittee thereof, our commercial relations with China, the causes of the great and sudden depression in such commerce, and remedies for such depression, and such committee having reported to the Senate, the Senate submits to the President the reports, hearings, and other data in respect thereto, with the respectful suggestion that he shall, if he deem it compatible with the best interests of the Government, enter into discussion or negotiation with governments looking to the suspension of the policy and practice of governments of melting up or debasing silver coins and

sales by governments of silver, and that he take such other and further action in the premises as he may deem necessary to eliminate the abnormal fluctuations and depressions in the price of silver.

The Senate further respectfully suggests that the President, if he deem it compatible with the best interests of the Government, call or obtain in international conference, or international conferences, to the end that agreements or understandings may be obtained with respect to the uses and status of silver as money.

Mr. PITTMAN. I ask that the report of the committee may be printed in the RECORD.

There being no objection, the report (No. 1716) was ordered to be printed in the RECORD, as follows:

[Senate Report No. 1716, Seventy-first Congress, third session]

COMMERCIAL RELATIONS WITH CHINA

Mr. PITTMAN, from the Committee on Foreign Relations, submitted the following report (to accompany S. Res. 442):

The Committee on Foreign Relations, to whom was referred the resolution (S. Res. 442) advising the President as to the depressed condition of our commerce with China and other silver-using countries, and suggesting that the President take certain steps looking to remedial action, and for other purposes, having considered the same, report thereon with the recommendation that the resolution be passed with the following amendments:

(1) On page 1, line 7, strike out the words "Finds from such report" and the colon.

(2) On page 1, strike out lines 8 to 12, inclusive.

(3) Strike out all of pages 2, 3, and 4.

(4) On page 5, strike out lines 1 to 23, inclusive.

(5) On page 5, line 24, strike out "The Senate" and "these findings of" and insert the word "the" after the word "President."

(6) On page 5, line 25, strike out "fact, together with."

(7) On page 6, line 1, strike out "request" and insert "suggestion."

(8) On page 6, line 3, strike out "the" and "for."

(9) On page 6, strike out all of line 4.

(10) On page 6, line 5, strike out the letters "ments."

(11) On page 6, line 6, after the word "governments," insert the word "of."

(12) On page 6, line 11, after the word "further," insert "respectfully," so that the resolution will read as follows:

"*Resolved*, That the Senate, having had under investigation and consideration, through its Committee on Foreign Relations and a subcommittee thereof, our commercial relations with China, the causes of the great and sudden depression in such commerce, and remedies for such depression, and such committee having reported to the Senate, the Senate submits to the President the reports, hearings, and other data in respect thereto, with the respectful suggestion that he shall, if he deem it compatible with the best interests of the Government, enter into discussion or negotiation with governments looking to the suspension of the policy and practice of governments of melting up or debasing silver coins and sales by governments of silver, and that he take such other and further action in the premises as he may deem necessary to eliminate the abnormal fluctuations and depressions in the price of silver.

"The Senate further respectfully suggests that the President, if he deem it compatible with the best interests of the Government, call or obtain an international conference, or international conferences, to the end that agreements or understandings may be obtained with respect to the uses and status of silver as money."

The following report (No. 1600) made to the committee by its subcommittee, composed of Senators PITTMAN, JOHNSON, SWANSON, VANDENBERG, and SHIPSTEAD, is made a part of this report:

[Senate Report No. 1600, Seventy-first Congress, third session]

COMMERCIAL RELATIONS WITH CHINA

Mr. BORAH, from the Committee on Foreign Relations, submitted the following partial report (pursuant to S. Res. 256):

FEBRUARY 11, 1931.

To Hon. WILLIAM E. BORAH,
Chairman Committee on Foreign Relations,
United States Senate.

DEAR SENATOR: Your subcommittee, appointed under authority of S. Res. 256 to investigate and report upon the depression of United States trade and commerce with China, to study treaty stipulations relating to same, and to make recommendations to alleviate disturbing conditions, begs leave to submit the following interim report and recommendations:

SCOPE OF THIS REPORT

Our commerce with China has been retarded for several years by reason of war and other conditions in China affecting her production, development, and prosperity. The sudden, unusual, and destructive depression in our commerce with China since the 1st day of January, 1930, can not, however, be accounted for by reason of conditions that have existed for several years. It is this unusual and sudden depression with regard to which your committee reports.

Your subcommittee at numerous hearings has taken the testimony and written statements of officials of the United States Department of Commerce, bankers, exporters and importers, shippers, and others, all of them familiar from long experience with our commerce in many countries, particularly China. Such testimony and written statements are in the form of published hearings, which are herewith submitted to the Committee on Foreign Relations.

DECREASE IN COMMERCE WITH CHINA

During the first 11 months of 1930, being the months for which we have statistics, our exports to China were 27 per cent less than our exports during the same period in 1929. Our imports from China during such period in 1930 were 36 per cent below our imports during the same period of 1929. The reports received from the Department of Commerce, so far as they have been obtained for the months of November and December, disclose that our commerce with China continues to decrease, although war conditions were greatly improved during those months.

CHIEF CAUSE OF DECREASE

The chief cause for the abnormal and sudden decrease in our commerce with China during the latter part of 1929 and 1930 was the sudden, great, and unprecedented fall in the price of silver. Silver is the only money in China, and it is the sole measure of the wealth and purchasing power of its people. From July, 1929, to date the price of silver dropped one-half.

PRICE OF SILVER

The pre-war price of silver—that is, in 1913—was 60 cents an ounce. This price had been about the average or normal price for many years. The annual average price of silver per ounce during the past four fiscal years was:

	Cents
1926	58
1927	57½
1928	57
1929	46

It will be observed that the average price of silver, unlike other commodities, did not increase over the pre-war price but maintained about the same average price. This price we may still call normal.

The price of silver commenced to drop in January, 1929. In January, 1929, the average price of silver was 57⅓ cents an ounce. To-day it is 26½ cents an ounce.

MONEY OF CHINA

China is now and always has been a silver-standard country. China possesses no gold. The standard measure of money is the tael, which is approximately an ounce of pure silver. The sycee is the chief representative of money and medium of commerce and trade. It is a piece of silver shaped like a shoe or slipper containing 50 taels.

There are some silver coins in China. They are silver dollars minted and issued by the Government of China and the Mexican dollar, each containing a similar amount of silver to the standard silver dollar of the United States. In addition to these there are subsidiary silver coins comparable with the dimes, quarters, and halves of the United States.

The value and purchasing power of the tael, sycee, and silver coins fluctuates daily and is determined by the daily quoted price of silver in London. A board of brokers in London daily fix the price of silver, which is accepted throughout the world.

DECREASE IN PURCHASING POWER OF CHINA'S MONEY

The people of China must pay for our goods with gold and they buy gold with silver. They are now compelled to pay twice as much for gold with their silver as they did a year ago, which, to them, means that they are paying twice as much for our products. The abnormal, sudden, and unprecedented fall in the price of silver has cut in half the wealth and the purchasing power of the people of China, restrained them from purchasing other than the necessities of life, destroyed credit, and stagnated trade.

The price of silver from May, 1928, to the present time has steadily dropped until it has now reached the lowest level for all time of less than 26½ cents an ounce. In June, 1928, silver was 60⅓ cents an ounce.

CREDIT SYSTEM DESTROYED

Not only has the purchasing power of China been cut in half and the cost to them of our exports doubled but the credit situation has been even more seriously affected.

In fact, it is testified by exporters without contradiction that all transactions with China at the present time must be on a cash basis. This is due to the fact that the price of silver has not only been steadily decreasing but the cause of this decrease continues to exist, and under such conditions a further great decrease in the price of silver is constantly threatened and is expected. In this uncertain condition no safe agreements can be entered into as to future payments for goods sold.

ACTUAL AND ARTIFICIAL VALUE OF SILVER

The artificial parity price of silver established by various governments has not measured and, in fact, has had no relation whatever to the actual price of silver or what might be termed its normal value in the world market.

For instance, the parity price of our subsidiary silver coins—that is, dimes, quarters, and halves—with relation to gold, is $1.38 an ounce. Yet the market price of silver in the United States to-day, even that produced in our own mines, is now 26½ cents an ounce.

Our Government buys silver in the open market for 26½ cents an ounce and manufactures it into subsidiary coins and sells such coins to banks and to commerce in the United States at the rate of $1.38 an ounce.

To illustrate, the United States Government sells to commerce and banks 50 dimes for $5. These 50 dimes contain 3.623 ounces of

silver. So the silver in the dimes is sold at the rate of $1.38 an ounce. The value of the silver in these 50 dimes, and such would be the value outside of the United States, is, at 26½ cents an ounce, $0.955.

Those coins in the United States, for limited purposes, have a purchasing power equal to $1.38 an ounce, although they are not full legal tender. Their purchasing power on a ratio with gold of $1.38 an ounce is maintained because in the United States they are accepted at face value. It must be remembered that our subsidiary coins are only a very small portion of our money and are intended and only used to facilitate minor domestic transactions. Such use of silver is maintained to a certain extent in some other countries.

In China, Mexico, Central America, South America, India, and Asia the situation is entirely different. In our country the basis of all of our domestic and foreign commerce is gold, and we have the gold. In the other countries named the foundation of all commercial transactions, both domestic and foreign, must be based upon silver because they have silver and little or no gold.

In India the silver rupee has a certain ratio with gold, but these rupees are only a small part of the silver wealth of India, and they are now being melted up and sold as bullion under the policy and practice of the Government of India.

HOW SILVER IS CONSERVED IN ORIENTAL AND LATIN COUNTRIES

Silver has been pouring into China, India, and other Asiatic countries from the dawn of history. In fact China and India, since our earliest history, have consumed annually two-thirds of the world's production of silver. Little of this silver has been preserved in the form of silver coins but is absorbed in the form of raw silver called bullion or in the form of silver jewelry and trinkets, in which form the oriental and South American people generally conserve their wealth.

The women of India and most Asiatic countries are not permitted to inherit property. Therefore a custom has long existed for the women to accumulate, over long periods of time, silver coins and then melt them up and manufacture them into jewelry. This silver jewelry is the measure of their wealth and purchasing power; it is their reserve, their bank account.

ILLUSTRATION RESULT OF LOSS OF PURCHASING POWER

This is the wealth that enables such peoples to purchase our exports. It is largely the measure of their domestic economic soundness. The disaster that follows the destruction of the purchasing power of such wealth, and its value as the basis for credit, is obvious.

Let us illustrate this proposition: The chief market of the world for cotton textiles is in the tropical climates of China, India, Asia, Mexico, Central America, and South America. These people find that they have to pay twice as much for a piece of cotton goods as they did a year ago—that is, they are compelled to give twice as much of their money, which is silver, than they paid a year ago for the same article. The result is that they buy only that which actual necessity compels them to have. Our cotton textile mills commenced to suffer at the same time that silver began to drop. The textile mills of Manchester, England, commenced to suffer at the same time that the price of silver started to fall. With the decreased demand for cotton textiles came the fall in the price of cotton, until to-day cotton is about half what it was a year ago. The same condition applies in a more or less degree to all of our exports to those countries such as wheat, lumber, automobiles, radios, electrical appliances, and machinery.

RESULTS ARE WORLD-WIDE

While it is true that the most alarming results of the depressed price of silver have been felt in those countries that have only silver as money, yet the evidence discloses that its depressing effect has reached the entire world. The United States and other countries that are suffering at the present time most intensely from the inability to dispose of surplus production are to such extent directly affected.

Cotton is our greatest export product, and when the value of that product is reduced one-half by reason of the reduction in the purchasing power of those people who are the greatest consumers of cotton cloth, then the purchasing power of our citizens engaged in the cotton-raising industry is reduced one-half. And we see the same effect to possibly a lesser degree on our wheat farmers and on our manufacturers.

With the destruction of our market for our surplus production, reduction of production must take place, carrying with it inevitable unemployment. In the opinion of the subcommittee, therefore, the great sudden decline in our trade with China is due primarily to the extraordinarily depressed price of silver.

SAME EFFECT ON OTHER SILVER-USING COUNTRIES

The same cause is equally applicable to our depressed commerce with the other silver-using countries that have been designated in this report.

During the same period our exports to and our imports from such silver-using countries decreased as follows:

	Per cent
South America:	
Decrease in exports	37
Decrease in imports	32
Mexico:	
Decrease in exports	13
Decrease in imports	33
India:	
Decrease in exports	19
Decrease in imports	30

The people of these countries constitute a large portion of the consuming public of the world. In fact, they embrace over half of the population of the world and 90 per cent of the nations of the earth.

Upon your subcommittee was imposed the duty of ascertaining not only the cause of the depression but the possible remedy, or remedies, if any, for such unfortunate conditions. It being evident to your subcommittee that the depressed condition of our commerce with China, and, we may say, with other silver-using countries, being due chiefly to the depressed price of silver, your subcommittee sought next the reason for this sudden and unusual depression in the price of silver.

CAUSE OF CONTINUOUS FALL IN PRICE OF SILVER

No overproduction

The annual reports of the Director of the Mint of the United States give the annual production of silver in every country in the world for a period of over 50 years. These reports disclose that the annual increase in the production of silver has been only on the average of much less than the normal increase of the average production of all other commodities and is not commensurate with the increase in population and commerce.

To illustrate, as far back as 1913, the production of silver amounted to 223,686,823 ounces. In the 16 years following it fluctuated up and down. In 1923 it reached 240,169,264 ounces; in 1928 the total world production was 254,869,163 ounces; during the prosperous year of 1929 the world production was 261,265,718 ounces; and the estimated production for 1930 is approximately 225,000,000 ounces.

It will be noted that the price of silver was decreasing while production was falling off.

The increase from 1923 to 1929 was only 21,000,000 ounces, and the increase from the high mark from 1913 to 1923 was less than 15,000,000 ounces.

The decline in 1930 reduces world production back to practically the world production of 1913.

As approximately two-thirds of the world's production of silver is mined as a by-product of gold, copper, lead, and zinc, silver production varies with the production of these other metals.

The production of silver, therefore, is automatically regulated and controlled by the production of gold, copper, lead, and zinc. When world conditions are prosperous and there is therefore a great demand for such metals there is an increase in production of such metals with a by-product increase in the production of silver. When the world is unable to buy such metals, as is the case now, then the production of such metals decreases, and with it decreases the production of silver. It is evident therefore that there is little or no danger of an overproduction of silver.

The consumption of the world production of silver may be illustrated through the distribution of silver for the year 1929. In that year the consumption was as follows:

[In millions of fine ounces]

1929

India:	
Imports from the United States, Canada, England, France, Egypt, Australia, and others	79.2
Supplies from Government reserves sold in India	7.3
	86.5
Less exports	4.7
Net Indian consumption	81.8
China:	
Imports from the United States, Canada, and England	133.3
From India[1] and Japan	3.4
Chinese consumption	136.7
Germany: Imports from the United States, Mexico, England, and others	12.0
Arts and manufactures:	
In the United States and Canada	37.0
In England	6.5
Coinage:	
United States Mint	2.5
Russia	3.5
Holland	3.0
Hong Kong dollars	16.0
Unaccounted for	12.5
Total	311.5

Such 311,500,000 ounces of silver is divided as follows: Production, 261,265,718 ounces. Supply derived from melting up silver coins, 50,234,282 ounces.

There was no surplus production of silver in 1929 or 1930. In fact, there has never been, according to the evidence, any surplus of silver. The mine production of the world was remarkably uniform and the consumption of the world was equally uniform. The annual mine production was always consumed, and commerce and business had so adjusted themselves to such production that the demand was measured by the production. The evidence conclusively proves therefore that the sudden fall in the price of silver from the average level of 58.18 cents an ounce in

[1] Most of India's melted silver coins exported through England.

1928 to 26½ cents an ounce at the present time was not due to overproduction.

The Indian Government is still maintaining and carrying out its policy of melting up silver rupees and disposing of the silver as bullion. According to reports, the Government of India still has at least 400,000,000 ounces of silver in such rupees that it can throw upon the world market as silver bullion.

The program of the British Government for India to date has been not only a failure, so far as carrying out the policy is concerned, but it has been destructive of the wealth, purchasing power, and prosperity not only of the people of India but of every country that uses silver for money, and indirectly injurious to the prosperity of the world. Even in 1930, when silver had reached the then all-time low of 34 cents an ounce, India under such policy threw on an already saturated market 29,500,000 ounces of such silver. The last thread of confidence and hope in the minds of the people of the silver-using countries was broken and speculators in silver in all countries commenced to dump silver on the market.

Although the people of China still hold tenaciously to their silver, the speculators of China are no exception in the bear movement that has developed. They know now the result of the dumping policy in India. They know that with an available 400,000,000 ounces of silver, which India could and apparently intends to continue to dump under the policy referred to above, there is no advantage to be gained in the holding of silver. Thus, when extensive Indian sales are noted world silver speculators sell panically.

As to the sale of silver in China under such conditions, it may be justly stated that a nation whose purchasing power largely depends on the price of silver is to be pitied rather than criticized when economic conditions force it to sacrifice its wealth by selling on an alarmingly depressed silver market.

Furthermore, it is manifest that at least one factor forcing the sale of silver in China is the absolute necessity of the Chinese to sacrifice their silver in an effort to meet their obligations, a fact which additionally adds to their economic burden.

Root of the trouble

While there was no overproduction, there was an oversupply of silver in the markets of the world. This oversupply arises from two sources—namely, (1) the debasement of silver coins, or, in other words, the reduction of the amount of silver in silver coins, and (2) the selling of the surplus silver so derived, and the melting up of silver coins in India and the sale of such silver as bullion in the market of the world.

The cause of the sudden, large, and unprecedented fall in the price of silver was the dumping upon the market of the world of large and unusual quantities of silver bullion derived from the melting up of silver coins in India and the debasement of silver coins in Great Britain, France, and Belgium.

The British Government for India in 1926 adopted the gold-standard policy for India. The carrying out of this policy contemplated the acquisition of approximately 300,000,000 dollars in gold through the melting up of Indian silver rupee coins and the sale in the world market of the bullion derived therefrom.

The British Government for India commenced to sell in 1927. During 1927 and 1928 she sold 31,700,000 ounces; in 1929 she sold 25,000,000 ounces; and in 1930 up to December 1 she sold 29,500,000 ounces.

According to the financial column of Cotton and Finance for January, 1931, a magazine published in Bombay, the Indian Government in December, 1930, sold 2,938,000 ounces of silver at a time when silver was only 31⅞ cents an ounce.

It is difficult to obtain exact data on recent shipments of silver by the Indian Government, as the Indian Government seems to treat the matter in somewhat the nature of a confidential transaction. There is no doubt, however, that the Government of India has been shipping silver into the market of the world during the month of January, 1931. We are informed by silver brokers of high standing that such is the fact. Some of them inform us that the Indian Government trade returns show that from January 1, 1931, to date the Government of India shipped to London 14,630,000 ounces of silver and 10,700,000 ounces of silver to Hong Kong. The exact amount is not so material as is the fact that the Government of India is continuing its disastrous policy and practice even when the price of silver has reached the lowest level in all history.

The money of half the world must be stabilized

No commodity could withstand such an attack. Take out of use any product to-day and throw it on the market of the world and its value would be equally affected as has the value of silver by the act of the British Government for India. Silver is a commodity. By a series of laws enacted in various countries, including our own, during the past fifty-odd years, it has been demonetized in the most powerful governments of the world.

This action was taken notwithstanding the fact that there was no overproduction of silver nor threat of overproduction of silver. Since the beginning of time, so far as statistics are had, the production of silver has been 14 ounces of silver to 1 ounce of gold. The United States Department of Commerce in its Economic Paper 8, published in 1930, under the title "Summarized Data of Silver Production," says:

"Demonetization became possible through the enormous increase in gold production that followed invention of the cyanide process in 1887 and development of the gold fields of South Africa, yet a number of countries still retain the silver-gold standard. Most orientals use silver as a medium of exchange almost to the exclusion of gold. Silver may thus be regarded as a second line of defense for the maintenance of the metallic foundation of monetary systems, but the future of its production will be influenced largely by the course of gold production.

"In conclusion it is of interest to note that, although the value of gold to silver now stands at a ratio of about 40 to 1 and was formerly fixed in the bimetallic monetary standard at 16 to 1, the ratio of production of silver to gold in the whole period since the discovery of America has been about 14 to 1."

Evidently at the time such paper was prepared the price of silver had not dropped as low as it is now, because at the present time the ratio of gold and silver is on the basis of over 60 ounces of silver to 1 ounce of gold. It is true that at the time the actual demonetization of silver took place there was an extraordinary production of gold, which created, if it did not justify, the opinion in the minds of economists that silver would be unnecessary as a standard for monetary purposes.

The interim report of the gold delegation of the financial committee of the Council of the League of Nations in 1930 found as a fact and reported that the burden upon gold for monetary purposes had been steadily increasing for years, that the production of gold was increasing at a very low rate, and that unless conditions of production changed, and such conditions were not in sight, there would be an actual shortage of gold in 1934. This report appears in part 4 of the hearings which are herewith submitted.

Silver is more than a commodity with over half of the people of the world. It is more than a commodity in all the countries of the world except six or seven. In fact, with the exception of those countries that have both established the gold standard and have the gold to back such standard, silver always has been and is now money, the only measure of wealth, and the only monetary instrument of trade and commerce.

Silver crisis same in oriental and Latin countries

The moving cause for the great and abnormal depression in the price of silver still exists and threatens a further and unlimited depression. The situation is even more serious than that arising from the silver crisis in China. The same silver crisis exists in Mexico, South America, India, Asia, and all other silver-using countries. Our exports to these countries have greatly depreciated. The wealth of the peoples of all of these nations, representing over half of the population of the world, is measured in silver. They have received and hoarded silver during the ages. It has been their instrument of trade and commerce. They have little or no gold. Their purchasing power, like the people of China, has been reduced one-half, their credit destroyed, trade restrained, and their utter ruin threatened.

A few of the governments of the peoples mentioned are on a gold or semigold basis. Of these governments none appear to have anywhere near an adequate gold reserve, while the rest of such governments either have no gold reserve or such reserve is utterly deficient.

According to the report of the Federal Reserve Board the monetary gold of the world is $10,909,000,000.

There appear in the record tables taken from the January, 1931, bulletin of the Federal Reserve Board showing the gold stocks of central banks and governments of the leading gold-possessing countries of the world, the gold movements to and from certain other countries, and foreign exchange rates (yearly averages) from 1922 to 1930.

The relevancy of these tables is based upon the committee's consideration during hearings of certain statements made by witnesses as to existing and future shortages of gold and the relationship of this shortage to world commodity prices and international trade and credit.

It will be noted from the first table that in November, 1930, the total gold holdings of central banks and governments in 45 countries was $10,909,000,000.

Of this amount, the holdings of the United States alone amounted to $4,220,000,000. France had $2,037,000,000, England had $767,000,000, Germany $519,000,000, the Argentine $417,000,000, and Japan $409,000,000.

India in November, 1930, had $128,000,000 in gold, which amount was exactly the estimated gold holdings of India in November, 1929. This is the present basis of the proposed gold standard for India with its large area, great trade, and 300,000,000 of people.

The holdings of the United States in the year from November, 1929, to November, 1930, had increased by $220,000,000. The gold holdings of France increased in the same period from $1,600,000,000 to $2,037,000,000.

The table gives the gold holdings in detail for 16 of the 45 countries from which statistics were gathered. Twenty-nine of the countries are lumped together, with an estimated total of $693,000,000, but this figure is more than $20,000,000 less than these 29 countries were shown to have held in November, 1929.

China is included within the lump-sum figure of the 29 countries. China's gold is negligible, as will be noted from the table in the hearings.

The silver problem is aggravated by the equally serious gold situation. Gold-standard governments are experiencing great difficulty in obtaining gold to meet their budgets and pay their obligations. People in gold-standard countries are competing with each other in the sale of their products to obtain gold with which to pay their debts. The whole world is suffering from the destruction of silver money and the hoarding, stagnation, and maldistribution of gold.

Remedies recommended

Your subcommittee is aware of the impropriety of questioning any monetary policy adopted by any government. Your subcommittee is of the opinion, however, that, having knowledge of the character of the British people, of their extensive commerce with all nations, their interest in the welfare and prosperity of all peoples, they will not consider it improper if the President of the United States should seek a discussion of the advisability of the British Government for India suspending such policy with regard to the melting up and sale of India's silver coin for a reasonable period of time until other readjustments can be devised.

It is impossible, in the opinion of your subcommittee, to accomplish the restoration of the normal purchasing power of silver or to prevent its continued decrease in purchasing power and its continued instability as a basis of credit unless and until the British Government for India announces a determination to suspend its present policy. The question of the suspension of such policy is an emergency and should be undertaken first. While it is of vital importance to restore the normal price of silver, it is possibly of more importance to assure against violent fluctuations of the price. Credit transactions can not be successfully undertaken with countries that use silver for purchases until some plan or plans have been agreed upon that will assure to a greater extent than now exists the stabilization of the purchasing power of silver.

To this end it appears to your subcommittee that the President of the United States, under authority heretofore granted to him by Congress under an act approved March 3, 1897, chapter 376, section 312, Revised Statutes of the United States, entitled "An act to provide for the representation of the United States by commissioners at any international monetary conference hereafter to be called, and to enable the President to otherwise promote an international agreement," or under his general constitutional powers, should invite or obtain the governments of the world, or those who expressed an interest, to enter into an international conference, or conferences, where plans, policies, and agreements may be discussed and arrived at, if possible, looking to the remedying of the present uncertain and dangerous status of silver throughout the world.

Reviving China

Our commerce with China may be aided in other ways. China is the natural market of the United States. With the exception of Japan, our country is China's closest powerful neighbor. Her people admire and respect us, as we do them. Our friendship has existed from time immemorial. They prefer our products and purchase them except when compelled to purchase cheaper products through extreme poverty. China has an area almost as large as the United States and Mexico combined. It contains a population of from 400,000,000 to 450,000,000 of normally peaceful, intelligent, industrious people. They seek an opportunity for peaceful employment. If we give these people employment and prosperity, for years to come they will furnish a market for most of our surplus production.

It was testified before our subcommittee by exporters who know China and its customs that with the pacification and revivification of China our entire wheat surplus would be consumed. The Government of China, according to all the testimony we received, is a good government and is satisfactory to our citizens engaged in trade and commerce in and with China.

There must be work provided in China or there will be war. War lords are impatient because of the inability of the National Government of China to carry out its program. The people of China, through lack of work, have been compelled to fight in armies for food. To-day China is practically at peace with the exception of bandit bands still seeking food and property through raids. As has been aptly remarked, a large number of Chinese are forced to "loot to live."

The National Government of China can not carry out its program without the moral, intellectual, and financial support of those nations that prosper by virtue of trade with China and that are able to render such aid. What China needs most is transportation. It is impossible to get products into or out of the interior of China. Transportation to any extent only exists along the seacoast. There are only seven or eight thousand miles of roads in China over which an automobile may be safely driven. There are only 7,500 miles of railroads—fewer miles of motor roads and fewer miles of railroads than we would find in one of the small States of our Union. The passable roads in China, with the exception of those on the seacoast, are built out from the capitals of Provinces and are not connected. Your subcommittee has seen maps of the proposed road system of China. The commission that visited your subcommittee asserted that $20,000,000 would so connect up these isolated roads as to give a comparatively satisfactory national road system. When this system is completed there will be safe and expeditious transportation by motors and trucks from the extreme north of China to the south, and from the seacoast to the western border.

The United States to-day sells to China 80 per cent of the automobiles that it uses. With the inauguration of the proposed road system there will be thousands of miles of motor roads added to the present system. Not only will production be tremendously facilitated but China will become a great user of motors and it will be opened up to a new and great tourist trade.

It has been testified before your subcommittee that with the pacification of China and the establishment of transportation the commerce of China would increase many fold in a very few years.

Your subcommittee has taken a great deal of evidence as to the best manner in which financial aid may be granted to China. Labor in China is to-day largely paid in rice by reason of the scarcity of coins. Gold will not be used in China at least for many years to come. The people for ages have become accustomed to the use of silver as money, silver in its raw state, silver in chunks called sycee, silver chipped off of bullion, and a few silver coins, and it is hard to change the customs of thousands of years. The measure of wages is so small in China that a laborer would probably have to work months to get a gold piece sufficiently large to conveniently keep.

While the people of oriental and tropical countries are suspicious of paper money, there is a stronger reason why they have always used silver. They require a metal and they could not and can not obtain gold. Silver is practically indestructible. It may be buried in the ground. It may be worn as jewelry, and it may be carried in the loin cloth without destruction or injury. Paper money is subject to destruction and when placed in the loin cloth in a few hours it is in a condition beyond circulation. So China requires silver.

The proposal to lend China two or three hundred million ounces of silver has met some objections. It is urged that there may be a change of government, or that the government may fall into incapable hands and the money lost or stolen or squandered and not accomplish the pacification and revivification of China. To meet this objection your subcommittee suggests that a silver fund or pool might be established; that silver might be advanced to China from time to time as needed to be minted into suitable sized coins for the payment of wages to labor and the purchase of material to be used upon certain specific projects that meet the approval of those handling the pool or fund. It would be advisable, in the opinion of your subcommittee, to invite those nations interested in China's development and commerce to participate in such a pool. The director, or directors, of such pool would collaborate with the Government of China with regard to the laying out and consummation of such projects. Such advances therefore would only be made during the periods in which the Government of China was in a position to assure the carrying out of the purposes of the advances and the repayment of such advances in accordance with the agreement.

It has been suggested that such advances be measured in ounces of silver rather than in dollars. It is urged that by such process it would only be a loan of a commodity to be returned in kind, and that the difficulty of establishing a price at which such silver should be loaned and repaid would be avoided. Governments might hesitate to dispose of silver at the present price, while, on the other hand, China might not deem it wise to borrow silver at a higher price than the market price.

The question arises as to where the silver could be obtained. There is no known large surplus of silver outside of the Treasury of the United States except silver coins in circulation.

It is not to be expected that any government except India would melt up its circulating silver coins. Other countries desiring to participate in the pool could, of course, obtain silver from current production to carry out their part of the program. The United States might use a portion of the standard silver dollars now lying inert in the Treasury. These silver dollars were used in 1918 under the Pittman Act to supply Great Britain with 208,000,000 ounces of silver to meet an emergency redemption of silver notes in India. The absence of these silver dollars from the Treasury until they were later replaced worked no harm and caused no embarrassment. Federal reserve notes were temporarily placed in the stead of the silver dollars removed as security for silver certificates outstanding against the dollars in the event that there were not sufficient silver dollars remaining for such redemption. As a matter of fact, as silver certificates reached the Treasury they were canceled and none of the Federal reserve notes were used for such redemption.

There are now in the Treasury of the United States, according to the last statement, 495,874,458 silver dollars for redemption of outstanding silver certificates. Very few, if any, of these silver certificates are ever presented for redemption, and the standard silver dollars are a frozen asset of the Government, unused, and bearing no interest. A safe plan could probably be devised by the Treasury Department for the use of some of these silver dollars in connection with advances to China. The advances, of course, would be construed as a loan, and would be for a long period of time at a small rate of interest. The interest might be received in the form of silver and used for the purpose of restoring the standard silver dollars to the Treasury or for subsidiary coinage.

All that the Senate may constitutionally do with regard to any matters herein suggested is to advise the President of the United States of the opinion of the United States Senate, and thereafter, if he deemed it compatible with the interest of the Government, the manner, the method, and the detail of such consummations must be in his hands as the sole authority under the Constitution clothed with the power and duty to negotiate agreements upon behalf of the United States.

Your subcommittee annexes to this report statements of Government officials and others, official Government tables and authorized statistical data, taken from the testimony of our hearings, for the purpose of ready reference in support of the statements made herein and a few additional statistical tables of official character, dealing with collateral issues, such as the present distribution of gold holdings and estimates on the supply of and demand for gold in the near future.

Your subcommittee respectfully urges upon the Foreign Relations Committee, and upon the United States Senate through

the Foreign Relations Committee, the adoption of this report and a favorable report upon the two resolutions introduced in the Senate by Mr. Pittman, chairman of the subcommittee of the Foreign Relations Committee, on the 11th day of February, 1931, being Senate Resolution Nos. 442 and 443, now pending before your committee, copies of which resolutions are hereto attached.

Senate Resolution 442 embraces two subjects, namely, the suspension of the policy and practice of the Government of India in melting up her silver rupee coins and disposing of the silver derived therefrom as bullion upon the market of the world, and the sale of silver by other governments derived from the debasement, or, in other words, the reduction of the amount of silver in silver coins.

The other subject embraced in the resolution anticipates international action looking to a more definite understanding or agreement as to the use or status of silver as money throughout the world or as between the governments that may become parties to such agreements or understandings.

The first subject involves a question of great emergency, and it is hoped that the President, through diplomatic conversations and discussions, may speedily bring about its consummation, which is the first prerequisite in any effort to restrain the continued depression of the price of silver and restore it at least to its normal purchasing power.

The subcommittee recognizes that the second subject is more involved, that the procedure is more difficult, and that a longer time will be required for the consummation of the purpose involved in the subject. Yet your subcommittee considers the solving of the problems involved in such subject of vital importance to the world, and hopes and believes that the President, through aid which he will receive from many governments, will be successful, and without unreasonable delay.

Senate Resolution 443 suggests to the President action looking to an additional and special remedy for the depressed condition of our commerce with China.

The evidence and data collected by your subcommittee are included in four volumes, or parts, and such hearings are herewith submitted to you with the suggestion that they be submitted to the Senate, together with the report upon said resolutions, so that, in the event of the passage of said resolutions, such hearings may be delivered to the President with said resolutions and the reports thereon.

Your subcommittee is impressed with the seriousness of the situation, and it is of the opinion that these questions should be submitted without delay to the Senate and by the Senate submitted to the President of the United States.

While your subcommittee will make further studies of related problems and suggest additional measures which may seem advisable and proper at a later date, there is no doubt that there is a demand for action with regard to the matters discussed in this report from all over the United States, from industry, labor, and the farmer. In fact, a study of the records that your subcommittee has prepared and submitted will convince you that the demand for friendly cooperative action is world-wide.

Respectfully submitted.

KEY PITTMAN, *Chairman.*

(Copy of resolution introduced in the Senate of the United States on Wednesday, February 11)

Mr. PITTMAN submitted the following resolution, which was referred to the Committee on Foreign Relations:

SENATE RESOLUTION 442

Resolved, That the Senate, having had under investigation and consideration, through its Committee on Foreign Relations and a subcommittee thereof, our commercial relations with China, the causes of the great and sudden depression in such commerce and remedies for such depression, and such committee having reported to the Senate, the Senate finds from such report:

During the first 11 months of 1930, being the months for which we have statistics, our exports to China were 27 per cent less than our exports during the same period in 1929. Our imports from China during such period in 1930 were 36 per cent below our imports during the same period of 1929. The reports received from the Department of Commerce, so far as they have been obtained for the months of November and December, disclose that our commerce with China continues to decrease, although war conditions in China were greatly improved during those months.

China is now and always has been a silver-standard country. China possesses only a negligible quantity of gold. The standard measure of money is the tael, which is approximately an ounce of pure silver. The sycee is the chief representative of money and medium of commerce and trade. It is a piece of silver shaped like a shoe or slipper containing 50 taels.

There are some silver coins in China. They are silver dollars minted and issued by the Government of China and the Mexican dollars, each containing a similar amount of silver to the standard silver dollar of the United States. In addition to these, there are subsidiary silver coins comparable with the dimes, quarters and halves of the United States.

The value and purchasing power of the tael, sycee, and silver coins is the value of the silver contained therein, which fluctuates daily and is determined by the daily quoted price of silver in London. A board of brokers in London daily fixes the price of silver, which is accepted throughout the world.

The situation is even more serious than that arising from the silver crisis in China. The same silver crisis exists in Mexico, South America, India, Asia, and all other such silver-using countries. Our exports to these countries, from the same cause, have greatly decreased. During the same period as applied to China our exports to and our imports from such silver-using countries decreased as follows:

	Per cent
South America:	
Decrease in exports	37
Decrease in imports	32
Mexico:	
Decrease in exports	13
Decrease in imports	33
India:	
Decrease in exports	19
Decrease in imports	30

The people of these countries constitute over half of the population of the world and 90 per cent of the nations of the earth. Their purchasing power, like the people of China, has been reduced to an alarming extent, their credit impaired, trade restrained, and utter ruin threatened.

The price of silver has fallen one-half since January, 1929. In January, 1929, the price of silver was 57½ cents an ounce. To-day the price of silver is 26½ cents an ounce. The normal price of silver—that is, the average price for a number of years prior to 1929, has been approximately 59 cents an ounce. The fluctuations were very slight and did not interfere with credit or commercial transactions, with the exception of the unusually high price of silver during the war period.

The pre-war price of silver—that is, in 1913—was 60 cents an ounce. During the years 1926, 1927, and 1928 the price of silver averaged 57½ cents an ounce.

The sudden and unprecedented fall in the price of silver was not due to overproduction. The reports of the Director of the Mint disclose that the annual increase in the production of silver has been much less, on an average, than the normal increase of the average production of all other commodities and is not commensurate with the increase in population and commerce. The production for certain years is given as follows:

	Ounces
1913	225,686,923
1923	240,169,264
1928	254,869,163
1929 (during great prosperity)	261,265,718
1930 (present estimates)	225,000,000

While there was no overproduction of silver, there was an oversupply of silver in the markets of the world.

The cause of the sudden large and unprecedented fall in the price of silver was the dumping upon the markets of the world of large and unusual quantities of silver bullion derived from the melting up of silver coins by the Government of India and the debasement of silver coins by Great Britain, France, Belgium, and other countries.

The British Government for India since 1928 has dumped large quantities of such silver upon the markets of the world, and is continuing such policy and practice, notwithstanding the alarmingly low price of silver. According to creditable reports, the Government for India still has available from such source 400,000,000 ounces of silver that it can and will dump upon the markets of the world unless said policy is suspended.

It will be extremely difficult, if not impossible, to restore silver to its normal price or to restrain further depressions of the price unless and until the Government of India suspends its silver policy and practices.

Therefore, the Senate submits to the President these findings of fact, together with reports, hearings, and other data in respect thereto, with the respectful request that he shall, if he deem it compatible with the best interests of the Government, enter into discussion or negotiation with the Governments of India, Great Britain, France, Belgium, and other governments, looking to the suspension of the policy and practice of governments melting up or debasing silver coins and sales by governments of silver, and that he take such other and further action in the premises as he may deem necessary to eliminate the abnormal fluctuations and depressions in the price of silver.

The Senate further suggests that the President, if he deem it compatible with the best interests of the Government, call or obtain an international conference, or international conferences, to the end that agreements or understandings may be obtained with respect to the uses and status of silver as money.

(Copy of resolution introduced in the Senate of the United States on Wednesday, February 11, 1931)

Mr. PITTMAN submitted the following resolution, which was referred to the Committee on Foreign Relations:

SENATE RESOLUTION 443

Resolved, That the Senate, having had under investigation and consideration, through its Committee on Foreign Relations and a subcommittee thereof, our commercial relations with China, the causes of the great and sudden depression in such commerce and remedies for such depression, and such committee having reported to the Senate, the Senate finds from such report:

The Government of China, according to the unanimous testimony submitted to the Senate, is a good Government, and is satisfactory to our citizens engaged in trade and commerce with China.

China for several years has suffered from internal strife and the demoralizing effects of war. The wars, however, were not waged so much against the National Government of China as against the administration of the Government. War lords were impatient

because the administration of the National Government of China did not or was unable to carry out its pledges and programs for the development of China. The masses of the people, who are normally peaceful, industrious, honest, and capable, were compelled to enlist in armies that they might obtain food. The National Government of China has been victorious, and internal strife has practically ceased except for raids carried on by bands of bandits.

The National Government of China is without money to expeditiously institute internal development and furnish employment to its millions of hungry and idle people. The revenues available to the Government of China are largely hypothecated for national obligations. It is difficult, if not impossible, by reason of treaties and internal conditions, to greatly increase taxation under the present conditions in China.

The development of China is retarded by lack of transportation facilities. Such facilities are limited chiefly to the seacoast. There are only seven or eight thousand miles of roads in China which would be termed in the United States automobile roads. There are 7,500 miles of railroads.

Authentic reports indicate that 20,000 people have died daily in China from hunger and exposure. There must be work provided in China or there will be continuous war.

The National Government of China can not carry out its program of development and pacification without the moral, intellectual, and financial support of those nations that prosper by virtue of trade with China and that are able to render such aid.

The testimony before the Senate shows that with the pacification of China and the establishment of transportation facilities the commerce of China would increase manyfold in a very few years.

The people of oriental and tropical countries are suspicious of paper money. They have always used silver as money, because it is practically indestructible. They preserve it by burying it in the ground, by manufacturing it into jewelry and wearing it as ornaments, and by carrying it in their loin cloths. They contend that paper money is subject to destruction, and when placed in loin cloths in a very few hours it is in a condition beyond circulation.

The wages are so low in China that a laborer would be compelled to work for months before he could save a gold piece sufficiently large to conveniently preserve. The conditions in China and the customs of its people are such that, even if possible, it would require years to establish a gold standard or any other standard than silver.

China, to meet the present emergency, requires silver. The advancing to China of silver for the minting into small silver coins to pay for labor and buy materials for internal developments to be approved by those supplying the silver would bring about the pacification and prosperity of China and an increase in her commerce with the United States and other countries.

China is the natural market of the United States. With the exception of Japan, our country is China's closest powerful neighbor. Her people admire and respect us, as we do them. Our friendship has existed from time immemorial. They prefer our products and purchase them except when compelled to purchase cheaper products through extreme poverty.

China has an area almost as large as the United States and Mexico combined. It contains a population of approximately 400,000,000 of industrious people. They seek an opportunity for peaceful employment.

If we can aid China in her internal development and furnish her people with employment, they will for years furnish us a market for a large portion of our surplus production. China, if and when pacified and developed, will have ample resources to meet any advances that are wisely used in such development.

Therefore, the Senate submits to the President these findings of fact, together with the reports herein and other data in respect thereto, with the respectful request that he shall, if he deem it compatible with the best interests of the Government, enter into discussions or negotiations with the National Government of China, and with such other governments that have treaty relations with China, as China and the United States may consider it advisable, looking to the moral, intellectual, and financial aid of the National Government of China; that it is suggested that the President, if he deem it compatible to the best interests of our Government, discuss and ascertain the advisability (a) of the establishment of a silver pool or fund from which to supply the National Government of China with silver for coinage, to be used for certain specified purposes and in certain specified manner to be agreed upon, and to be repaid at a time and in a manner to be agreed upon; (b) to consider the practicability of utilizing some of the standard silver dollars now in the Treasury of the United States in connection with such silver pool or the supplying of silver to China for coinage purposes; (c) that he consider the practicability of supplying such silver in kind without reference to its ratio to gold or its market value, to be repaid in kind.

ANNEX TO INTERIM REPORT OF SUBCOMMITTEE OF FOREIGN RELATIONS COMMITTEE ON TRADE RELATIONS WITH CHINA

In this annex, the subcommittee of the Foreign Relations Committee, acting under authority of Senate Resolution 256, herewith presents such statements, tables, and data as are considered pertinent to the interim report to which this annex is added:

President Hoover, speaking before the American Bankers' Association, at Cleveland, October 2, 1931:

"The buying power of India and China, dependent upon the price of silver, has been affected."

Julius H. Barnes, chairman of President Hoover's National Business Survey Committee, in an article written by Mr. Barnes in the New York Times of November 2, 1930:

"The final mistake was made of treating silver as a commodity although it still represented resources and capital and credit to more than half of the population of the world. Silver, which had been a standard money of the world for 20 centuries was in a few months to be treated in the market as a commodity, without mature consideration as to the effect on the initiative and confidence of a thousand million people. A price of silver which fluctuated from $1.35 some few years ago to 35 cents to-day, and yet symbolizes the credit and resources of a great people, could not but harm the business structure of the world."

Thomas W. Lamont, as reported in a recent press article:

"One of the chief causes of world depression is the scarcity of gold and the depressed price of silver."

George E. Anderson, noted writer on economic and financial problems, in the Annalist:

"The effect of the general slump in the price of the metal (silver) has been more far-reaching than had been anticipated. The drop in the price of the metal, of course, directly affects silver producers in the United States, Mexico, Canada, and various South American countries; but its chief effect upon the world of trade is in those countries using silver as a monetary medium—China, Abyssinia, and a few minor nations, but chiefly China. * * * The uncertainty of the financial situation naturally has stopped further purchases abroad. In short, the silver situation goes to the very heart of commercial and industrial China with paralyzing effect."

Senator WILLIAM E. BORAH, chairman Foreign Relations Committee, United States Senate, made the following statement January 12, 1931:

"I do not know of a more important phase of our economic depression than that which arises out of the treatment of silver. It is estimated that the monetary stock of gold for the world is about $10,000,000,000 or less. Of this amount 65 per cent is controlled by the United States and France. In July, 1930, France had about $1,900,000,000, the United States, $4,516,000,000. These two nations have a population of about 170,000,000. The world population is about 1,930,000,000. So about 1,760,000,000 of the world's population must do business with about $3,694,000,000 of gold. In other words, about 1,700,000,000 throughout the world have a gold supply of about 20 cents per capita.

"These naked figures of themselves seem to me to present the unanswerable argument in favor of doing something for silver. There are at least 800,000,000 to 900,000,000 people in the world who want to use silver as money. Through long years of custom and practice they have become used to silver and they are anxious to have it. But the cruel and brutal financial policy which has dominated of late years has deprived them of an opportunity to have silver except at a most reduced value.

"After England forced the gold standard upon India and India began to unload her silver upon the world silver went from about 64 to 31 or 32 cents. The purchasing power of these millions of people was reduced by half. What we need in this country is fewer appropriations from the United States Treasury and more markets for our goods. Those markets, so far as a vast amount of the human race is concerned, can be restored to a marked degree by a proper treatment of silver.

"I do not believe that the United States alone, however, can solve this problem. I think it would greatly damage our cause to advocate any such theory. The silver problem is really a phase of the world's economic problem, and as such we ought to treat it. But I do believe that by the United States taking a lead we might bring about an international agreement establishing a proper ratio between silver and gold which would enable these people who want silver to use it and which they undoubtedly would do."

Francis H. Brownell, president American Smelting & Refining Co., in a recent pamphlet on the silver question:

"The fall in the price of silver of nearly 15 cents per ounce during the spring of 1930 caused a rapidly increasing demoralization of the exchanges, particularly of China and Mexico. The United States sells to China large quantities of cotton, machinery, oil, leaf tobacco, and many other commodities.

"Mexico and other silver-using countries experienced a like disastrous effect from the fall in the price of silver. The purchasing power of all silver-using countries became seriously impaired and their ability to acquire commodities of the United States and leading European countries substantially lessened.

* * * * * * *

"The possibility of silver returning again to its former levels is largely, if not entirely, dependent upon whether the Indian Government and perhaps other governments pursue the policy of throwing silver upon the market whenever prices strengthen. If this policy were stopped, it seems highly probable that silver would ultimately recover. If it continues, it is impossible to predict the final outcome."

H. H. Stevens, former Secretary of the Treasury of the Dominion of Canada, in an address to the Canadian Legislature:

"One billion people in the Orient, in China, in India, in the Malay States, and in Mexico are deprived of two-thirds of their

purchasing power by the action of the nations. There is one reason for the agricultural and commercial depression which exists to-day all over the world. One-half of the human race is living below the margin of decent living. In fact, millions upon millions in China during the present year have died largely because of the inadequacy of their purchasing power."

Mark Sullivan, writing from Washington in June:

"The purchasing power of all Asia is reduced by the fall in the price of silver. This in turn diminishes the purchasing power of Europe. The final net is reduced volume of international trade, including American exports. The same cause accounts, in part certainly, within Asia, for domestic disturbances, which in the case of China are described in terms of communism and India in terms of salt."

Wall Street Journal, in a survey of business conditions:

"The trade with China is of vast importance to the commercial nations of the world.

"With the United States alone it amounts to over $300,000,000 a year. Indirectly its trade with the United States is much more. One instance is that of cotton. It is one of England's greatest customers for cotton goods, which England makes from American cotton. The drop in silver means that Chinese exchange must decline. The purchasing power of silver therefore reacts on all countries with merchandise to sell. China is not only a purchaser of goods but a borrower in the money markets of the world."

The Vancouver Sun publishes an address by R. J. Crome, its publisher, before the National Foreign Trade Council, in which he said:

"China is the greatest potential trader in the world to-day. Its 4,000,000 square miles of territory support a population of 425,000,000. Close up, it may appear that China is hopelessly enmeshed in political squabbling, sectional wars, an economic chaos, but hold China off at a distance and it is apparent that it is unifying politically, economically, and socially. * * * Lump the Asiatic countries together and lump the billion people who live in them into a single trade unit and one has a picture of the world's new market."

Mr. S. U. Zau, director of commercial relations for the Nanking Government, is quoted in the China press, as follows, in connection with the trade of China, as affected by the British silver policy in India:

"It is the British policy, again, in India which has added so materially to the decline in the value of silver—another reason, it seems to me, why Great Britain should take the initiative in making at least an endeavor to reach some sort of international understanding for reestablishing silver as a standard basis of credit. * * *

"Almost everywhere in Europe hundreds of factories are idle or working short time, and millions of men and women are without work. Why are they unemployed? Because markets can not be found for their products. And the reason those markets can not be found in many parts of the world is not that the people who usually buy the products of European and American factories have too many of those goods already stored in their family cupboards but because they can not afford to pay the prices asked for them.

"This is particularly the case with us here in China. Owing to the terrific slump in the value of silver, we can scarcely buy from nor sell to foreign countries, and this paralysis of China's trade has its reactions far beyond the frontiers of this Republic. The price of an article manufactured in Manchester or Sheffield for sale in China becomes doubled simply because exchange compels us now to pay a dollar for what we used to get for 50 cents. * * *

"If only it were possible to get concerted action taken for the stabilization of the silver market, it would be soon possible to get the trade which is now paralyzed into movement again, and this would be to the benefit not only of China but of all the countries which have commercial dealings with us."

Rene Leon, noted American authority on commerce and finance, in a statement issued September 19, 1930:

"Available records running back well upwards of a century fail to reveal so low a quotation for the white metal as that which obtained in mid-June, 1930, and the improvement since that date has been purely negligible. The effect of this disastrous state of affairs on the psychology of the orientals may well be left to the imagination. Suffice to say that mass poverty breeds despair and engenders social and political evils. India and China are in the throes of just such conditions."

Dr. Julius Klein, Assistant Secretary of Commerce, in a statement to the subcommittee made on June 26, 1930:

"In explanation of the considerable loss in both our import and export trade with China, three principal factors may be emphasized: (1) The renewal of extensive and energetic military activities in north central China and the Yangtze Valley throughout the first half of 1930; (2) the lower prices obtaining in world markets for many commodities, and particularly those which figure most important in China's exports; and (3) the low price of silver. These three factors, as well as minor contributing ones, all blend into the one general cause for the reduction in China's trade, i. e., the reduction in China's purchasing power brought about by them."

And again:

"China being on a silver basis receives all of her income in China in silver, and all she receives from abroad must be paid for in silver, but upon a gold valuation. From our Table II we note that the average dollar value of the Shanghai tael in 1928 was 64.30 gold cents; in 1929, 58.42 cents; in May, 1930, 44.69 cents; and July 22, 1930, 36.74 cents. A simple way to state the problem is the obvious one that, other things being equal, China can not buy as much goods from abroad for 36 cents as it could for 64 cents."

Grover Clark, consultant on Far Eastern affairs in a statement issued January 13, 1931:

"Millions in China made destitute by famine and civil war, now must loot to live. These are the raw material out of which the communist bands are organized and from which the huge armies are recruited. Until these people can get an opportunity to earn a modest living, peace in China will have no secure foundation, the buying power of the people will remain low, and, consequently, China will continue to be very much less of a market for American goods than it will become when peace and better economic conditions are achieved."

The Irving Trust Co. of New York, in the Mid-Month Review of Business for December, 1930:

"Inasmuch as China is on a silver basis, her purchasing power in terms of imports has been melting away and thus American sales have woefully declined. In addition, the Chinese are suffering from a world-wide decline in the gold prices of the commodities which they export. It seems safe to infer that the silver catastrophe has been a major factor in the unrest in India and economic crisis in China. If so, the full effects of the situation have not yet been witnessed."

Department of Commerce Report of February 4, 1931:

"The silver situation continues to be the all-absorbing topic of interest in Shanghai business circles. * * * The outlook is thus uncertain, and, combined with continued instability, is reflecting unfavorably upon both the import and export trade."

John Brisben Walker, writing in the New York Times says:

"The effect on India and China will never be known in its fullest horror. The immediate depreciation of the only stock of money, silver, stopped trade and starved whole Provinces. It caused millions of deaths."

J. F. Darling, director of the Midland Bank of London, in an address before the Royal Empire Society of London:

"Gold has been accorded a value more than sixty times that of silver to-day. Despite the fact that the relative production of the two metals has been what it now is for the last four or five centuries. Over that long period, only 14 ounces of silver have been produced for each ounce of gold. That proportion has showed no change for the last five years, but in the same length of time the price of silver has fallen from 64 to 28 cents an ounce.

"This has been terrific in its effect on the purchasing power of a billion people in the world, which in return reacts against another billion. * * * We are fools to put up with it. Common justice, common humanity, and common sense urgently demand that the British Empire take the lead in restoring the equilibrium of gold and silver on which the economic structure of the world rests."

E. Kann, international authority on the currencies and finances of China:

"The sale by governments had a doubly harmful consequence. First, because extra quantities of silver were thrown on the market, irrespective of whether, when, or where these were wanted; and second, the baneful psychological effect caused by the uncertainty, or rather the certainty, of more coming in the near future. This has been a huge black cloud overshadowing the silver market like the Angel of Death."

STATEMENT FROM INDIA

Mr. Chunilal Mehta, of India, addressing the annual meeting of the Bombay Bullion Exchange in January, 1931, said:

"But more important than the "Rex" scheme for the rehabilitation of silver is the giving up by the Government of India of their policy of silver sales. * * * The Government of India has sold until now approximately 87,000,000 ounces of silver, * * * and it seems that the Government policy is not yet revised. These sales of silver by the Government of India, and the world knowledge that a further large amount is for sale, have depressed the world market to the present low level."

The business week, as reported in the Literary Digest, describing the decline in silver:

"One of the major economic curiosities of the age."

Dispatch from China, as reported by Boston News Bureau, states that the Chinese Government—

"Faces commercial ruin from the tobogganing of silver prices."

Federal Reserve Board Bulletin of January, 1931, states:

"The decline in the price of silver has affected the trade of the silver-using countries of the Far East."

DECLINE IN TRADE WITH CHINA

As shown in statistics prepared by the Department of Commerce for chief commodities during 11 months period of 1930 compared with previous years.

United States trade with the whole of China for the first 11 months of 1928, 1929, and 1930

[All 1930 statistics subject to correction]

(In thousands; 000 omitted)

	1928	1929	1930
Exports to China	$150,466	$142,326	$103,755
Per cent of increase or decrease	+5	−5.4	−27
Imports from China	$146,708	$169,442	$108,547
Per cent of increase or decrease	−7	+15.5	−36

United States trade with China for the first 11 months of 1928, 1929, and 1930

(In thousands; 000 omitted)

	For 11 months of—					
	1928		1929		1930	
	Quantity	Value	Quantity	Value	Quantity	Value
EXPORTS TO CHINA						
Petroleum products		$34,376		$25,600		$18,700
Paraffin wax ... pounds	34,542	1,861	31,594	1,580	24,238	1,034
Gasoline ... barrels	236	1,906	470	2,599	617	3,061
Kerosene ... do	4,562	27,100	3,812	17,801	3,026	11,912
Gas and fuel oil ... do	1,034	1,071	831	837	756	666
Lubricating oil ... do	261	2,438	255	2,681	194	1,837
Tobacco, leaf ... pounds	143,076	26,265	85,885	11,803	94,882	11,962
Cigarettes ... number	7,815,397	13,543	4,519,766	7,967	1,359,100	2,107
Cotton, raw ... bales	140	14,635	202	20,248	290	20,116
Flour ... barrels	1,754	9,547	2,584	13,782	2,070	9,227
Iron and steel		7,728		7,235		6,650
Machinery and electrical equipment		5,900		8,978		7,928
Douglas fir ... feet	165,089	3,013	301,890	5,226	209,000	3,270
Dyes, aniline ... pounds	17,270	2,500	19,980	3,012	13,089	1,740
Automotive products		2,334		3,400		2,993
Milk, canned ... pounds	12,334	1,829	8,688	1,339	6,122	1,030
Leather		1,'40		750		240
Copper, refined ... pounds	6,708	958	5,285	913	6,984	875
IMPORTS FROM CHINA						
Raw silk ... pounds	9,898	43,413	13,603	56,350	9,270	27,944
Wood oil ... do	98,192	12,038	112,344	14,057	125,507	12,427
Carpet wool ... do	50,521	10,947	47,537	11,400	29,009	5,752
Bristles ... do	3,196	3,741	4,500	5,400	2,871	3,875
Furs		15,630		14,093		6,000
Hides and skins		6,730		7,279		5,405
Raw cotton ... pounds	27,370	4,905	27,271	3,461	24,143	2,548

Compiled Jan. 23, 1931.

Financial statistics for foreign countries—Gold holdings of central banks and governments

[In millions of dollars. Figures for end of month or latest available preceding date; see Bulletin for June, 1929, p. 396, and for June, 1930, p. 372]

(Gold holdings as shown by statistics of Federal Reserve Board Bulletin of January, 1931)

Month	Total (45 countries)	United States	Argentina	Australia	Belgium	Brazil	Canada	England	France	Germany	India	Italy	Japan	Netherlands	Spain	Switzerland	U. S. S. R.	29 other countries
1929—November	10,304	4,003	451	97	151	151	78	659	1,600	534	128	273	542	180	495	105	142	714
December	10,297	3,900	434	89	163	150	78	711	1,633	544	128	273	542	180	495	115	147	714
1930—January	10,362	3,921	445	88	164	139	78	732	1,683	547	128	273	520	177	495	108	147	717
February	10,434	3,988	448	124	164	127	78	740	1,680	582	128	273	477	176	476	108	150	715
March	10,505	4,061	445	126	164	127	79	759	1,668	595	128	274	453	174	476	108	156	713
April	10,568	4,131	442	109	164	90	79	795	1,659	611	128	274	443	174	477	112	167	712
May	10,613	4,159	441	91	167	90	80	765	1,717	617	128	274	434	174	477	112	177	710
June	10,673	4,178	440	97	167	89	81	768	1,727	624	128	274	434	174	477	112	203	701
July	10,709	4,160	436	97	167	80	94	746	1,775	624	128	274	440	157	477	118	233	701
August	10,791	4,148	434	97	168	69	100	759	1,852	624	128	275	433	157	477	123	249	698
September	10,828	4,159	434	98	173	65	110	766	1,899	590	128	278	431	157	478	123	239	688
October	[1] 10,868	4,184	[1] 429	79	180	[1] 43	122	782	1,992	519	128	278	414	171	478	128	249	[1] 691
November	[1] 10,909	4,220	[1] 417	75	181	[1] 29	[1] 130	767	2,037	519	128	[1] 279	409	171	474	130	249	[1] 693
December		[1] 4,224						724	[1] 2,100	[1] 528	[1] 128						249	

[1] Preliminary, based on latest available figures.

NOTE.—Table covers all countries for which satisfactory figures are available; see Bulletin for April, 1930, where separate figures for 44 countries are given by years back to 1913. For the 16 countries here shown separately—all of which have held gold in recent years to the amount of $90,000,000 or more—the figures are for central banks only except as follows: United States—Treasury and Federal reserve banks; Argentina—Government conversion fund and Bank of the Nation; Brazil—Bank of Brazil and Government stabilization fund; Canada—Government reserve against Dominion and notes savings-bank deposits, and gold deposits of chartered banks in the central reserve; India—currency and gold standard reserves of Government; Japan—domestic holdings of Bank of Japan and Government.

Monthly China trade for 1930 as shown by figures of the Department of Commerce:

United States trade with China for 11 months of 1929 and 1930

[In thousands; 000 omitted]

	Exports		Imports	
	1929	1930	1929	1930
January	$14,749	$13,200	$15,767	$12,188
February	13,629	9,209	14,128	9,773
March	13,426	9,270	15,642	12,723
April	13,447	10,955	15,758	13,118
May	11,463	7,209	21,121	12,106
June	11,925	8,455	16,674	10,102
July	10,579	7,812	18,859	10,300
August	14,049	7,352	16,049	9,720
September	12,547	7,670	11,446	7,250
October	15,250	12,613	14,034	5,962
November	11,262	10,010	9,964	5,315

Compiled in Far Eastern Section, January 24, 1931.

Trade with silver-using countries, as shown in the figures of the Department of Commerce, dropped materially in 1930.

Total values of exports and imports of merchandise of United States with silver-using countries

[In thousands of dollars]

	Twelve months ended December—	
	1929	1930
Exports to—		
Central America	90,756	68,262
Mexico	133,863	116,214
Argentina	210,288	129,829
Brazil	108,788	53,805
Chile	55,776	46,409
Colombia	48,983	25,130
Ecuador	6,069	4,865
Peru	26,176	15,722
Uruguay	28,245	21,432
Venezuela	45,325	32,969
Total	754,269	514,637
Imports from—		
Central America	44,770	38,627
Mexico	117,738	80,293
Argentina	117,581	71,890

Total values of exports and imports of merchandise of United States with silver-using countries—Continued

	Twelve months ended December—	
	1929	1930
Imports from—Continued.		
Brazil	207,686	130,854
Chile	102,025	54,785
Colombia	103,525	97,139
Ecuador	5,830	5,554
Peru	30,167	21,284
Uruguay	18,677	12,354
Venezuela	51,224	36,868
Total	799,223	549,648

Annual highest, lowest, and average price of silver since 1923

[From the report of the United States Bureau of the Mint]

	Highest	Lowest	Average
1923	$0.69000	$0.62875	$0.65239
1924	.72375	.63000	.67111
1925	.73187	.66812	.69406
1926	.68937	.51812	.62428
1927	.60312	.54187	.56680
1928	.63937	.56812	.58483
1929	.57812	.46812	.53306
1930	.45331	.32945	.38466

Price of silver February 9, 1931, $0.265.

INVESTIGATION BY TARIFF COMMISSION—NONEDIBLE GELATIN AND GLUE

Mr. BARKLEY submitted a resolution (S. Res. 458), which was considered and agreed to, as follows:

Resolved, That the United States Tariff Commission is hereby directed to investigate, for the purposes of section 336 of the tariff act of 1930, the differences in the cost of production between domestic nonedible gelatin and glue and foreign nonedible gelatin and glue.

SENATOR FROM ALABAMA

Mr. HEFLIN. Mr. President, I ask unanimous consent for the present consideration of the resolution, as modified, which I send to the clerk's desk regarding the impounding of the ballot boxes in the State of Alabama. I ask the clerk to read the resolution as modified.

The PRESIDENT pro tempore. The resolution as modified will be read for the information of the Senate.

The Chief Clerk read the resolution (S. Res. 426) as modified, as follows:

Resolved, That the special committee of the Senate to investigate campaign expenditures, created under authority of S. Res. 215, adopted April 10, 1930, is hereby further authorized and empowered, in the furtherance of the duties provided for in said S. Res. 215, to take possession of ballots and ballot boxes, including poll lists, tabulation sheets, or any other records contained within said boxes, as were used in the general election of November 4, 1930, in the State of Alabama, and to impound the same. Said committee shall deliver said ballot boxes with their contents to the Senate Committee on Priviliges and Elections when notice of a contest for a seat in the Senate from the State of Alabama has been filed.

The PRESIDING OFFICER (Mr. McNARY in the chair). Is there objection to the present consideration of the resolution?

Mr. HALE. Mr. President, I would like to know whether it will take any considerable time to dispose of the resolution.

Mr. MOSES. I think not.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Alabama why he does not provide for the Committee on Privileges and Elections taking possession of the ballot boxes?

Mr. HEFLIN. My reason for that is that the special committee are already at work in Alabama. They have had two men at work down there for quite a while. They have examined into everything and they have even seen the ballot boxes and have had photographs made of some of them which have been opened. The point is——

Mr. ROBINSON of Arkansas. The Senator understands that the standing committee of the Senate, the Committee on Privileges and Elections, has jurisdiction of all contests. What I can not understand is why he does not end the controversy here by permitting that committee to take charge of the ballots.

Mr. HEFLIN. I want to say to the Senator from Arkansas that what I hope to do is to have the men who are already in the field get the ballot boxes and turn them over to the committee. The committee here will not do anything and can not until Congress adjourns on the 4th of March.

Mr. BINGHAM. Let us have the regular order.

Mr. HEFLIN. We can go right on with the work down there. That is my purpose.

I want to say, if the Senator from Connecticut will withhold his objection a minute, that I had a letter from Judge Wilkinson, or rather I talked over the telephone with him in Birmingham the other night, and he said he had a letter from a friend in Bibb County stating that they had burned the ballots in that county and that they had opened the boxes in many other counties. What I want to do is to get them out of the hands of those who have had them and turn them over to the Committee on Privileges and Elections, with which I shall file my contest.

Mr. ROBINSON of Arkansas. I do not understand that that determines the question as to which committee shall have jurisdiction. So far as I am concerned I should be glad to see the matter vested in the regular committee of the Senate. I do not, of course, raise any question as to the ability of the special committee or its disposition to proceed properly in the premises. But I do fear that a divided jurisdiction which the resolution in the form in which the Senator has presented it seems to invite, is likely to result in a controversy as it has in the past. I suggest to the Senator that he modify his resolution so to vest the jurisdiction in the regular committee of the Senate. I think there would not be the slightest trouble about passing it then.

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

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

Mr. HEFLIN. I yield.

Mr. MOSES. I objected to the consideration of the resolution the other evening because of the absence of one or two Senators who are interested in the matter. I had not objected to the consideration of the resolution prior to that time.

The question as I see it is exactly whether the special committee shall take possession of the ballot boxes and examine them and then turn them over to a standing committee of the Senate, to wit, the Committee on Privileges and Elections. I have no objection to the special committee taking possession of the ballot boxes and turning them over to the Committee on Privileges and Elections. But, Mr. President, if the special committee shall proceed under the terms of the resolution as modified to examine the ballot boxes, we shall be in exactly the situation in which we were when the Pennsylvania case was up. The Senator from Alabama will recall that in the course of the debate which took place on his resolution some time ago I pointed out that fact and I was supported in that opinion by certain members of the subcommittee of the Committee on Privileges and Elections.

Accordingly I then gave notice that I would move an amendment to the resolution of the Senator from Alabama providing that all should be turned over ab initio to the Committee on Privileges and Elections. Upon examining the question, however, I discovered that it does not make any difference in which manner the Senate shall vote. If the Senate shall vote affirmatively upon the resolution as presented by the Senator from Alabama, the amendment which I would offer is of no avail whatever.

I am entirely willing that the Senator from Alabama shall have an affirmative vote on his resolution as presented. That does not mean that I approve of the resolution as the Senator has presented it. I shall vote against it. I would hope that the Senate would vote against it. But this is a

matter of considerable importance, because the statute of the State of Alabama is now running in this proceeding. If it should go on and we were unable, because of the prolongation of debate here, to secure a vote upon either the Senator's resolution or my amendment or the matter in any form whatever, the Senator might find himself entirely without recourse in carrying on any contest which he might wish to carry on, in view of the notice which he has given. It is still my opinion that the orderly fashion of dealing with the matter is to send it to the standing committee which has to do with the subject matter.

Mr. HEFLIN. May I make a suggestion to the Senator?

Mr. MOSES. The Senator himself has the floor. I am speaking by his good will.

Mr. HEFLIN. I did not mean to have the committee count the ballots when I said "examine." I did not want to state exactly what I was after, but I will do so. I want them to examine the poll lists and get copies of them just exactly as they find them. I can amend my resolution with an amendment of that kind, providing that they shall seize and examine the poll lists and get copies of the same and turn them over.

Mr. MOSES. May I say to the Senator that, having been a member of the subcommittee which dealt with the Pennsylvania contest—and in this connection I want to assure the Senator from Alabama that I have no intention whatever of being a member of a subcommittee to deal with his contest, in view of the debate which has hitherto taken place—recalling the difficulties which we then had when one select committee of the Senate opens the ballot boxes and examines what is known, according to my amendment, as the "paraphernalia of election"—and I believe that is the general term applied to it—recalling the endless difficulties that we had growing out of the fact that two groups of Senators dealt with the matters found in the ballot boxes, it seems to me it is much better to simplify the whole procedure by having it go straight to the Committee on Privileges and Elections.

I would like to say particularly to the Senator from Alabama that if he will take the text of the amendment which I have proposed to his resolution—but which I do not now insist upon being presented, because I am entirely willing the Senator should have an affirmative vote on his resolution—he will find that it requires simply an assurance from the Committee on Privileges and Elections that the thing which the Senator desires will be done.

Mr. President, if a form of words could be found by way of amendment to the amendment which I have suggested to bring about an immediate examination of the contents of the ballot boxes, I have no objection to that, because, necessarily, in view of all the circumstances, I want the Senator's contest to proceed.

Mr. WATSON. Mr. President, does the Senator mean an examination of the ballot boxes by the Nye committee?

Mr. MOSES. Oh, no, indeed; I insist that it shall be done in the regular order and in the orderly fashion of the Senate by the Committee on Privileges and Elections.

Mr. WATSON. The Senator said an "immediate examination."

Mr. MOSES. The Senator from Indiana will see that my amendment says nothing at all about the special committee. It deals wholly with the standing committee.

Mr. ROBINSON of Arkansas. Mr. President——

The PRESIDING OFFICER. Does the Senator yield?

Mr. MOSES. The Senator from Alabama has the floor.

Mr. ROBINSON of Arkansas. I know he has the floor, but I understand he yields to me.

Mr. HEFLIN. I yield to the Senator.

Mr. ROBINSON of Arkansas. I believe the purpose of the Senator from Alabama and every fair purpose to be subserved can be accomplished by a modification of his resolution so as to vest in the regular committee, the standing committee of the Senate, the same jurisdiction that is proposed to be given to the special committee by the resolution of the Senator from Alabama. The difficulty about having one committee take over and examine the poll books and ballots and then turn them over to another must be apparent to everyone.

Mr. MOSES. It is perfectly apparent to those of us who have had to go through that procedure heretofore.

Mr. ROBINSON of Arkansas. We had such an experience in the case referred to by the Senator from New Hampshire, the Pennsylvania case, and it was only after a long time and after great difficulty that the committees effected an arrangement which enabled them to cooperate and to work to a conclusion.

Mr. MOSES. And I think the arrangement was not satisfactory wholly to either committee.

Mr. ROBINSON of Arkansas. Oh, no; we all know that a division of jurisdiction is not to be desired. I feel that it is fair and proper to impound the ballots for the contest of the Senator from Alabama [Mr. HEFLIN], but that the jurisdiction ought to be plainly established in the standing committee of the Senate, the Committee on Privileges and Elections, and that unless that is done we had just as well abolish that committee.

There is no question here, and no question ought to enter here, of which forum would be the most favorable to the contestant or the contestee. The jurisdiction inheres in the regular committee of the Senate, and I feel that the Senator from Alabama, upon consideration, will be entirely satisfied, provided the Committee on Privileges and Elections be authorized at once to impound the ballots.

Mr. HEFLIN. What language would the Senator suggest?

Mr. MOSES. Just a moment, if the Senator will pardon me——

Mr. ROBINSON of Arkansas. I suggest to the Senator from Alabama that he change the designation "special committee" to "Committee on Privileges and Elections."

Mr. MOSES. Mr. President, I can understand the special desire of the Senator from Alabama, but there is another matter which should be considered here, because my amendment provides that the expense of such impounding shall be paid from the contingent fund of the Senate. As it now stands the amount of money which is available to the special committee for any work which it may do is limited, and I understand that a considerable portion of the additional sum voted to that committee has already been expended.

If the Senator from Alabama has not a copy of my amendment before him, I wish he might secure one, so that he may follow me in the suggestion I am about to make. The amendment I propose would make the resolution general in character, applicable to any contest whatever. Let me suggest to the Senator from Alabama that he accept my amendment, so as to make the resolution read:

> That in the event of any contest being filed or notice of any contest being given for a seat in the Senate, the Committee on Privileges and Elections is hereby empowered forthwith to impound and examine ballot boxes, poll books, registration records, and all other paraphernalia of election which in the judgment of the committee will serve as evidence when the contest is heard, the expense of such impounding and examination to be paid from the contingent fund of the Senate upon vouchers of the chairman of the Committee on Privileges and Elections.

That would transfer to the regular standing committee of the Senate everything which the Senator from Alabama seeks to accomplish by his resolution.

Mr. HEFLIN. Mr. President, I will accept the amendment of the Senator from New Hampshire——

Mr. MOSES. As amended by my oral remarks.

Mr. HEFLIN. As amended. Let us get that right.

Mr. WATSON. How will the resolution read if the amendment of the Senator from New Hampshire is accepted?

Mr. MOSES. The Senator from Alabama accepts the amendment, so that the resolution as now before the Senate will read in this way:

> That in the event of any contest being filed or notice of any contest being given—

And the Senator from Alabama has already given formal notice of his contest, beginning, "And now comes J. THOMAS HEFLIN," and so forth—

for a seat in the Senate, the Committee on Privileges and Elections is hereby empowered forthwith to impound and examine ballot boxes, poll books, registration records, and all other paraphernalia of election which in the judgment of the committee will serve as evidence when the contest is heard; the expense of such impounding and examination to be paid from the contingent fund of the Senate upon vouchers of the chairman of the Committee on Privileges and Elections.

Mr. SWANSON. Mr. President——

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

Mr. HEFLIN. I yield.

Mr. SWANSON. It seems to me the right course to follow is to adopt the resolution of the Senator from Alabama, providing for a specific case, with the modification, as suggested by the Senator from Arkansas, that a standing committee of the Senate, the Committee on Privileges and Elections, shall take jurisdiction. When that is done the Sergeant at Arms will at once take over the ballot boxes.

The amendment of the Senator from New Hampshire, however, would empower any man to give to the committee notice of contest, even though it might be a frivolous contest, for which no excuse could really be found, but was merely filed to kick up a disturbance in a State, and then the committee would not be left any discretion, but would have to proceed at once to seize all the ballots in the State.

Mr. MOSES. I hope the Senator does not mean to imply that the Senator from Alabama is kicking up a "frivolous contest"?

Mr. SWANSON. No; but I say that the resolution of the Senator from New Hampshire would permit that to be done. The Senator from Alabama has a tangible case. If the resolution proposed by the Senator from New Hampshire were adopted, any time anyone desired to serve notice of a contest the committee would have to seize every ballot in the State, whether the contestant asked for it or not. The committee would be directed to do it under the resolution of the Senator from New Hampshire.

Mr. MOSES. Oh, no; under my amendment a contest would have to be filed or formal notice given.

Mr. SWANSON. A contestant might not want every ballot seized; he might not make any charges that would require that; but, nevertheless, the resolution of the Senator from New Hampshire would direct it to be done.

Mr. MOSES. Having gone through the Pennsylvania case, let me say to the Senator from Virginia that, while it is true that in the original instance the ballots of only two counties were asked for, before the committee got through with it we had to examine every ballot in the whole State. That was also true in the Iowa case, as the Senator from Iowa can testify. The allegations which were brought forward in each case, both in Iowa and Pennsylvania, affected only one or two communities or counties, but no contestant and no contestee is going to be satisfied with that; they are going to demand that the whole State shall be put under surveillance.

Mr. HEFLIN. Mr. President, I suggest to the Senator that we modify my resolution by incorporating his suggested amendment so that it will provide specifically that "in the case of Alabama," and so forth, and I will then except it.

Mr. MOSES. My objection is that I do not want two committees to be opening ballot boxes.

Mr. HEFLIN. I am proposing to strike that feature out of the resolution.

Mr. MOSES. Then, let us get a proper form of words.

Mr. HEFLIN. I ask the clerk to read the resolution as it would read with the amendment of the Senator from New Hampshire incorporated in mine, and striking out the reference to the special committee.

The VICE PRESIDENT. The Secretary will read.

The CHIEF CLERK. It is proposed to strike out all after the word "*Resolved*" and insert:

That in the event of any contest being filed or notice of any contest being given for a seat in the Senate, the Committee on Privileges and Elections is hereby empowered forthwith to impound and to examine ballot boxes, poll books, registration records, and all other paraphernalia of election which in the judgment of the committee will serve as evidence when the contest is heard; the expenses of such impounding and examination to be paid from the contingent fund of the Senate upon vouchers of the chairman of the Committee on Privileges and Elections.

Mr. HEFLIN. What I wanted, Mr. President, was to have my resolution so read that instead of using the words "special committee" it would use the words "Committee on Privileges and Elections," and would include the amendment suggested by the Senator from New Hampshire, so that the resolution would apply specifically to Alabama.

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

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

Mr. HEFLIN. I yield.

Mr. COUZENS. I should like to ask the Senator from New Hampshire if under a reasonable interpretation of his amendment any candidate who is defeated in any State could just send a letter and notice that he is going to contest the election and then the committee would have to seize the ballot boxes?

Mr. MOSES. Notice would have to be given in the same form of words employed by the Senator from Alabama—very formal and very solemn, in which he begins—

And now comes J. THOMAS HEFLIN—

And so forth.

The notice could not be given otherwise; it could not be given on a postal card; it would have to be a formal notice filed here with the Vice President.

Mr. HEFLIN. I suggest that we adopt the suggestion of the Senator from Arkansas and change the resolution so that it will refer to this particular case in Alabama, as modified by the amendment of the Senator from New Hampshire. I ask the clerk to read it, as amended.

Mr. BLACK. Mr. President, I desire to ask the Senator from New Hampshire a question before that is done.

Mr. HEFLIN. I yield to my colleague to ask the Senator from New Hampshire a question.

Mr. BLACK. I desire to ask the Senator from New Hampshire a question. Do I understand that the Senator from New Hampshire is proposing to accept an amendment which will authorize the committee to go into Alabama, by name, without authorizing it to go into any other State under the same circumstances?

Mr. MOSES. No; Mr. President, I have not as yet done so. The persuasiveness of the Senator's colleague, however, may lead me to do that. What I want to do, and what I think the Senate should do, is to provide in general terms for taking care of contests so that the Committee on Privileges and Elections, without any cavil whatever, shall have the full authority to deal with the subject from beginning to end.

After my experience as a member of the subcommittee dealing with the Pennsylvania contest I came clearly to the conclusion that it was not possible for a regular standing committee of the Senate, acting under the rules of the Senate, and a special committee of the Senate, acting with dragnet powers of investigation, and with the most widespread powers of expenditure through appropriations from the contingent fund, to act conjointly in a contested-election case. I came to the conclusion that two such committees as that were bound to cause endless confusion and to delay a settlement of the case. In the Pennsylvania contest it took two years to bring the matter to a vote in the Senate. I would prefer infinitely to have a general proposal which would authorize the regular standing committee of the Senate to proceed in orderly fashion any time a contest was instituted.

I want to say further that in the beginning my amendment did not call for action by the standing committee of the Senate merely when a notice of contest was filed; but a notice of contest had been filed by the Senator from Alabama, and, of course, Mr. President, we practice a courtesy in this body which is probably much wider in its application than the courtesy which applies in any other circle of society anywhere; and because the Senator from Alabama had already filed a formal notice of contest, and, in addition

to that, because the junior Senator from Iowa had called my attention to that fact, I accepted the additional phrase "or notice of any contest being given"; but what I sought to do was to insure a definite course of procedure. When contests over a seat should arise, I wanted them to go, as they always have gone prior to 1927, to the regular standing committee of the Senate which has jurisdiction of the subject matter; and I think, in general terms, the senior Senator from Alabama agrees with me. My feeling was that the senior Senator from Alabama felt because a special committee was already at work in his territory that it probably could do this work more expeditiously than the regular standing committee of the Senate. I do not agree with him in that view; but none the less he holds it, and, of course, he is entitled to express and to expound it here. However, my feeling is that whenever we deal with a contest over a seat in the Senate there is but one orderly fashion in which to deal with it, and that is through the regular standing committee of the Senate which has jurisdiction.

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

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

Mr. SWANSON. There is no contention now, as I understand, on the subject of a special committee, as the Senator from Alabama has accepted the suggestion that the matter shall be dealt with by the standing committee of the Senate. The only issue now involved is as to whether the standing Committee of the Senate on Privileges and Elections shall be empowered in all cases to impound the ballot boxes whenever they see proper—whether there shall be a general statute in connection with contests.

No statute has been passed providing for general contests. There ought to be such a statute, but it has not been passed. Who will give the notice, and to whom? Shall it be given to the clerk of the Senate or given to the President of the Senate?

Mr. MOSES. If the Senator from Virginia will permit me, I can remedy that with three or four words by putting in, in addition to the emendations which the Senator from Alabama has agreed upon, the words "in their judgment," so as to read that the Committee on Privileges and Elections in their judgment shall take this action.

Mr. SWANSON. What I think is better is to deal with a specific case, as we have always done, and wait for the Committee on Privileges and Elections, as has been done in the House, to report here a resolution, carefully prepared, fixing the procedure for contested cases in general.

For instance, in the House my election was contested twice. I always won, because I had a just case, but they were limited to 90 days.

Mr. MOSES. Oh, the virtue of the Senator from Virginia is unmistakable.

Mr. SWANSON. I am glad to know that the Senator from New Hampshire admires virtue sometimes. I must say that it is the first time in my experience that I have ever seen him show any appreciation of it.

This is a general rule of the Senate. We ought to have a method prescribed in which these contests shall be conducted, and not do it piecemeal. There has been a demand in the Senate for a long time that contests should follow a regular procedure. The Committee on Privileges and Elections has been very derelict in that regard. There should be a general provision that a notice must be filed, giving the substance of the grounds of the contest; then there should be a certain time for a rejoinder; then a certain time for a reply; then a certain time for the taking of evidence, arranging about the fees, and so forth. The committee has been derelict. My only objection to this proposal is that it is a general statute that really would be ambiguous.

Here, let us say, is a contest. The Senate is not in session. Must a notice be served on the committee, or served where? The Senator said that notice should be served on the Senate here in session. The Senate is not in session.

Mr. MOSES. Then there could not be any notice served.

Mr. SWANSON. Then there could not be any notice served. What is the use of having the general statute then? There ought to be a method in which these ballot boxes could be impounded, even when the Senate is not in session.

It seems to me the right way to handle this matter is to accept the resolution of the Senator from Alabama, substituting for the special committee the general Committee on Privileges and Elections.

Mr. HEFLIN. I asked to have it modified in that way. Let the clerk read it.

The VICE PRESIDENT. Let the modified amendment be stated, so that the Senate may see what it is.

Mr. HEFLIN. It will be remembered that in my notice of contest I made the charge that ballots were not counted as cast. I am contesting from the State of Alabama, and we have examined the other testimony, and we want to get at the ballot boxes. They are the main thing.

Mr. COUZENS. Mr. President——

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

Mr. HEFLIN. I yield to the Senator.

Mr. COUZENS. May I point out that there is no limitation on the expenditures that may be incurred under this resolution. Unless there is some limitation of expenditures, and some limitation on where this committee may go, I think I shall have to object.

The VICE PRESIDENT. The Chair was about to suggest that there is a provision in the resolution taking this money from the contingent fund; and under the rules it must go to the Committee to Audit and Control the Contingent Expenses of the Senate. The Chair suggests that the resolution might go to that committee to-night, and in the meantime——

Mr. HEFLIN. I ask to have it stated.

The VICE PRESIDENT. The clerk will state the resolution, as modified.

The Chief Clerk read as follows:

Resolved, That the Committee on Privileges and Elections of the Senate is hereby authorized and empowered to take possession of ballots and ballot boxes, including poll lists, tabulation sheets, or any other records contained within said boxes, which were used in the general election of November 4, 1930, in the State of Alabama, and to impound and examine the same. Said committee shall——

Mr. HEFLIN. I want to amend there with the resolution of the Senator from New Hampshire.

The CHIEF CLERK (reading):

when notice of a contest for a seat in the Senate from the State of Alabama has been filed——

Mr. ROBINSON of Arkansas. Mr. President, may I inquire if it is the intention of the Senator from Alabama, after notice of contest has been given, but before any contest has actually been filed, to require or authorize the committee to examine the ballots?

Mr. HEFLIN. I want them to take charge of them.

Mr. ROBINSON of Arkansas. I do not object to their taking charge of them.

Mr. HEFLIN. Forthwith.

Mr. ROBINSON of Arkansas. I am perfectly willing to have that done; but the point is that before an examination of the ballots should take place, according to the law of every State in the Union, in contested-election cases, a contest must be filed.

Mr. HEFLIN. Oh, yes; I will file it before I go out on the 4th of March.

Mr. ROBINSON of Arkansas. I understand that; but this resolution, as proposed now, authorizes the Committee on Privileges and Elections to examine the ballots.

Mr. HEFLIN. No, Mr. President.

Mr. ROBINSON of Arkansas. Read the resolution. I do not think the Senator from Alabama intended it that way.

Mr. HEFLIN. No; I tried to get the resolution amended so as to cut out that part.

Mr. ROBINSON of Arkansas. I say it does, without any question, as the language was read.

The VICE PRESIDENT. The resolution, as modified, will be read.

The Chief Clerk read as follows:

That the Committee on Privileges and Elections of the Senate is hereby authorized and empowered to take possession of ballots and ballot boxes, including poll lists, tabulation sheets, or any other records contained within said boxes, which were used in the general election of November 4, 1930, in the State of Alabama——

Mr. HEFLIN. Now——

The CHIEF CLERK (reading):

And to impound the same——

Mr. HEFLIN. Now——

Mr. ROBINSON of Arkansas. "And, upon the filing of a contest, to examine the ballots."

Mr. HEFLIN. Yes; I think we ought to have, right after the word "Alabama," the resolution of the Senator from New Hampshire. That cuts out the language "to impound and examine the same at once." How would it read with that amendment put on at that point, just after the word "Alabama" in my resolution?

Mr. WATSON. Mr. President——

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

Mr. HEFLIN. I do.

Mr. WATSON. Is there no way in which we can have the resolution properly formulated and brought in? We have been all afternoon trying to patch up a resolution between four or five Senators.

Mr. HEFLIN. The clerk is usually very quick about getting the idea.

Mr. WATSON. None has been advanced to him yet.

Mr. SWANSON. Mr. President, it is evident that it will be necessary to obtain money from the contingent fund of the Senate to seize all of these ballots. If that is not provided for, there will be that excuse for not doing it. Under the statute—not a rule of the Senate, but a statute—whenever an expenditure is to be made from the contingent fund, the resolution must go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WATSON. I am informed by the clerk that nobody can formulate this resolution, because the two do not fit in together. Somebody ought to formulate the resolution.

Mr. ROBINSON of Arkansas. That is entirely true.

May I have the attention of the Senator from Alabama?

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

Mr. HEFLIN. I yield.

Mr. ROBINSON of Arkansas. It is entirely practicable and proper, upon the notice of a contest, for the standing committee of the Senate to impound the ballots and, upon the filing of a contest, to examine them; but the examination can not, according to the law of any State of the Union with which I am familiar, be made in order to supply the basis for a contest. That is the distinction. I think the Senator from Alabama agrees with me about that.

Mr. HEFLIN. Yes; I did not want to do that.

Mr. ROBINSON of Arkansas. Very well. I can dictate the language that is in my mind, if the Senator will permit me to do so.

Mr. HEFLIN. All right.

Mr. ROBINSON of Arkansas. It is as follows:

That the Committee on Privileges and Elections of the Senate is authorized and empowered to take possession of ballots and ballot boxes, including poll lists, tabulation sheets, or any other records contained within said boxes which were used in the general election of November 4, 1930, in the election of a United States Senator in the State of Alabama, and to impound the same, and in the event that a contest is filed, the said committee is auhorized to examine and consider the same.

Mr. CARAWAY. Mr. President, will my colleague yield to me?

Mr. ROBINSON of Arkansas. Yes; I yield to my colleague.

Mr. CARAWAY. If a notice of contest is given, the committee automatically have the power to take whatever steps they may think necessary to impound the boxes. I will ask the Senator whether it was ever before established as a precedent that in advance of any contest, or any notice of a contest, the Senate shall presume that there will be a contest and order the seizing of the boxes?

What I purpose to bring out is this: That amounts to asserting that there is inherently in the power of the Senate the right to go into the ballot boxes of any State, because we assume that certain action will be taken afterwards; but there is not any assurance that it will be taken, because one of the parties might die, or a hundred things might happen. We are simply saying here, because somebody requests it, without any notice of a contest, without any notice being filed——

Mr. ROBINSON of Arkansas. No; if my colleague will permit me, this is the procedure after notice of a contest has been actually given.

Mr. CARAWAY. If my colleague will pardon me, then we do not need that. After notice of contest is filed, then automatically all this happens. We do not need this resolution if it does not take effect until after notice of a contest is filed, because, whenever it is filed, the committee could take that action. The thing I am trying to get at, if the Senator will pardon me, is that now we are asserting that the Senate may go into any State and seize the evidences of an election that has been held in that State, without any jurisdiction.

Mr. HEFLIN. Oh, no; that has been changed. It applies specifically to Alabama.

Mr. CARAWAY. I know; but, I say, we are asserting the power. If the resolution may be read again, you will see that if there is to be a contest, then the resolution is not necessary.

Mr. HEFLIN. Oh, yes; we have set out here that they shall seize them forthwith.

Mr. CARAWAY. I know that; but if the Senator will file his notice of contest, then the committee would have jurisdiction.

Mr. HEFLIN. I have already filed a notice, and I am going to file my contest.

Mr. ROBINSON of Arkansas. If my colleague will pardon me for the suggestion, undoubtedly the Committee on Privileges and Elections, upon the filing of a notice of contest, can take any action that the committee believes is essential or proper in order to see that justice is done. On the other hand, the Senate has the power, upon the filing of a notice of contest, to direct or authorize action by the Committee on Privileges and Elections; and that is what the resolution, as I have modified it, proposes to do.

I ask that the Secretary now state the resolution. The distinction is that upon the filing of a notice of contest the committee, unless otherwise prompted to do so, might or might not take action. Upon the adoption of this resolution the committee is directed to take action.

Mr. CARAWAY. In other words, it is assumed that the committee will not do its duty until it is directed to do it.

Mr. ROBINSON of Arkansas. No; not quite that.

Mr. CARAWAY. Then I do not understand it.

Mr. BLACK. Mr. President, will the Senator from Arkansas yield?

Mr. ROBINSON of Arkansas. I yield.

Mr. BLACK. As I understood the Senator's understanding with my colleague it was not that the mere filing of notice would give the right to take and impound and examine all the ballot boxes in the State, but as I understood the Senator, what he desired was, if a contest should be filed and the committee thought that the evidence was such that it justified the examination of the ballot boxes, that the ballot boxes should be examined, not that the mere filing of a notice would give authority to go in and examine all the ballot boxes.

Mr. ROBINSON of Arkansas. No. The effect of the resolution as I have dictated it—and I am merely trying to get a conclusion in the matter——

Mr. BLACK. I understand that.

Mr. ROBINSON of Arkansas. The effect of the resolution as it has been proposed in modification of the resolution of the Senator from Alabama is to observe the notice of contest which has been filed, the intention to file a contest, to authorize the committee to impound the ballots, and

in the event a contest is actually filed, to permit the committee to examine them and consider them.

Mr. BLACK. Yes.

Mr. HEFLIN. Not, as my colleague suggests, that I go around and consult every voter in the State and find out whether or not he voted for me and produce evidence before the ballot boxes can be examined. I do not concede that proposition, nor does the Senator from Arkansas. I charge that there was fraud and corruption. I charge that the ballots were not counted as cast. I claim to have polled the votes of 200,000 Democrats against 95,000 or 100,000.

Mr. ROBINSON of Arkansas. Upon a mere general charge of fraud the Senate has never, and probably will not, authorize a searching expedition in order to see just what has taken place. That is the distinction between the procedure in contemplation under the amendment I have proposed and that under the original resolution of the Senator from Alabama. A contest must be based upon allegations of fraud, and an investigation of the ballots does not take place for the purpose of enabling a Senator who thinks he may desire to contest to determine whether there exists any possible evidence to sustain a charge.

Mr. HEFLIN. Mr. President, I ask the Senator from Arkansas this question: If ballot boxes have already been opened in violation of law, would not the presumption be that it was done for the purpose of hiding any fraud that might have been committed?

Mr. BINGHAM. Regular order, Mr. President.

Mr. ROBINSON of Arkansas. It would depend on the circumstances under which the ballot boxes were opened as to what the presumption would be. The mere statement that ballot boxes have been opened would not raise a presumption of fraud, because ordinarily ballot boxes have to be opened in order to find out how the votes were cast.

Mr. HEFLIN. In our State, Mr. President——

Mr. BINGHAM. Mr. President——

Mr. HEFLIN. The Senator from Connecticut will not make anything by this, because I am going to discuss this business the balance of the day if he desires——

Mr. WATSON. Mr. President, will the Senator from Alabama yield to me?

Mr. HEFLIN. I yield.

Mr. WATSON. I believe that if the Senator will correctly formulate his resolution he may perhaps get it through, but with everybody trying to patch up something on the floor——

Mr. BINGHAM. I ask for the regular order.

Mr. HEFLIN. Mr. President, in my time I ask to have my resolution read.

The VICE PRESIDENT. The Senator from Connecticut has demanded the regular order, which would be equivalent to an objection to proceeding with the resolution.

Mr. HEFLIN. I want to have the resolution read in my time, as I speak, for the information of the Senate.

The VICE PRESIDENT. The Senator has the floor. Of course, he can speak on the matter before the Senate.

Mr. BINGHAM. Mr. President, the Senator secured the floor——

The VICE PRESIDENT. The Senator has a right to speak upon the pending bill after the Senator objects.

Mr. BINGHAM. The clerk was reading the bill. The Senator asked unanimous consent——

Mr. ROBINSON of Arkansas. Mr. President, I suggest that the resolution go to the Committee to Audit and Control the Contingent Expenses of the Senate, and in all probability the work that is necessary to be done in the formulation of the resolution can be actually done there.

Mr. HEFLIN. Mr. President, I am willing to have that done. I would like to have the resolution read as taken down by the reporter.

The VICE PRESIDENT. Is there objection to the reading of the resolution as it was taken down by the reporter? The Chair hears none, and the clerk will read.

The Chief Clerk read as follows:

Resolved, That the Committee on Privileges and Elections of the Senate is hereby authorized and empowered to take possession of ballots and ballot boxes, including poll lists, tabulation sheets, or any other records contained within said boxes, which were used in the general election of November 4, 1930, in the election of a United States Senator in the State of Alabama, and to impound the same, and in the event that a contest is filed the said committee is authorized to examine and consider the same, the expense not to exceed $———, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the Committee on Privileges and Elections.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. HEFLIN. Mr. President, I ask that it be referred to that committee, and I request them to report it back in the morning.

The VICE PRESIDENT. The resolution has been referred.

Mr. ROBINSON of Arkansas. Mr. President, before passing from this subject, attention has been called to the fact that the resolution itself does not refer to the notice of contest which has actually been given. I think it appropriate to say that any resolution which the Senate would adopt must be dependent upon a notice of contest. I understand a notice has actually been given, and therefore the resolution did not make reference to it.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 14922) to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia traffic acts, etc., requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ZIHLMAN, Mr. STALKER, and Mrs. NORTON were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 458) for the relief of Catherine Panturis.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 2694. An act conferring the rank, pay, and allowances of a major of Infantry to date from March 24, 1928, upon Robert Graham Moss, late captain, Infantry, United States Army, deceased; and

H. R. 3187. An act for the relief of Agnes Loupinas.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 41, 43, and 72 to the said bill and concurred therein; and that the House had receded from its disagreement to the amendments of the Senate numbered 30, 32, 40, 44, 48, and 74 to the said bill and concurred therein, severally with an amendment, in which it requested the concurrence of the Senate.

AMENDMENT OF THE DISTRICT TRAFFIC ACTS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 14922) to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia traffic acts, etc., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CAPPER. I move that the Senate insist on its amendments, concur in the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CAPPER, Mr. KEAN, and Mr. KING conferees on the part of the Senate.

BUREAU OF PROHIBITION MONOGRAPH

Mr. BULKLEY. Mr. President, I ask unanimous consent for the immediate consideration of a resolution which I send to the clerk's desk.

The VICE PRESIDENT. Is there objection?

Mr. HALE. Mr. President——

The VICE PRESIDENT. Let the resolution be read for the information of the Senate.

Mr. BULKLEY. I will say to the Senator from Maine that I do not think it will lead to any debate. It is merely a resolution of inquiry.

Mr. HALE. Mr. President——

The VICE PRESIDENT. One at a time. The Senator from Ohio has the right to ask unanimous consent, and the Chair directs the reading of the resolution for the information of the Senate, after which the Chair will ask whether or not there is objection.

The Chief Clerk read the resolution (S. Res. 459), as follows:

Resolved, That the Attorney General is requested to report to the Senate, as soon as practicable, the following information relative to the monograph prepared and published by the Bureau of Prohibition in October, 1930, entitled "The Value of Law Observance, a Factual Monograph":

(a) The procedure followed by the bureau in the compilation and interpretation of the factual material embodied in such monograph and in investigating reliable and authoritative sources in order to insure the truth and accuracy of the observations and conclusions contained therein;

(b) The action, if any, taken by the Bureau of Prohibition or any other bureau in the Department of Justice to verify and substantiate the factual material the accuracy of which was emphatically questioned or directly denied (1) by E. Clemens Horst, Esq., of San Francisco, Calif., in his letters of October 31, 1930, and November 1, 1930, addressed to Hon. Amos W. W. Woodcock, Director of the Bureau of Prohibition, or (2) by Hon. FIORELLO H. LAGUARDIA, of New York, in his letter of December 13, 1930, addressed to Hon. William D. Mitchell, Attorney General of the United States, or (3) by Hon. JOHN J. COCHRAN, of Missouri, in an address in the House of Representatives on January 6, 1931;

(c) The corrections or changes, if any, in the second and third prints of such monograph, and the total number of copies published in each of the three prints, the dates of publication, and the method of distribution of copies of the monograph.

The VICE PRESIDENT. Is there objection to the immediate consideration of the resolution?

Mr. HALE. Mr. President, if this will not take any time and if there will be no debate, I will consent to it; but I invite the attention of the Senate to the fact that the naval appropriation bill is now before the Senate, and I must insist that we proceed with it.

Mr. WATSON. Mr. President, this is a very long and involved resolution. I would not like to let it go through without the privilege of examining it and seeing what it is about.

Mr. BULKLEY. It is merely a request for information from the Attorney General.

Mr. WATSON. Let it go over until to-morrow.

The VICE PRESIDENT. Objection is made, and the resolution will go over.

CHANGE IN NAME OF B STREET NW., IN THE DISTRICT OF COLUMBIA

Mr. BLAINE submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 404) to change the name of B Street NW., in the District of Columbia, 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 disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

JOHN J. BLAINE,
WILLIAM H. KING,
Managers on the part of the Senate.

HENRY ALLEN COOPER,
MARY T. NORTON,
CLARENCE J. MCLEOD,
Managers on the part of the House.

The report was agreed to.

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 16969) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1932, and for other purposes.

The PRESIDENT pro tempore. The clerk will resume the reading of the bill.

The reading of the bill was resumed and concluded.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Frazier	La Follette	Sheppard
Barkley	George	McGill	Shipstead
Bingham	Gillett	McKellar	Shortridge
Black	Glenn	McNary	Smith
Blaine	Goff	Metcalf	Smoot
Borah	Goldsborough	Morrison	Steck
Bratton	Gould	Morrow	Steiwer
Brock	Hale	Moses	Stephens
Broussard	Harris	Norbeck	Swanson
Bulkley	Harrison	Norris	Thomas, Idaho
Capper	Hastings	Nye	Thomas, Okla.
Caraway	Hatfield	Oddie	Townsend
Carey	Hawes	Partridge	Trammell
Connally	Hayden	Patterson	Vandenberg
Copeland	Hebert	Phipps	Wagner
Couzens	Heflin	Pine	Walcott
Cutting	Howell	Pittman	Walsh, Mass.
Dale	Johnson	Ransdell	Walsh, Mont.
Davis	Jones	Reed	Waterman
Dill	Kean	Robinson, Ark.	Watson
Fess	Kendrick	Robinson, Ind.	Wheeler
Fletcher	King	Schall	Williamson

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

FURTHER ACTION ON ADJUSTED-SERVICE CERTIFICATES

Mr. REED. Mr. President, I have neither the right nor the desire to pose as the spokesman of the President in this body. But when I found that action on the Navy Department appropriation bill was being delayed because of the apprehension of some Senators that there might be a pocket veto of the bonus bill passed yesterday by the Senate, I took the liberty of telephoning to the President and asked his permission to make a statement of his intentions with regard to the bonus bill.

The President has authorized me to say that it is his intention to return the bonus bill to Congress in the middle of next week, and not in any event later than Thursday of next week, with a message giving his reasons for a veto of the bill.

In view of that fact there seems to be no need of any further delay in action upon the Navy Department appropriation bill.

UNITED STATES JUDGESHIP IN MINNESOTA

Mr. SCHALL. Mr. President, I wish to have read at the desk for the RECORD a statement of mine with reference to the Federal judgeship in my State.

The VICE PRESIDENT. Is there objection to the clerk reading the statement of the Senator? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

The administration, after turning down Ernest A. Michel, upon the advice of its Attorney General, as not being the "right-minded" sort for Federal district judge of Minnesota, asked me to submit 8 or 10 other names. I have done so and submitted 10 names of able and worthy lawyers of my State.

Yesterday the administration informed me that the Department of Justice is lacking in information regarding them, although all of them have resided in the State a lifetime, and that it would require a considerable period of time to investigate these men as to fitness and connections, and that it will be necessary if we are to have a judge named during this session for me to choose one of the names suggested.

Yesterday the following letter was delivered to the President:

FEBRUARY 19, 1931.

Hon. HERBERT HOOVER,
The White House.

MY DEAR MR. PRESIDENT: Your favor of the 19th at hand acknowledging my letter of the 18th submitting to you the names of 10 lawyers in Minnesota for the appointment as Federal judge.

I can not agree with you that lawyers of experience must necessarily have had judicial experience in order to qualify them for this position. On the contrary, it is well known by the people at large that a great percentage of men appointed to the Federal bench have never been men with previous judicial experience. Seven members of the present Supreme Court of the United States, when appointed to that high office, had never had judicial experience, including the Chief Justice of the United States Supreme Court, and if you'll remember, John Marshall, perhaps the greatest judge who sat on the bench, went directly from practice to the Chief Justice of the United States Supreme Court.

I note that you state that none of the men I have suggested has been proposed by the citizens of Minnesota. It was my understanding that you asked me to submit these names to you, not the citizens of Minnesota. I submitted to you the name of Ernest A. Michel, who was overwhelmingly indorsed by the citizens of Minnesota, but whom the Department of Justice did not see fit to approve.

I think you will agree with me that the Department of Justice is not lacking in information regarding the men whose names I submitted, as every one has lived in Minnesota practically all of his lifetime, are able lawyers, and I am satisfied that the Department of Justice can within 24 hours fully advise you as to the qualifications and standing of any one of the names submitted to you for consideration for their actions in courts are of record.

In your letter you state that the man appointed "shall be entirely free from any private connections which might be challenged."

I desire to say that in the list of names submitted to you by me every one of the men suggested had no private connections which can honestly be challenged and some of them are by no means friends or supporters of mine.

I would extremely regret, Mr. President, if you should feel it necessary to disregard the names of the men I have submitted to you, which was done at your request, for it is an undoubted fact that if your Department of Justice desires to do so they can advise you by Saturday morning, the 21st, as to the fitness and qualifications of any one of the names suggested.

With reference to the names submitted in your letter to me, I desire to say that I have not the same facilities of investigating and passing upon these names, which were undoubtedly suggested by the Department of Justice, as is possessed by the Attorney General's office, but it seems to me that it should not be necessary, because you have asked me to submit these names and I have done so in good faith, with the assurances, as stated in your letter, that you would hope that among them would be found at least one man qualified for this office.

There is more than one man qualified for this office in the list of names I submitted to you, Mr. President, and some of them are men with judicial experience.

I certainly hope that the appointment of a Federal judge will not be delayed by the taking of any arbitrary position in this matter, for I want to cooperate with you, and I feel certain that if you give this matter serious and fair consideration that you can find from among the list of names submitted to you a man fully qualified for the position and who will pass the qualifications of the Department of Justice and meet the requirements outlined in your favor of the 19th.

With personal regards, I am,

Sincerely yours,

THOS. D. SCHALL.

I am just informed that the President has sent the name of Gunnar H. Nordbye to the Senate for its confirmation for this judgeship. The presenting of this name is a studied affront to me on the part of the Attorney General.

So far as I am concerned, I will not lend myself to the scheme of of the Attorney General in filling Federal judgeships in my State with his "right-minded" sort, whose sympathies are not with the common man, whose legal bent and natural inclinations are "property right minded" to the exclusion of humanity.

Mr. Nordbye was appointed to the district bench in Minnesota by Governor Christianson, whom I defeated for the Republican nomination to the United States Senate by approximately 100,000 votes.

The Republican Party nominated and elected Mr. Christianson three times to the governorship of our State, and yet the governor openly opposed the Republican candidate for the United States Senate in the last election. Governor Christianson was joined in that opposition by our Democratic Attorney General, Mr. Mitchell, and Mr. Nordbye because of Mr. Nordbye's connections and affiliations with this smug "right-minded, public-utility" loving crowd.

Mr. Nordbye is especially undesirable to me, and I hope my colleagues will join me in my opposition to him.

NAVAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 16969) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1932, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 2, line 8.

The amendment was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the subhead "Operation and conservation of the naval petroleum reserves," on page 6, line 13, before the words "of which," to insert the word "and," so as to read:

To enable the Secretary of the Navy to carry out the provisions contained in the act approved June 4, 1920 (U. S. C., title 34, sec. 524), requiring him to conserve, develop, use, and operate the naval petroleum reserves, $160,000, of which amount not to exceed $15,000 shall be available for clerical, technical, and custodial services of field employees, and of which $60,000 shall be available exclusively to complete repairs to shut-in wells, naval petroleum reserve No. 1.

The amendment was agreed to.

The next amendment was, under the subhead "Naval Reserve," on page 11, line 8, before the word "of," to strike out "$4,620,835" and insert "$4,394,365," so as to read:

For expenses of organizing, administering, and recruiting the Naval Reserve and Naval Militia; pay and allowances of officers and enlisted men of the Naval Reserve when employed on authorized training duty; mileage for officers while traveling under orders to and from training duty; transportation of enlisted men to and from training duty, and subsistence and transfers en route, or cash in lieu thereof; subsistence of enlisted men during the actual period of training duty; subsistence of officers and enlisted men of the Fleet Naval Reserve while performing authorized training or other duty without pay; pay, mileage, and allowances of officers of the Naval Reserve and pay, allowances, and subsistence of enlisted men of the Naval Reserve when ordered to active duty in connection with the instruction, training, and drilling of the Naval Reserve; pay of officers and enlisted men of the Fleet Naval Reserve for the performance of drills or other equivalent instruction or duty, or appropriate duties, and administrative duties, exclusive, however, of pay, allowances, or other expenses on account of members of any class of the Naval Reserve incident to their being given flight training unless, as a condition precedent, they shall have been found by such agency as the Secretary of the Navy may designate physically and psychologically qualified to serve as pilots of naval aircraft, $4,394,365, of which amount not more than $160,000 shall be available for maintenance and rental of armories, including pay of necessary janitors, and for wharfage, not more than $81,000 shall be available for clerical and messenger services for Naval Reserve administration in naval stations, and districts for the fiscal year ending June 30, 1932, not less than $906,156 shall be available, in addition to other appropriations, for aviation material, equipment, fuel, and rental of hangars, and not more than $575,839 shall be available, in addition to other appropriations, for fuel and the transportation thereof, and for all other expenses in connection with the maintenance, operation, repair, and upkeep of vessels assigned for training the Naval Reserve.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Engineering," on page 17, line 8, after the word "exceed," to strike out "$1,624,340" and insert "$1,644,340," so as to make the proviso read:

Provided, That the sum to be paid out of this appropriation, under the direction of the Secretary of the Navy, for clerical, drafting, inspection, and messenger service in navy yards, naval stations, and offices of United States inspectors of machinery and naval material for the fiscal year ending June 30, 1932, shall not exceed $1,644,340.

The amendment was agreed to.

The next amendment was, on page 17, line 10, after the word "ship," to insert "and to permit the President to dispose of other vessels of the Navy in such manner as in his judgment may be advisable," so as to make the further proviso read:

Provided further, That in order to convert the U. S. S. *Wyoming* into a training ship and the U. S. S. *Utah* into a target ship and to permit the President to dispose of other vessels of the Navy in such manner as in his judgment may be advisable in accordance with the terms of the treaty for the limitation and reduction of naval armament, signed at London on April 22, 1930, there shall be available $779,000 of appropriations for the fiscal year 1931, as follows: Engineering, Bureau of Engineering, 1931, $210,000; Construction and Repair, Bureau of Construction and Repair, 1931, $535,000; and Ordnance and Ordnance Stores, Bureau of Ordnance, 1931, $34,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Supplies and Accounts," on page 24, line 5, before the word "for," to strike out "$3,000" and insert "2,000," so as to read:

Transportation and recruiting of naval personnel: For mileage and actual and necessary expenses and per diem in lieu of subsistence as authorized by law to officers of the Navy while traveling under orders, including not to exceed $2,000 for the expenses of attendance at home and abroad, upon meetings of technical, professional, scientific, and other similar organizations, when, in the judgment of the Secretary of the Navy, such attendance would

be of benefit in the conduct of the work of the Navy Department; for mileage, at 5 cents per mile, to midshipmen entering the Naval Academy while proceeding from their homes to the Naval Academy for examination and appointment as midshipmen, and not more than $2,500 shall be available for transportation of midshipmen, including reimbursement of traveling expenses while traveling under orders after appointment as midshipmen; for actual traveling expenses of female nurses; for travel allowance or for transportation and subsistence as authorized by law of enlisted men upon discharge; transportation of enlisted men and apprentice seamen and applicants for enlistment at home and abroad, with subsistence and transfers en route, or cash in lieu thereof; transportation to their homes, if residents of the United States, of enlisted men and apprentice seamen discharged on medical survey, with subsistence and transfers en route, or cash in lieu thereof; transportation of sick or insane enlisted men and apprentice seamen and insane supernumerary patients to hospitals, with subsistence and transfers en route, or cash in lieu thereof; apprehension and delivery of deserters and stragglers, and for railway guides and other expenses incident to transportation; expenses of recruiting for the naval service; rent of rendezvous and expenses of maintaining the same; advertising for and obtaining men and apprentice seamen; actual and necessary expenses in lieu of mileage to officers on duty with traveling recruiting parties; transportation of dependents of officers and enlisted men; expenses of funeral escorts of naval personnel; in all, $4,538,654.

The amendment was agreed to.

The next amendment was, on page 26, line 7, after the word "of," to strike out "three" and insert "four," and in line 11, after the word "of," to strike out "three" and insert "four," so as to make the further proviso read:

Provided further, That no part of this appropriation shall be available for the pay of any midshipmen whose admission subsequent to January 30, 1931, would result in exceeding at any time an allowance of four midshipmen for each Senator, Representative, and Delegate in Congress; of one midshipman for Porto Rico, a native of the island, appointed on nomination of the governor, and of four midshipmen from Porto Rico, appointed on nomination of the Resident Commissioner; and of two midshipmen for the District of Columbia; except that nothing herein shall deny pay to or prevent the admission of any midshipman admissible within the number of appointments permissible under the provisions of the naval appropriation act for the fiscal year 1931 who may enter the Naval Academy in the class entering next after the approval of this act.

The amendment was agreed to.

The next amendment was, on page 27, line 3, after the word "vessel," to strike out "at sea with the fleet" and insert "of the Navy in full commission," so as to make the further proviso read:

Provided further, That no part of this appropriation shall be available for the pay of any midshipman appointed from enlisted men of the Navy for admission to the Naval Academy in the class entering in the calendar year 1932 who has not served aboard a vessel of the Navy in full commission for at least nine months prior to such admission.

The amendment was agreed to.

The next amendment was, under the subhead "fuel and transportation, Bureau of Supplies and Accounts," on page 29, line 2, after the word "excessive," to strike out the colon and the following additional proviso:

Provided further, That no part of this appropriation shall be available for the purchase of or payment for any kind of fuel oil of foreign production, except by or for vessels in a foreign port.

Mr. CONNALLY. Mr. President, I should like to ask the Senator in charge of the bill to let that amendment be passed over until we have reached the amendment on page 48, dealing with the same subject.

The VICE PRESIDENT. The Senator from Texas asks that the amendment be passed over for the present. Is there objection?

Mr. HALE. Mr. President, the provision in the House bill on page 29 has been stricken out because on page 48 of the bill the committee has inserted the following language:

That in the expenditure of appropriations in this act the Secretary of the Navy shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable.

The committee considered that that language took care of oil along with all other commodities. The provision which we have put into the bill is the same as that adopted on the Army bill after an agreement in conference. It is believed that the provision in the Army appropriation bill will adequately safeguard purchases by the Army of all goods and products that are not manufactured in the United States, and we believe the committee amendment to this bill will accomplish the same purpose in the same way so far as purchases for the Navy are concerned.

Mr. CONNALLY. Mr. President, my suggestion is only that the Senator have the amendment passed over until we reach the amendment on page 48, in order that we may consider both amendments together.

Mr. HALE. Very well; that is entirely satisfactory to me.

The VICE PRESIDENT. Without objection, the amendment will be passed over. The next amendment will be stated.

The next amendment of the Committee on Appropriations was under the heading "Bureau of Yards and Docks," on page 32, line 9, after the word "exceeding" to strike out "$20" and insert "$25," so as to read:

For the labor, materials, and supplies necessary, as determined by the Secretary of the Navy, for the general maintenance of the activities and properties now or hereafter under the cognizance of the Bureau of Yards and Docks, including accident prevention; the purchase, exchange (including parts), maintenance, repair, and operation of passenger-carrying vehicles for the Navy Department (not to exceed 10 in number) and the Naval Establishment not otherwise provided for; not to exceed $1,250,000 for clerical, inspection, drafting, messenger, and other classified work in the field, and part time or intermittent employment in the District of Columbia, or elsewhere, of such engineers and architects as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $25 per diem for any person so employed, $9,014,816:

The amendment was agreed to.

The next amendment was, under the subhead "Public works, Bureau of Yards and Docks," on page 33, line 15, after the word "respectively," to strike out "$8,660,000" and insert "$8,785,000," so as to read:

To enable the Secretary of the Navy to construct or provide, by contract or otherwise, the following-named public works and public-utilities projects, at a limit of cost not to exceed the amount stated for each project enumerated, respectively, $8,785,000.

The amendment was agreed to.

The next amendment was, on page 36, after line 14, to insert:

Naval Research Laboratory, Bellevue, D. C.: Extension of laboratory building, $125,000.

The amendment was agreed to.

The next amendment was, under the heading "Bureau of Aeronautics, aviation, Navy," on page 37, line 22, after the word "employed," to strike out "$2,220,000" and insert "$2,420,000, of which $200,000 shall be available for experimental and research work in connection with the development of a metal-clad airship," so as to read:

For aviation, as follows: For navigational, photographic, aerological, radio, and miscellaneous equipment, including repairs thereto, for use with aircraft built or building on June 30, 1931, $1,079,300; for maintenance, repair, and operation of aircraft factory, air stations, fleet air bases, fleet, and all other aviation activities, accident prevention, testing laboratories, for overhauling of planes, and for the purchase for aviation purposes only of special clothing, wearing apparel, and special equipment, $13,377,531, including $259,000 for the equipment of vessels with catapults and including not to exceed $192,000 for the procurement of helium, and such sum shall be transferred to and made available to the Bureau of Mines on July 1, 1931; for continuing experiments and development work on all types of aircraft, including the payment of part-time or intermittent employment in the District of Columbia or elsewhere of such scientists and technicists as may be contracted for by the Secretary of the Navy, in his discretion, at a rate of pay not exceeding $20 per diem for any person so employed, $2,420,000, of which $200,000 shall be available for experimental and research work in connection with the development of a metal-clad airship; for drafting, clerical, inspection, and messenger service, $918,169; for new construction and procurement of aircraft and equipment, including not to exceed $807,400 for the Naval Reserve, $11,800,000, of which amount not to exceed $8,000,000 shall be available for the payment of obligations incurred under the contract authorization for these purposes carried in the Navy appropriation act for the fiscal year 1931; toward the construction of the rigid airships as provided in the act authorizing construction of aircraft, etc., approved June 24, 1926 (U. S. C., Supp. III, title 34, sec. 749a), and subject to the contractual conditions stipulated as to such rigid airships in the act making appropriations for the Navy Department and the naval service for the fiscal year 1929, $1,675,000.

The amendment was agreed to.

The next amendment was, on page 38, line 13, to increase the appropriation for aviation in the Navy from $31,070,000 to $31,270,000.

The amendment was agreed to.

The next amendment was, under the heading "Increase of the Navy," on page 47, line 4, before the word "to," to strike out "$23,600,000" and insert "$31,100,000," so as to read:

Construction and machinery: On account of hulls and outfits of vessels and machinery of vessels heretofore authorized, $31,100,000, to remain available until expended.

Mr. KING. Mr. President, I should like to have the Senator make an explanation justifying the increase from $23,600,000 to $31,100,000, on page 47, line 4.

Mr. HALE. Mr. President, the purpose of the amendment is to provide for beginning the construction of 11 destroyers during the coming fiscal year. Our destroyer situation at the present time is as follows: We have 87 destroyers in active commission stationed with the fleet, plus 4 destroyers which are to be used as light mine layers, and 5 destroyers which have been assigned to the Coast Guard, in addition to 18 old destroyers which are with the Coast Guard and which are shortly to be scrapped. These 96 destroyers are those which are in the best condition with respect to their engineering plants and their matériel. All of them have had from 2 to 10 years' service in the Navy, and all of them are vessels which under the terms of the London treaty will become obsolete in 3 years' time—in 1934.

In addition to these vessels, the Navy Department plans to retain in a decommissioned status 64 more destroyers for use in emergency. In all we shall have 160 destroyers of 165,000 tons, which is the amount allowed us under the London treaty, if we exercise the option to use 15,000 tons of cruiser tonnage for destroyers as permitted by article 17 of the treaty.

The 64 destroyers which are to be retained in a decommissioned status are very unsatisfactory vessels. Many of them have defective boilers and machinery. Only 17 of the 64 are suitable for replacement of the destroyers with the fleet, but they are the best destroyers we have, outside of the 87 in active commission. All our other destroyers are to be scrapped within a very short time. They are now practically useless. That leaves us with 160 destroyers, of which only 17 of the last 64 are suitable for replacement of destroyers on the active list.

As I stated a few moments ago, all our destroyers will become obsolete under the terms of the London treaty by 1934. Since the Washington treaty Great Britain has built or is building 27 large modern destroyers; Japan is building 51, France 50, and Italy 37. We are the only one of the five naval powers that has not laid down any destroyer construction since the time of the Washington treaty.

Our destroyers, all of which were built under pre-war-time plans, are in no way to be compared with the modern destroyers of other powers, and the advantage in numbers that we have had during the past few years is gone since our destroyer complement has now gone down from 317 to 160—160 antiquated and nearly obsolete vessels—we shall have in numbers less destroyers than Great Britain has. Obviously, if we are going to maintain a force of destroyers in any way commensurate with the rest of our fleet a considerable building program in destroyers must be adopted, and this program should be extended over a period of years in order to avoid too much of a load in any one year.

Mr. KING. Mr. President, the Senator knows it has been conceded by the naval authorities of Great Britain, France, and Japan that in the matter of destroyers we were very much superior to any other navy.

Mr. HALE. Simply in numbers, Mr. President.

Mr. KING. In numbers, in grade, and in kind.

Mr. HALE. No.

Mr. KING. We had, as the Senator has said, more than 300 destroyers which were considered the best in the world at the time of their construction. Many of them were not completed, as the Senator knows, until after the war; indeed, as I recall, some of them were not laid down until 1917 or 1918, and were not completed for several years thereafter. So we had at one time more than double the number of destroyers which Great Britain had, and, of course, three or four times as many as Japan had. That has been conceded, and the Senator said on the floor when we were discussing a previous naval bill——

Mr. HALE. And that was true when the destroyers were in good condition, but, as I have explained to the Senate, these destroyers with the exception of the few that we have on active service are not in good condition. A destroyer is a very delicate, frail ship. Its engines have fully as much horsepower as have those of our great battleships, and its engines shake the ship to pieces when it goes at any great rate of speed, and great speed is the principal consideration so far as destroyers are concerned. Now these ships are practically through so far as usefulness is concerned, and, instead of having 317, as we had at the close of the World War, we now have only 160 that are in any way fit for use, and most of these are practically worn out.

Mr. KING. Is it not a fact, I will ask the chairman of the committee, that because we had so many destroyers it was deemed wise, in order that seamen might be relieved for service upon other vessels, to decommission more than 100, perhaps 150, and put them in a stand-by condition? I remember visiting two or three years ago one of the stations and I saw a large number of destroyers. I was told they were in excellent condition, although decommissioned; that their engines were covered, but they had been oiled and greased and put in condition so that, it was claimed, they would be immune to the action of the elements, and that those vessels could be quickly put into commission, would respond to the needs of the country, and were just as good as at the time they were constructed.

Mr. HALE. Oh, no, Mr. President. They are not in any way to be compared with modern destroyers. We did put a certain number out of commission to have in reserve when we should need them; but we have already called on them. We have already taken them back to the fleet. We have nothing but poor, antiquated, used-up ships left for a reserve.

Mr. KING. Mr. President, I have always discovered that whenever we have a naval bill here, every ship we have is an antiquated ship; and that is the basis for a demand for large appropriations for additional ones.

Mr. HALE. Mr. President, our delegates at the London conference decided that a vessel that was laid down before 1920 had a life of 12 years before it became obsolete, and that if it was laid down after 1920—that is, a more modern ship, built from postwar plans—it should have a life of 16 years.

These vessels of ours were all built under war-time or prewar-time plans. The delegates must have had some reason for declaring that a ship of that kind was obsolete in 12 years. Many of these ships have some useful life left; I am willing to admit that; but those in reserve have very little useful life left.

Mr. KING. Mr. President, the Senator will recall that the British delegates, according to my recollection, were perfectly willing to declare that battleships should have a longer lease of life than that which was prescribed and recognized as the lease of life which they should have; but our delegates opposed it. As I recall, they were in favor of giving to the battleships an extension to 25 years.

Mr. REED. No, Mr. President; we all agreed at the conference that no new battleships should be laid down during the life of the London treaty.

Mr. KING. Oh, I understand that.

Mr. REED. We all agreed to that extension.

Mr. KING. But the British delegates, as I recall, were perfectly willing to incorporate in the treaty a provision extending the life of battleships beyond the period heretofore recognized as the ordinary period of their lives.

Mr. REED. Yes; and so were we, and that is what we did.

Mr. KING. Oh, well; but to deal with battleships in the future.

Mr. REED. That is what we did—to deal with all those that were to be laid down between now and 1936. We all agreed that that laying-down should be postponed, and the life of these battleships extended.

Mr. KING. For how long?

Mr. REED. Until after 1936.

Mr. KING. Yes; but what was the length of life that you finally gave to them?

Mr. REED. It adds about five years to the life of the oldest one; and I hope that in 1936, when the conference meets again, they will continue that process, because the ships are perfectly seaworthy, and the period can be extended another five years quite easily.

Mr. HALE. That is, they will be seaworthy after they have been modernized.

Mr. REED. Yes; of course.

Now, if I may say just a word to supplement what has been said by the Senator from Maine, it would be in the highest degree unwise to defer any destroyer building until all of our war-time destroyers reach maturity at the same moment. By "maturity" I mean the moment of being obsolete. Great Britain has recognized that, and so has Japan; and although Great Britain had built a very large number of destroyers during the war for antisubmarine work, she has gone on building new ones in reasonable annual increments, so that she will not at any time have a great burden—a great "hump," as the officers call it—of new destroyers to build in one or two years.

We made such a "hump," properly enough, by a tremendous destroyer-building activity during the World War. Practically all of our destroyer fleet dates from that time. We have not laid down a destroyer for 11 years. The latest that we have are a few that were laid down in 1920; and, as the Senator has pointed out, very soon even they will have reached the life limit assigned to them by the naval experts of the five countries.

Great Britain has not done that. As you look at her list you find, for example, that she has appropriated for nine ships which she has not yet started to build. They were all to be laid down this year. She has building 20 destroyers, all laid down as recently as 1928 and 1929. The program that the Naval Committee indicates in the amendment to this bill is very moderate compared to that which is being carried on by Great Britain. I am glad it is. World conditions to-day do not indicate that we ought to spend money for destroyers any faster than that; but we ought year by year to do something in order to keep the whole lot of them from having to be renewed at one moment. We will get better design, better return for our money, better efficiency, if we build them in small annual increments.

Mr. SWANSON. Mr. President, the Senator from Utah will remember that during the war, on account of the great submarine menace, we were asked by the allied powers engaged in the conduct of naval warfare and also in transporting our troops across the ocean to build destroyers to protect our troops and transports from submarines; and we did it hastily. We speeded up the production of destroyers. I do not suppose any nation in the world responded as quickly and as efficiently to produce vessels to lessen the submarine menace as did the United States.

When the war was over we were left with this vast number of destroyers. The rest of our program was delayed in order to build destroyers. They were constructed hastily. Quickness of action was more important than excellence of construction, because they had to meet the menace of submarines or else our troops could not have been in Europe when they were needed.

Now, the life of a destroyer has been extended to about 16 years. What is meant by "the life of a destroyer" is this: On account of the character of the vessels it would be unsafe to ask men to go out to sea, especially in these small vessels, as they are constructed, after the vessel is 16 years old.

If a man is running a private ship, and the age limit of safety has been exceeded, he is prohibited by the inspectors from sending the boat out to sea with passengers; and if he does, he is reprimanded very severely and is liable in damages.

Sixteen years has been fixed as almost the limit of safety for a destroyer, a small vessel with great speed. When you give a vessel great speed you have to take from the size of the vessel and take from its other parts. To get great speed you have to have large machinery and coal supply. These are the fastest vessels we have. They are small. The machinery, as the chairman of the committee has said, tears them to pieces. Some people do not think they are very safe at the end of 16 years; but it is necessary to have speed for antisubmarine work and other purposes.

Every destroyer that we have will be out of date in 1934, if 16 years is taken as the limit. Consequently, we have to commence building before then. We think the money ought not to be expended all in one year, 1936, but some of it in 1934. We have only 11 destroyers in this program. The program is to move slowly with them, not rapidly. They will be out in 1934, and, I suppose, 1933.

Mr. HALE. They will be out in 1934 if the treaty age of 12 years is considered as the limit. If 16 years is taken as the age limit there will be 32 of them left in 1936.

Mr. SWANSON. That is the ultimate limit that most people feel is safe. The officers of the Navy have the responsibility of ordering a man out on a naval vessel. He is ordered out. He can not decide whether or not the vessel is safe. He is ordered to go on such a vessel and accomplish certain purposes. Consequently, when a man is ordered out, he can not resign. He can not quit. He may know that the vessel is dangerous, but he has no option in the matter. Consequently, it is the duty of Congress not to have vessels that are out of date and dangerous on which to send out these officers and these men.

As a matter of fact, I do not believe we will complete more than these 11 destroyers so as to have them available in 1933 and 1934. This is the smallest conceivable appropriation. We have not passed the authorization bill carrying $72,000,000. It seems to me that the prospect is that that bill will pass through a stormy sea, though it is very modest. It is hardly the beginning of what we need under the London treaty.

It is utterly unreasonable to talk about not having destroyers when the vessels of the Navy must do all kinds of duty—scouting duty, dangerous duty with the fleet, and other duties. If we do not appropriate for these 11 destroyers, we might as well abandon the Navy. There is no use of having a second-class navy or a third-class navy. Unless we can take care of our rights and defend them, it is a useless expenditure. The only object of a navy is to give safety on the sea, to make America absolutely safe from any foreign invasion.

It does seem to me that what is proposed here hardly comes up to what we ought to do. We ought to give more; but, knowing the condition of the country and the indisposition to appropriate money, it seems to me that the Naval Committee has recommended the minimum. In addition to that, because we have an authorization for this expenditure and not for the other, it does seem to me that we certainly should have no hesitancy in passing it and giving us 11 up-to-date destroyers. We should also remember that there have been improvements in every class of vessels, and that is equally true in the Navy. If we are to send men abroad to attend to their duties anywhere there is trouble, they should have properly equipped and safe vessels.

Mr. LA FOLLETTE. Mr. President, I wish to point out that the chairman of the Naval Affairs Committee in the House does not agree with the Senator from Maine [Mr. HALE].

When this bill was under discussion in the House of Representatives an amendment was offered to provide for 4, not 11, destroyers; and the amendment was resisted by Congressman FRENCH, the chairman of the committee, in the following language. He said:

Mr. Chairman, may I make just a few suggestions to the House in the matter of the amendment offered by the gentleman from New York [Mr. BLACK]? My colleague would provide for the construction of four destroyers. The treaty that was promulgated

on January 1 of this year outlining the arrangement between Great Britain, the United States, and Japan, touching the different types of ships that we could maintain in the several navies, fixed a limit upon destroyer tonnage for the United States at 150,000 tons. We have at this time 226 destroyers with a tonnage considerably in excess of the tonnage limit in the treaty. We have at this time the tonnage that we are entitled to under the treaty, constructed since the World War. After the present destroyers in our Navy may be disposed of, the life of a destroyer will be 16 years. The present life as fixed by the London treaty of our present destroyers is 13 years, although, as a matter of fact, many of the destroyers, in fact most of them, have had considerably less service than 13 years. Many of them have been tied up in reserve in Philadelphia and San Diego and have been in that way retained in fairly excellent condition, and but recently have been brought into service. We have carried forward in the bill during the last year or so sizable sums of money for the purpose of keeping our destroyers in shape and performing major overhaul work upon them. Indeed, as to most of the destroyers in commission Admiral Rock, the Chief of the Bureau of Construction and Repair, has advised the committee that their overhaul was so complete that 10 years had been added to their life. More than that, at this time there is pending in the House a bill reported from the Naval Affairs Committee providing for a building program of types permissible under the treaty.

I have indicated to the House my approval of the passage of that bill, and should that measure become a law it will then be up to the Navy Department to work out an orderly program of construction for our consideration. We ought not here upon the floor attempt to work out a building program without definite knowledge of how the building program is going to fit in with construction programs in our shipbuilding establishments. The question ought to be studied as a whole question and then brought to the attention of the House in an orderly way, so that it may have the consideration that an important subject such as this deserves.

Mr. President, it does seem to me that in view of the statement which I have quoted from Representative FRENCH, in view of the fact that this matter was thoroughly debated on the House floor, and the House, after considering the subject carefully, rejected an amendment providing for only four destroyers, the Senate should hesitate before it authorizes and commits us to a building program contemplating 11 new destroyers.

As the Senator from Pennsylvania said a few moments ago, world conditions indicate that there is little necessity for going forward with a large program at this time. The Senator from Maine has suggested that these ships are so highly powered, are so overengined, that a very small amount of use results in their rapid deterioration.

In view of the fact that we demonstrated during the World War our ability rapidly to construct this type of ship, resulting in our now having 226 of them, it seems to me the facts all call for a rejection of this amendment by the Senate at this time.

I wish to state further that it does seem to me that the point made by Representative FRENCH, that if we are to launch upon any sort of treaty-building program we ought to have a complete program, is a good one. We should not commit ourselves to a certain portion of it in this appropriation bill and to a certain portion of it in another appropriation bill.

Mr. President, I say that with the frank additional statement that I am opposed to building up completely to the treaty Navy, but if a majority of the Congress desires to build up to the treaty Navy, or if it desires to adopt a program looking in that direction, I submit that it is a matter of common sense that the program should be presented in a comprehensive way, in order that it may be worked out in its details, and the Congress pass upon it. The fact that in 1916 we organized a tremendous building program is not a justification for the committee to come in here at this time and ask for the appropriation to carry out that program.

Talk about obsolescence! If these gentlemen are as expert in the study of naval tactics as they claim to be, it certainly seems to me that we ought to have a revised program from their own point of view that is more recent than one authorized in 1916. Since that time we have had much experience in the matter of naval tactics.

In view of all these facts, I hope the Senate will reject this amendment.

Mr. BORAH. Mr. President, if this matter can not be disposed of speedily, since I want to have an executive session, I shall move in a few moments that we proceed to the consideration of executive business.

Mr. KING. Mr. President, there are several amendments, one involving our troops in Nicaragua, and it will take considerable time to dispose of them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had insisted upon its amendment to the amendment of the Senate No. 69 to the bill (H. R. 16415) making appropriations for the Executive office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1932, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WASON, Mr. SUMMERS of Washington, and Mr. WOODRUM were appointed managers on the part of the House at the conference.

EXECUTIVE SESSION

Mr. BORAH. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. HALE. Mr. President, I would like to say that at the close of the executive session I shall move that we return to legislative session, and I shall ask the Senate to stay in session until we can make progress on the naval appropriation bill.

The VICE PRESIDENT. The motion is not debatable. The question is on agreeing to the motion of the Senator from Idaho.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

Messages from the President of the United States making sundry nominations were referred to the appropriate committees. (See end of Senate proceedings for nominations.)

REPORTS OF COMMITTEES

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters, which were placed on the Executive Calendar.

Mr. REED, from the Committee on Military Affairs, reported favorably the nomination of Brig. Gen. Thomas Edward Rilea, Oregon National Guard, to be a brigadier general, reserve, from February 13, 1931, and also the nominations of sundry officers in the Regular Army, which were placed on the Executive Calendar.

CHANGE OF REFERENCE OF CERTAIN NOMINATIONS

On motion of Mr. BINGHAM, the Committee on Territories and Insular Affairs was discharged from the further consideration of sundry nominations for appointment as associate justices of the Supreme Court of the Philippine Islands, as provided by law, and they were referred to the Committee on the Judiciary, as follows:

Jose Abad Santos, of the Philippine Islands.
Edmond Block, of Tennessee.
Carlos A. Imperial, of the Philippine Islands.
Nehemiah Candee, of Connecticut.
Delfin Jaranilla, of the Philippine Islands.
John Ladner, of Oklahoma.

The VICE PRESIDENT. If there be no further reports of committees, the calendar is in order.

FISHERY TREATY WITH GREAT BRITAIN

The Chief Clerk proceeded to read Calendar No. 22, a fishery treaty with Great Britain signed on May 9, 1930.

Mr. BORAH. Mr. President, request has been made that this treaty be permitted to go over.

The VICE PRESIDENT. Without objection, the treaty will go over.

TREATY OF FRIENDSHIP, COMMERCE, AND CONSULAR RIGHTS WITH AUSTRIA

The Chief Clerk proceeded to read Calendar No. 23, a treaty of Friendship, Commerce, and Consular Rights between the United States and Austria signed at Vienna on

June 19, 1928, which was considered as in Committee of the Whole, and is as follows:

SUPPLEMENTARY AGREEMENT

to the Treaty of Friendship, Commerce and Consular Rights between the United States of America and the Republic of Austria, signed on June 19, 1928.

The United States of America and the Republic of Austria, by the undersigned Mr. Gilchrist Baker Stockton, Envoy Extraordinary and Minister Plenipotentiary of the United States of America at Vienna, and Dr. Johann Schober, Vice-Chancellor and Federal Minister for Foreign Affairs of the Republic of Austria, their duly empowered plenipotentiaries, agree, as follows:

Notwithstanding the provisions of the first paragraph of Article XXIV of the Treaty of Friendship, Commerce and Consular Rights, between the United States of America and the Republic of Austria, signed June 19, 1928, to the effect that the said Treaty shall remain in force for the term of six years from the date of the exchange of ratifications, it is agreed that the said Treaty may be terminated on February 11, 1935, or on any date thereafter, by notice given by either high contracting party to the other party one year before the date on which it is desired that such termination shall become effective.

Done in duplicate, in the English and German languages, at Vienna, this 20th day of January, One Thousand Nine Hundred and Thirty-one.

[SEAL.] G. B. STOCKTON
[SEAL.] SCHOBER

Mr. BORAH. Mr. President, this is really a routine matter. We have a treaty of amity and commerce with Austria, and this supplemental agreement has the effect simply of advancing the time when the treaty shall terminate. It was at the request of Austria that the supplemental treaty was made. Austria having a number of treaties with other countries, desired that this treaty terminate at the same time that her treaties with other countries terminated.

The treaty was reported to the Senate without amendment, and the resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, Seventy-first Congress, third session, a supplementary agreement signed at Vienna January 20, 1931, to the treaty of friendship, commerce, and consular rights with Austria, signed at Vienna on June 19, 1928.

The resolution was agreed to, two-thirds of the Senators present voting in the affirmative.

TREATY ON COMMERCIAL AVIATION

The Chief Clerk proceeded to read Calendar No. 24, a convention on commercial aviation signed at Habana, Cuba, which was considered as in Committee of the Whole and is as follows:

To the Senate:

To the end that I may receive the advice and consent of the Senate to ratification, I transmit herewith a certified copy of the English text of a convention on commercial aviation, adopted at the Sixth International Conference of American States, held at Habana, Cuba, from January 16 to February 20, 1928.

HERBERT HOOVER.

THE WHITE HOUSE, *December 15, 1930.*

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a certified copy of the English text of the convention on commercial aviation, adopted at the Sixth International Conference of American States, held at Habana, Cuba, from January 16 to February 20, 1928.

This convention was not signed as a separate instrument, but was included in the final act of the conference, which was signed on the part of all the governments represented at the conference. A certified copy of this final act in the Spanish language, furnished by the Government of Cuba, accompanied your communication of February 13, 1929, to the Senate transmitting a convention regarding the Pan American Union, which was also one of the conventions adopted at the Sixth International Conference of American States.

The Departments of War, Navy, and Commerce have been consulted and are in favor of the United States becoming a party to the convention on commercial aviation.

Respectfully submitted.

HENRY L. STIMSON.

DEPARTMENT OF STATE,
Washington, December 12, 1930.

The Governments of the American Republics, desirous of establishing the rules they should observe among themselves for aerial traffic, have decided to lay them down in a convention, and to that effect have appointed as their plenipotentiaries:

Perú: Jesús Melquiades Salazar, Victor Maúrtua, Enrique Castro Oyanguren, Luis Ernesto Denegri.

Uruguay: Jacobo Varela Acevedo, Juan José Amézaga, Leonel Aguirre, Pedro Erasmo Callorda.

Panamá: Ricardo J. Alfaro, Eduardo Chiari.

Ecuador: Gonzalo Zaldumbide, Víctor Zevallos, Colón Eloy Alfaro.

Mexico: Julio García, Fernando González Ras, Salvador Urbina, Aquiles Elorduy.

Salvador: Gustavo Guerrero, Héctor David Castro, Eduardo Alvarez.

Guatemala: Carlos Salazar, Bernardo Alvarado Tello, Luis Beltranena, José Azurdia.

Nicaragua: Carlos Cuardra Pazos, Joaquín Gómez, Máximo H. Zepeda.

Bolivia: José Antezana, Adolfo Costa du Rels.

Venezuela: Santiago Key Ayala, Francisco Gerardo Yanes, Rafael Angel Arraiz.

Colombia: Enrique Olaya Herrera, Jesús M. Ypes, Roberto Urdaneta Arbeláez, Ricardo Gutiérrez Lee.

Honduras: Fausto Dávila, Mariano Vázquez.

Costa Rica: Ricardo Castro Beeche, J. Rafael Oresmuno, Arturo Tinoco.

Chile: Alejandro Lira, Alejandro Alvarez, Carlos Silva Vildósola, Manuel Bianchi.

Brazil: Raúl Fernandes, Lindolfo Collor, Alarico da Silveria, Sampaio Correa, Eduardo Espínola.

Argentina: Honorio Pueyrredón, (Later resigned), Laurentino Olascoaga, Felipe A. Espil.

Paraguay: Lisandro Díaz León.

Haiti: Fernando Dennis, Charles Riboul.

Dominican Republic: Francisco J. Peynado, Gustavo A. Díaz, Elías Brache, Angel Morales, Tulio M. Cestero, Ricardo Pérez Alfonseca, Jacinto R. de Castro, Frederico C. Alvarez.

United States of America: Charles Evans Hughes, Noble Brandon Judah, Henry P. Fletcher, Oscar W. Underwood, Dwight W. Morrow, Morgan J. O'Brien, James Brown Scott, Ray Lyman Wilbur, Leo S. Rowe.

Cuba: Antonio S. de Bustamante, Orestes Ferrara, Enrique Hernández Cartaya, José Manuel Cortina, Arístides Agüero, José B. Alemán, Manuel Márquez Sterling, Fernando Ortiz, Néstor Carbonell, Jesús María Barraqué.

Who, after having exchanged their respective full powers, which have been found to be in good and due form, have agreed upon the following:

ARTICLE I

The high contracting parties recognize that every state has complete and exclusive sovereignty over the air space above its territory and territorial waters.

ARTICLE II

The present convention applies exclusively to private aircraft.

ARTICLE III

The following shall be deemed to be state aircraft:

a) Military and naval aircraft;
b) Aircraft exclusively employed in state service, such as posts, customs, and police.

Every other aircraft shall be deemed to be a private aircraft.

All state aircraft other than military, naval, customs and police aircraft shall be treated as private aircraft and as such shall be subject to all the provisions of the present convention.

ARTICLE IV

Each contracting state undertakes in time of peace to accord freedom of innocent passage above its territory to the private aircraft of the other contracting states, provided that the conditions laid down in the present convention are observed. The regulations established by a contracting state with regard to admission over its territory of aircraft of other contracting states shall be applied without distinction of nationality.

ARTICLE V

Each contracting state has the right to prohibit, for reasons which it deems convenient in the public interest, the flight over fixed zones of its territory by the aircraft of the other contracting states and privately owned national aircraft employed in the service of international commercial aviation, with the reservation that no distinction shall be made in this respect between its own private aircraft engaged in international commerce and those of the other contracting states likewise engaged. Each contracting state may furthermore prescribe the route to be followed over its territory by the aircraft of the other states, except in cases of *force majeure* which shall be governed in accordance with the stipulations of Article 18 of this convention. Each state shall publish in advance and notify the other contracting states of the fixation of the authorized routes and the situation and extension of the prohibited zones.

ARTICLE VI

Every aircraft over a prohibited area shall be obliged, as soon as this fact is realized or upon being so notified by the signals agreed upon, to land as soon as possible outside of said area in the airdrome nearest the prohibited area over which it was improperly flying and which is considered as an international airport by the subjacent state.

ARTICLE VII

Aircraft shall have the nationality of the state in which they are registered and can not be validly registered in more than one state.

The registration entry and the certificate of registration shall contain a description of the aircraft and state, the number or other mark of identification given by the constructor of the machine, the registry marks and nationality, the name of airdrome or airport usually used by the aircraft, and the full name, nationality and domicile of the owner, as well as the date of registration.

ARTICLE VIII

The registration of aircraft referred to in the preceding article shall be made in accordance with the laws and special provisions of each contracting state.

ARTICLE IX

Every aircraft engaged in international navigation must carry a distinctive mark of its nationality, the nature of such distinctive mark to be agreed upon by the several contracting states. The distinctive marks adopted will be communicated to the Pan American Union and to the other contracting states.

ARTICLE X

Every aircraft engaged in international navigation shall carry with it in the custody of the aircraft commander:

a) A certificate of registration, duly certified to according to the laws of the state in which it is registered;

b) A certificate of airworthiness, as provided for in Article 12;

c) The certificates of competency of the commander, pilots, engineers, and crew, as provided for in Article 13;

d) If carrying passengers, a list of their names, addresses and nationality;

e) If carrying merchandise, the bills of lading and manifests, and all other documents required by customs laws and regulations of each country;

f) Log books;

g) If equipped with radiotelegraph apparatus, the corresponding license.

ARTICLE XI

Each contracting state shall every month file with every other state party to this convention and with the Pan American Union, a copy of all registrations and cancellations of registrations of aircraft engaged in international navigation as between the several contracting states.

ARTICLE XII

Every aircraft engaged in international navigation (between the several contracting states) shall be provided with a certificate of airworthiness issued by the state whose nationality it possesses.

This document shall certify to the states in which the aircraft is to operate, that, according to the opinion of the authority that issues it, such aircraft complies with the airworthiness requirements of each of the states named in said certificate.

The aircraft commander shall at all times hold the certificate in his custody and shall deliver it for inspection and verification to the authorized representatives of the state which said aircraft visits.

Each contracting state shall communicate to the other states parties to this convention and to the Pan American Union its regulations governing the rating of its aircraft as to airworthiness and shall similarly communicate any changes made therein.

While the states affirm the principle that the aircraft of each contracting state shall have the liberty of engaging in air commerce with the other contracting states without being subjected to the licensing system of any state with which such commerce is carried on, each and every contracting state mentioned in the certificate of airworthiness reserves the right to refuse to recognize as valid the certificate of airworthiness of any foreign aircraft where inspection by a duly authorized commission of such state shows that the aircraft is not, at the time of inspection, reasonably airworthy in accordance with the normal requirements of the laws and regulations of such state concerning the public safety.

In such cases said state may refuse to permit further transit by the aircraft through its air space until such time as it, with due regard to the public safety, is satisfied as to the airworthiness of the aircraft, and shall immediately notify the state whose nationality the aircraft possesses and the Pan American Union of the action taken.

ARTICLE XIII

The aircraft commander, pilots, engineers, and other members of the operating crew of every aircraft engaged in international navigation between the several contracting states shall, in accordance with the laws of each state, be provided with a certificate of competency by the contracting state whose nationality the aircraft possesses.

Such certificate or certificates shall set forth that each pilot, in addition to having fulfilled the requirements of the state issuing the same, has passed a satisfactory examination with regard to the traffic rules existing in the other contracting states over which he desires to fly. The requirements of form of said documents shall be uniform throughout all the contracting states and shall be drafted in the language of all of them, and for this purpose the Pan American Union is charged with making the necessary arrangements amongst the contracting states.

Such certificate or certificates shall be held in the possession of the aircraft commander as long as the pilots, engineers and other members of the operating crew concerned continue to be employed on the aircraft. Upon the return of such certificate an authenticated copy thereof shall be retained in the files of the aircraft.

Such certificate or certificates shall be open at all times to the inspection of the duly authorized representatives of any state visited.

Each contracting state shall communicate to the other states parties to this convention and to the Pan American Union its regulations governing the issuance of such certifi-

cates and shall from time to time communicate any changes made therein.

ARTICLE XIV

Each and every contracting state shall recognize as valid, certificates of competency of the aircraft commander, pilots, engineers and other members of the operating crew of an aircraft, issued in accordance with the laws and regulations of other contracting states.

ARTICLE XV

The carriage by aircraft of explosives, arms and munitions of war is prohibited in international aerial navigation. Therefore, no foreign or native aircraft authorized for international traffic shall be permitted to transport articles of this nature, either between points situated within the territory of any of the contracting states or through the same even though simply in transit.

ARTICLE XVI

Each state may prohibit or regulate the carriage or use, by aircraft possessing the nationality of other contracting states, of photographic apparatus. Such regulations as may be adopted by each state concerning this matter shall be communicated to each other contracting state and to the Pan American Union.

ARTICLE XVII

As a measure of public safety or because of lawful prohibitions, the transportation of articles in international navigation other than those mentioned in Articles 15 and 16 may be restricted by any contracting State. Such restrictions shall be immediately communicated to the other contracting States and to the Pan American Union.

All restrictions mentioned in this article shall apply equally to foreign and national aircraft employed in international traffic.

ARTICLE XVIII

Every aircraft engaged in international traffic which enters the air space of a contracting state with the intention of landing in said state shall do so in the corresponding customs airdrome, except in the cases mentioned in Article 19 and in case of *force majeure*, which must be proved.

Every aircraft engaged in international navigation, prior to its departure from the territorial jurisdiction of a contracting state in which it has landed, shall obtain such clearance as is required by the laws of such state at a port designated as point of departure by such state.

Each and every contracting state shall notify every other state party to this convention and the Pan American Union of such airports as shall be designated by such state as ports of entry and departure.

When the laws or regulations of any contracting state so require, no aircraft shall legally enter into or depart from its territory through places other than those previously authorized by such state as international airports, and the landing therein shall be obligatory unless a special permit, which has been previously communicated to the authorities of said airport, is obtained from the competent authorities of said state, in which permit shall be clearly expressed the distinctive marks which the aircraft is obliged to make visible whenever requested to do so in the manner previously agreed upon in said permit.

In the event that for any reason, after entering the territorial jurisdiction of a contracting state, aircraft of another contracting state should land at a point other than an airport designated as a port of entry in that state the aircraft commander shall immediately notify the nearest competent authority and hold himself, crew, passengers and cargo at the point of landing until proper entry has been granted by such competent authority, unless communication therewith is impracticable within twenty-four hours.

Aircraft of one of the contracting states which flies over the territory of another contracting state shall be obliged to land as soon as ordered to do so by means of the regulation signals, when for any reason this may be necessary.

In the cases provided for in this article, the aircraft, aircraft commander, crew, passengers and cargo shall be subject to such immigration, emigration, customs, police, quarantine or sanitary inspection as the duly authorized representatives of the subjacent state may make in accordance with its laws.

ARTICLE XIX

As an exception to the general rules, postal aircraft and aircraft belonging to aerial transport companies regularly constituted and authorized may be exempted, at the option of the subjacent state, from the obligation of landing at an airdrome designated as a port of entry and authorized to land at certain inland airdromes, designated by the customs and police administration of such state, at which customs formalities shall be complied with. The departure of such aircraft from the state visited may be regulated in a similar manner.

However, such aircraft shall follow the normal air route, and make identity known by signals agreed upon as they fly across the frontier.

ARTICLE XX

From the time of landing of a foreign aircraft at any point whatever until its departure the authorities of the state visited shall have, in all cases, the right to visit and examine the aircraft and to verify all documents with which it must be provided in order to determine that all the laws, rules and regulations of such states and all the provisions of this convention are complied with.

ARTICLE XXI

The aircraft of a contracting state engaged in international air commerce shall be permitted to discharge passengers and a part of its cargo at one of the airports designated as a port of entry of any other contracting state, and to proceed to any other airport or airports in such state for the purpose of discharging the remaining passengers and portions of such cargo and in like manner to take on passengers and load cargo destined for a foreign state or states, provided that they comply with the legal requirements of the country over which they fly, which legal requirements shall be the same for native and foreign aircraft engaged in international traffic and shall be communicated in due course to the contracting states and to the Pan American Union.

ARTICLE XXII

Each contracting state shall have the right to establish reservations and restrictions in favor of its own national aircraft in regard to the commercial transportation of passengers and merchandise between two or more points in its territory, and to other remunerated aeronautical operations wholly within its territory. Such reservations and restrictions shall be immediately published and communicated to the other contracting states and to the Pan American Union.

ARTICLE XXIII

The establishment and operation of airdromes will be regulated by the legislation of each country, equality of treatment being observed.

ARTICLE XXIV

The aircraft of one contracting state engaged in international commerce with another contracting state shall not be compelled to pay other or higher charges in airports or airdromes open to the public than would be paid by national aircraft of the state visited, likewise engaged in international commerce.

ARTICLE XXV

So long as a contracting state shall not have established appropriate regulations, the commander of an aircraft shall have rights and duties analogous to those of the captain of a merchant steamer, according to the respective laws of each state.

ARTICLE XXVI

The salvage of aircraft lost at sea shall be regulated, in the absence of any agreement to the contrary, by the principles of maritime law.

ARTICLE XXVII

The aircraft of all states shall have the right, in cases of danger, to all possible aid.

ARTICLE XXVIII

Reparations for damages caused to persons or property located in the subjacent territory shall be governed by the laws of each State.

ARTICE XXIX

In case of war the stipulations of the present convention shall not affect the freedom of action of the contracting states either as belligerents or as neutrals.

ARTICLE XXX

The right of any of the contracting states to enter into any convention or special agreement with any other state or states concerning international aerial navigation is recognized, so long as such convention or special agreement shall not impair the rights or obligations of any of the states parties to this convention, acquired or imposed herein; provided, however, that two or more states, for reasons of reciprocal convenience and interest may agree upon appropriate regulations pertaining to the operation of aircraft and the fixing of specified routes. These regulations shall in no case prevent the establishment and operation of practicable inter-American aerial lines and terminals. These regulations shall guarantee equality of treatment of the aircraft of each and every one of the contracting states and shall be subject to the same conditions as are set forth in Article 5 of this convention with respect to prohibited areas within the territory of a particular state.

Nothing contained in this convention shall affect the rights and obligations established by existing treaties.

ARTICLE XXXI

The contracting states obligate themselves in so far as possible to cooperate in inter-American measures relative to:

a) The centralization and distribution of meteorological information, whether statistical, current or special;

b) The publication of uniform aeronautical charts, as well as the establishment of a uniform system of signals;

c) The use of radiotelegraph in aerial navigation, the establishment of the necessary radiotelegraph stations and the observance of the inter-American and international radiotelegraph regulations or conventions at present existing or which may come into existence.

ARTICLE XXXII

The contracting states shall procure as far as possible uniformity of laws and regulations governing aerial navigation. The Pan American Union shall cooperate with the governments of the contracting states to attain the desired uniformity of laws and regulations for aerial navigation in the states parties to this convention.

Each contracting state shall exchange with every other contracting state within three months after the date of ratification of this convention copies of its air-traffic rules and requirements as to competency for aircraft commanders, pilots, engineers, and other members of the operating crew, and the requirements for airworthiness of aircraft intended to engage in international commerce.

Each contracting state shall deposit with every other state party to this convention and with the Pan American Union three months prior to the date proposed for their enforcement any additions to or amendments of the regulations referred to in the last preceding paragraph.

ARTICLE XXXIII

Each contracting state shall deposit its ratification with the Cuban Government, which shall thereupon inform the other contracting states. Such ratification shall remain deposited in the archives of the Cuban Government.

ARTICLE XXXIV

The present convention will come into force for each signatory state ratifying it in respect to other states which have already ratified, forty days from the date of deposit of its ratification.

ARTICLE XXXV

Any state may adhere to this convention by giving notice thereof to the Cuban Government, and such adherence shall be effective forty days thereafter. The Cuban Government shall inform the other signatory states of such adherence.

ARTICLE XXXVI

In case of disagreement between two contracting states regarding the interpretation or execution of the present convention the question shall, on the request of one of the governments in disagreement, be submitted to arbitration as hereinafter provided. Each of the governments involved in the disagreement shall choose another government not interested in the question at issue and the government so chosen shall arbitrate the dispute. In the event the two arbitrators can not reach an agreement they shall appoint another disinterested government as additional arbitrator. If the two arbitrators can not agree upon the choice of this third government, each arbitrator shall propose a government not interested in the dispute and lots shall be drawn between the two governments proposed. The drawing shall devolve upon the Governing Board of the Pan American Union.

The decision of the arbitrators shall be by majority vote.

ARTICLE XXXVII

Any contracting state may denounce this convention at any time by transmitting notification thereof to the Cuban Government, which shall communicate it to the other states parties to this convention. Such denunciation shall not take effect until six months after notification thereof to the Cuban Government, and shall take effect only with respect to the state making denunciation.

In witness whereof, the above-named plenipotentiaries have signed this convention and the seal of the Sixth International Conference of American States has been hereto affixed.

Perú: Jesús M. Sálazar, Víctor M. Maúrtua, Luis Ernesto Denegri, E. Castro Oyanguren.

Uruguay: Varela, Pedro Erasmo Callorda.

Panamá: R. J. Alfaro, Eduardo Chiari.

Ecuador: Gonzalo Yaldumbide, Victor Zevallos, C. E. Alfaro.

Mexico: Julio García, Fernando González Roa, Salvador Urbina, Aquiles Elorduy.

Salvador: J. Gustavo Guerrero, Héctor David Castro, Ed. Alvarez.

Guatemala: Carlos Salazar, B. Alvarado, Luis Beltranena, J. Azurdia.

Nicaragua: Carlos Cuadra Pazos, Máximo H. Zepeda, Joaquín Gómez.

Bolivia: José Antezana, A. Costa du R.

Venezuela: Santiago Key Ayala, Francisco G. Yánes, Rafael Angel Arraiz.

Colombia: Enrique Olaya Herrera, R. Gutiérrez Lee, J. M. Yepes.

Honduras: F. Dávila, Mariano Vázquez.

Costa Rica: Ricardo Castro Beeche, J. Rafael Oreamuno, A. Tinoco Jiménez.

Chile: Alejandro Lira, Alejandro Alvarez, C. Silva Vildosola, Manuel Sianchi.

Brazil: Raúl Fernandes, Lindolfo Collor.

Argentina: Laurentino Olascoaga, Felipe A. Espil, Carlos Alberto Alcorta.

Paraguay: Lisandro Días Leon, Juan Vicente Ramírez.

Haiti: Fernando Dennis.

Dominican Republic: Fraco. J. Peynado, Tulio M. Cesteor, Jacinto R. de Castro, Elías Brache, R. Pérez Alfonseca.

United States of America: Charles Evans Hughes, Noble Brandon Judah, Henry P. Fletcher, Oscar W. Underwood, Morgan J. O'Brien, James Brown Scott, Ray Lyman Wilbur, Leo S. Rowe.

Cuba: Antonio S. de Bustamante, Orestes Ferrara, E. Hernández Cartaya, Arístides de Aguero Bethencourt, M. Márquez Sterling, Néstor Carbonell.

Reservation of the Dominican Republic: The delegation of the Dominican Republic records, as an explanation of its vote, that upon signing the present convention it does not understand that the Dominican Republic dissociates itself from conventions it has already ratified and which are in force.

Certified to be the English text of the convention on commercial aviation as contained in the final act signed, February 20, 1928, at the closing session of the Sixth International Conference of American States.

HENRY L. STIMSON,
Secretary of State of the United States of America.

Mr. BORAH. Mr. President, the essence of this treaty is contained in articles 4, 5, 21, 22, and 30.

By article 4 each contracting state undertakes in time of peace to accord freedom of innocent passage above its territory to aircraft of other contracting states subject to the conditions laid down in the convention.

Article 5 accords to each contracting state the right to prohibit for reasons which it deems convenient in the public interest flights over fixed zones of its territory by the aircraft of other contracting states, with the reservation that no distinction shall be made in this respect between its own private aircraft engaged in international commerce and those of other contracting states likewise engaged.

Article 21 provides that aircraft engaged in international commerce shall be permitted to discharge or take on at different airports in the territory of a contracting state passengers or cargo from or destined to points beyond the borders of such state.

Article 22 accords to each contracting state the right to establish reservations and restrictions in favor of its own national aircraft in regard to the commercial transportation of passengers and merchandise between two or more points in its territory, and to other remunerated aeronautical operations wholly within its territory.

Article 30 recognizes the right of the contracting states to enter into any convention or special agreement with any other state or states concerning international aerial navigation so long as such convention or special agreement shall not impair the rights or obligations of any of the states parties to the Habana convention.

The right accorded to each contracting state by Article 30 to enter into any convention or special agreement with any other state is subject to a proviso in the article that two or more states for reasons of reciprocal convenience and interest may agree upon appropriate regulations pertaining to the operation of aircraft and the fixing of specific routes. These regulations must guarantee equality of treatment to the aircraft of each and every one of the contracting states. This proviso follows substantially the form of an amendment offered by Mr. Henry P. Fletcher on behalf of the American delegation at the Habana conference. Mr. Fletcher stated that the Panama Canal was of vital importance not only to the United States, but to all the nations of this hemisphere, and to the maritime commerce of the world; that the desire of the United States to safeguard the Panama Canal prompted the suggestion of the amendment and that it paved the way to an agreement between the United States and the Republic of Panama which would make the establishment and operation of inter-American aerial lines practicable without jeopardizing the safety, protection, and uninterrupted operation of the Panama Canal.

The treaty was reported to the Senate without amendment, and the resolution of ratification was read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive D, Seventy-first Congress, third session, an international convention of commercial aviation, adopted at the Sixth International Conference of American States, held at Habana, Cuba, from January 16 to February 20, 1928.

The resolution was agreed to, two-thirds of the Senators present voting in the affirmative.

FEDERAL RESERVE BOARD

The Chief Clerk read the nomination of Eugene Meyer to be a member of the Federal Reserve Board.

Mr. BLAINE. Mr. President, in the absence of the junior Senator from Iowa [Mr. BROOKHART] I ask that this nomination may go over.

The PRESIDENT pro tempore. The nomination will go over.

Mr. PHIPPS. Mr. President, I ask if we could not set a time for the consideration of this nomination. It has been on the calendar since the 13th of February. Would it not be agreeable to take it up and dispose of it when we next have an executive session?

Mr. BLAINE. Mr. President, in the absence of the Senator from Iowa, I do not feel called upon to enter into any agreement with regard to the matter. I can not do so very well. I have no authority to.

Mr. PHIPPS. Certainly. I could not ask the Senator to bind another Senator in the other Senator's absence; but the nomination ought to be taken up and disposed of at an early date.

Mr. CAREY. Mr. President, this nomination has been pending for a long time, as the Senator from Colorado has stated, and I desire to announce that if the junior Senator from Iowa is in Washington to-morrow I shall ask unanimous consent that the nomination be taken up and disposed of.

CUSTOMS SERVICE

The Chief Clerk read the nomination of Curtis M. Johnson to be collector of customs, district No. 36, Duluth, Minn.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Emery J. San Souci to be collector of customs, district No. 5, Providence, R. I.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

THE JUDICIARY

The Chief Clerk read the nomination of Charles B. Kennamer to be United States district judge, middle and northern districts of Alabama.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harry M. Reed to be United States attorney, northern district of Iowa.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Angus Sutherland to be United States marshal, district of Idaho.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Albert White, United States marshal, division No. 1, district of Alaska.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

IMMIGRATION SERVICE

The Chief Clerk read the nomination of John D. Nagle to be commissioner of immigration, port of San Francisco, Calif.

The PRESIDENT pro tempore. Without objection the nomination is confirmed.

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. PHIPPS. Mr. President, I ask unanimous consent that the postmasters be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all postmaster nominations on the calendar will be confirmed en bloc.

IN THE NAVY

The Chief Clerk proceeded to read sundry nominations in the Navy.

Mr. HALE. I ask that the nominations in the Navy be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all nominations in the Navy will be confirmed en bloc.

IN THE MARINE CORPS

The Chief Clerk proceeded to read sundry nominations in the Marine Corps.

Mr. HALE. I make the same request with respect to the nominations in the Marine Corps, that they be confirmed en bloc.

The PRESIDENT pro tempore. Without objection, all nominations in the Marine Corps will be confirmed en bloc.

That completes the calendar.

The Senate resumed legislative business.

WATERWAYS AND THEIR RELATION TO THE NATION'S TRANSPORT SYSTEM

Mr. McNARY. Mr. President, in the New York Times on Sunday, February 8, 1931, there appeared a thoughtful and informative article written by Major General Ashburn entitled "Our Waterways—Their Relation to the Nation's Transport System," which I ask unanimous consent to have printed in the RECORD.

The PRESIDENT pro tempore. Is there objection?

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

[From the New York Times, February 8, 1931]

OUR WATERWAYS—THEIR RELATION TO NATION'S TRANSPORT SYSTEM—HEAD OF FEDERAL BARGE LINE, DISPUTING "HIDDEN COST" FIGURES, CALLS FOR COORDINATION OF RAIL, WATER, AND MOTOR ROUTES

(In a recent issue of the New York Times Prof. William Z. Ripley, in a general article on the railroad problem, discussed the competition of the waterways with the railroads, and quoted from a chart of "disclosed and hidden costs" in the operation of the Inland Waterways Corporation (the Federal barge lines). In the following article the chairman and executive of that corporation challenges the figures of the chart as to "hidden costs" and presents the view that the paramount interest at stake in the rivalry of various forms of transportation is that of the people, which, he thinks, will best be served by coordination and cooperation of rail, water, and motor transport.)

By Maj. Gen. T. Q. Ashburn

Too much has been said about the relative merits of rail, water, and motor transportation, the effect of such competition upon the revenues of the various carriers, and far too little about the interest the public has in securing the best transportation at the cheapest possible rate. Every citizen is vitally interested in the cost of transportation, for concealed in the price of every article he utilizes—the food he eats, the clothes he wears—is included the cost of transportation.

Every new country passes through four stages of transportation: Transportation by water, by paths and roads, by rail, and finally the stage of coordination and cooperation—the stage through which we are now passing.

Each of these stages follows as naturally as day follows night, each performs its functions satisfactorily considering the conditions involved, each in the order named inevitably leads to the other; and as a better and cheaper and more satisfactory form appears, the less satisfactory and the more expensive form fights constantly to prevent the people of the United States from enjoying such transportation, and always on the ground that "the existing forms of transportation fill all our needs, and if you allow competition it will destroy our revenue. We are too important to be destroyed or hurt; we have expanded at the people's demand, and it is unfair competition to subsidize some other form of transportation to our disadvantage."

ALWAYS BY SUBSIDIES

It will be observed that there is no thought anywhere in this argument that the people who have paid and paid to get transportation, who have allowed one form to supersede another (and always by subsidies), have any legal, moral, or ethical right to patronize that form of transportation which is of most value to them.

The problem confronting the people of the United States is this: We have hundreds of millions of dollars—nearly $1,500,000,000—invested in our harbors and navigable waterways, and we have been appropriating annually vast sums of money to continue making navigable streams, in the hope that by their utilization there will result a cheaper means of transportation whereby the whole country will profit. This vast project has been only partly completed, and it will require a comparatively small sum to complete that part of it which has been found to be in accordance with sound economics and sound engineering principles. Upon its completion we may look with certainty to the fact that through cheaper and better coordinated water-rail-motor service there will result a system of transportation better and cheaper than any single system, affording everyone a real return upon the money which he has invested in the form of taxes.

These savings, inherent in water transportation, will be available not only to those communities fortunately located upon our navigable streams, for when this coordinated system of joint routes and rates is fully developed in accordance with the Denison Act, the shipper in the interior will receive the same savings in cents per hundred pounds through joint rates as the man located on the river. The general principle governing in the application of the water saving to the joint rate is to apply the water saving between the river ports to the all-rail rate between the point of origin and destination, and then to establish a joint route via the Federal barge lines (by rail and water, or by motor and water), cheaper by the water saving than the all-rail or all-motor rate.

PROFIT UPON COMPLETION

This is exactly what we propose to do for every interior shipper, and yet the opponents of waterway development and the operations of the Federal barge lines propose that we should abandon this vast network of waterways, already partially completed, charge it to profit and loss, and admit that our whole policy of 110 years has been a colossal failure, instead of spending the money necessary to make the system complete. It is submitted that no business organization, no combination of capital would abandon any such sum as $1,500,000,000, already spent to complete seven-eighths of a project which until completion is of little value, when by the appropriation of the additional one-eighth necessary to complete the project there would result a reasonable return upon the whole investment.

In an endeavor to becloud the issue and by using the same tactics that canals and highways used against railways in their early pioneering, there is a concerted attack upon the utilization of our streams by the Federal barge lines—an agency created by Congress to demonstrate that water transportation is feasible and economically sound, and the only agency available for such demonstration—on the grounds that the Federal barge lines are subsidized.

Although the Federal barge lines have had a net operating income since the inception of the Inland Waterways Corporation; although no money has been appropriated for anything except expansions of the line; although the corporation could exist and operate and furnish cheap transportation indefinitely on its net operating income; although it has saved the public millions of dollars, charts such as the one published in connection with Professor Ripley's article are constantly being presented to lead the public to believe that it is being mulcted. It is well to note that the Inland Waterways Corporation has existed only since the latter part of 1924, yet the greater part of these charges apply to the total expenditures on the waterways on which we operate.

At this place it is well to point out that these attempts to prove that here are certain "hidden charges" which the citizen pays when he ships by the Federal barge lines, the comparison of costs per ton-mile of operations are only efforts to detract the shipper's attention from the fact that he is actually getting cheaper transportation by water.

Certainly the people have been taxed to create and maintain our navigable streams, our harbors, our lighthouses, and so forth, to accomplish a certain definite purpose, and since they have been taxed once to create them, why, in order to bolster up a case of "hidden costs," should they be charged again with "tax exemption," "maintenance of waterways," "interest and sinking fund on waterway," "interest on the corporation (their own) property"?

The Inland Waterways Corporation is an agent owned by the people themselves, created by Congress to prove that, having taxed themselves to create navigable waterways, they can get that for which they have been taxed—cheaper transportation by water—something they had been unable to get for years, because water transportation had been destroyed by the railroads; and to saddle it in its pioneering demonstrative work, which is bringing back water transportation, with a preposterous system of charges which do not exist, which the people have willed should not exist, is to deny to the people the right to reap the benefit of the investment made.

But assuming that what our opponents claim should be charged against water transportation in the chart referred to are actually things which should be considered, let us point out the errors and discrepancies and let the reader judge whether they make a legitimate case.

This chart was evidently prepared from data contained in my annual report of 1928. Let us examine it.

It claims a "hidden cost" to the taxpayer of 0.7 mill per ton-mile on the ground of "tax exemption."

RAIL VERSUS WATER CHARGES

The total corporation "tax exemption," hidden cost, as figured in this chart—0.7 mill per ton-mile for 1928—would amount to $1,066,741.90, or since the operating revenue for the year was $6,707,575.57, almost 16 per cent of the total revenue. According to statistics of railways in the United States, published by the Interstate Commerce Commission for 1928, taxes of class 1 steam railways were 6.37 per cent of the total operating revenues. Why charge the Inland Waterways Corporation almost 16 per cent tax exemption, or nearly three times as much as the railways are actually taxed? On the same basis that railroad taxes are calculated this "hidden cost" would be 0.26 mill per ton-mile.

But we have a better way of arriving at this than by comparison with railroad taxes; that is, by the actual taxes paid by common carriers by water in the United States. Out of 138 common carriers listed by the Interstate Commerce Commission on December 31, 1929, there were 20 companies which did not pay any taxes. The taxes paid by the remainder of the common water carriers amounted to only 1.55 per cent of the total operating revenues of these lines, instead of the 6.37 per cent paid by the railroads, and about 16 per cent charged against the Inland Waterways Corporation to make a case of "hidden costs." On the same basis of taxation as other water carriers, the Inland Waterways Corporation would have paid 0.068 mill per ton-mile, instead of 0.7 mill per ton-mile, with which it is charged in the table for 1928.

On the basis of the original chart, the hidden cost, as given by the chart, of maintenance of waterways, would be $2,773,528.94; interest and sinking fund, $5,409,905.35; interest on corporation property, $838,154.35, a total of $10,088,330.54, while the total freight revenue received by the corporation amounted to $6,445,353.70.

Why is this item, maintenance of waterways, charged to the Inland Waterways Corporation? According to a pamphlet issued by the Department of Commerce, there are 200 common carriers, 98 contract carriers, and 187 private carriers, with a total value of $150,000,000, operating on the inland waterways of the United States. In 1928, to which year the table evidently referred, our value was approximately $16,000,000, or 10.66 per cent of the total invested on our inland waterways. Our proportionate share then (if such charge is legitimate) would be 0.19 mill per ton-mile for maintenance of waterways, instead of 1.82 mills per ton-mile. The interest and sinking fund on waterway (if such charge be legitimate) would be 0.78 mill per ton-mile.

Our interest on the corporation property evidently is here figured at 5.5 per cent of our actual value at the time. As a matter of fact, the Government can get all the money it wants at 4 per cent, so our interest would amount to only 0.4 mill per ton-mile.

Now add to the actual items the disclosed costs (which included a net income of $327,712.30), all that the table purports to give as hidden costs to get our final cost per ton-mile, and we have:

	Mills per ton-mile
Tax exemption	[1] 0.26
Maintenance of waterway	.19
Interest on sinking fund, etc	.38
Interest on corporation property	.40
Cost paid for transportation	4.23
Total	5.46

RAILROADS' "HIDDEN COSTS"

This total of 5.46 is opposed to 10.85 per ton-mile of the chart, and opposed to the actual operating costs of the railroads of almost exactly 10 mills per ton-mile, which do not disclose any "hidden costs" to the public of the donation of land grants to the railways since 1850, amounting to 132,173,224 acres, or of the $40,000,000 per annum subsidy through Pullman surcharges, or other items to be mentioned later.

It will undoubtedly surprise the public to know that this "land grant" by the Government to the railroads is a continuing subsidy, since in the fiscal year 1930 there were 62,249.29 acres of land certified or patented on account of railroad grants by the United States to the railroads precisely as they were certified or patented (or granted) in the early days. One can not be certain exactly what the 132,000,000 and more acres were sold for, but according to an advertisement issued by the Northern Pacific Railroad in 1871, the lands granted to the Union Pacific sold for $4.46 per acre; the school lands of Minnesota, $6.30 per acre; the lands of the I. C. grant at $11 per acre; and the advertisement quotes an "average of $4 per acre."

The Government price per acre at this time was given as $2.50, so that, taking this extremely low price, there is a "hidden cost" to the people of the United States of 132,000,000 acres at $2.50 per acre, or $330,000,000, given to the railroads to secure a "right of way," just as the money spent for rivers was given by the people to the people themselves to secure a "river right of way." Further, the rights of way thus given to the railroads by the Government are carried in the value of the railroads, taken up as "investment in road and equipment," on which investment the people are requested to pay an additional 5¾ per cent return. Not only were these land grants given by the Government, but Texas, for example, donated many thousands of acres; counties and towns gave cash bonuses, or the proceeds of bond issues, for various purposes.

The people are entitled to the best form of transportation available at the cheapest possible rate, and if they desire to pay a part of the cost of transportation by highway, or by inland waterways, or by granting to the railways the present existing $40,000,000 subsidy of a surcharge on a Pullman ticket, they have a perfect right so to do. It would appear to be a much better policy on the part of all concerned not to attempt to mislead the people about hidden costs, but to furnish the best and cheapest possible transportation. Such transportation will come about through proper coordination and cooperation of all forms of transportation. It can not be brought about by crying aloud that one form of transportation will destroy another, by bickerings, evasions of self-evident truths, or by unfair propaganda.

COMPETITION MUST RULE

If one form of transportation is better and cheaper than any other, it will prevail, whether it destroys or partially destroys any other form or not.

There need be no fear of such contingency, however.

Personally, we believe that in giving the railroads the subsidies which have been mentioned the people of the United States have done a wise and legitimate thing; we have no quarrel with the railroads—they are essential to our progress, and must be protected. It is only because they themselves have unfairly propagandized against so-called unfair and subsidized competition, because they have attacked waterways, motorways, airways, and pipe lines, that their attention is called to the fact that they, while living in a house of glass, have been caught throwing stones.

REDEMPTION OF INTERNAL-REVENUE STAMPS

Mr. BARKLEY. Mr. President, we had almost completed the calendar the other night when the Finance Committee reported a little bill which the Treasury Department recommends, and I want to have it considered at this time. I do not think it will lead to any debate. It is House bill 10658, to amend section 1 of the act of May 12, 1900 (ch. 393, 31 Stat. 177), as amended (U. S. C., sec. 1174, ch. 21, title 26).

Mr. COPELAND. Mr. President, let it be reported.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from Kentucky?

Mr. WATSON. Let it be reported first.

The PRESIDENT pro tempore. The bill will be read.

The bill was read.

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

Mr. NORRIS. Mr. President, reserving the right to object, I want to inquire if the bill has the approval of Secretary Mellon?

Mr. BARKLEY. It has the approval of the Treasury Department.

Mr. NORRIS. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment on page 2, line 6, to strike out the words "if claim therefor is presented by the manufacturer or importer, within two years from the dates of cancellation of said stamps, irrespective of the date of their purchase," and insert in lieu thereof the words "upon claim therefor being duly presented by the manufacturer or importer, irrespective of the date of their purchase," so as to make the bill read:

Be it enacted, etc., That section 1 of the act entitled "An act authorizing the Commissioner of Internal Revenue to redeem or make allowance for internal-revenue stamps," approved May 12, 1900 (ch. 393, 31 Stat. 177), as amended (U. S. C., sec. 1174, ch. 21, title 26), be, and the same is hereby, amended by adding at the close thereof the following: *"And provided further*, That internal-revenue stamps affixed to packages of tobacco, snuff, cigars, or cigarettes which, after removal from factory or customhouse for consumption or sale, the manufacturer or importer withdraws from the market, may, under regulations prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, be redeemed upon claim therefor being duly presented by the manufacturer or importer, irrespective of the date of their purchase."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

BILL INDEFINITELY POSTPONED

Mr. HOWELL. Mr. President, I ask unanimous consent that Calendar No. 1738, the bill (S. 6138) to extend the times for commencing and completing the construction of bridges across the Missouri River at or near Farnam Street, Omaha, Nebr., at or near South Omaha, Nebr., and at or near Florence, Nebr., introduced by myself, be indefinitely postponed.

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

NAVY DEPARTMENT APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 16969) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1932, and for other purposes.

RECESS

Mr. HALE. Mr. President, I move that the Senate recess until to-morrow at 11 o'clock a. m.

The motion was agreed to; and the Senate (at 5 o'clock and 3 minutes p. m.) took a recess until to-morrow, Saturday, February 21, 1931, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate February 20 (legislative day of February 17), 1931

ASSISTANT SECRETARY OF STATE

James Grafton Rogers, of Colorado, to be an Assistant Secretary of State.

UNITED STATES DISTRICT JUDGE

Gunnar H. Nordbye, of Minnesota, to be United States district judge, District of Minnesota. (Additional position.)

[1] On the basis of taxation of other water carriers this would be reduced to 0.068.

POSTMASTERS

ALABAMA

Anna M. Nabors to be postmaster at Boothton, Ala., in place of A. M. Nabors. Incumbent's commission expired December 13, 1930.

Denby S. Roberts to be postmaster at Lexington, Ala. Office became presidential July 1, 1930.

ARIZONA

Arthur E. Weech to be postmaster at Pima, Ariz., in place of A. E. Weech. Incumbent's position expires February 24, 1931.

ARKANSAS

James F. Hudson to be postmaster at Lake Village, Ark., in place of J. F. Hudson. Incumbent's commission expired January 5, 1931.

James G. Brown to be postmaster at Magnolia, Ark., in place of J. G. Brown. Incumbent's commission expired January 5, 1931.

CALIFORNIA

Bertram C. McMurray to be postmaster at Lancaster, Calif., in place of B. C. McMurray. Incumbent's commission expired February 10, 1931.

Gertrude B. Leavens to be postmaster at Roscoe, Calif., in place of G. B. Leavens. Incumbent's commission expired February 5, 1931.

COLORADO

John M. Deitrich to be postmaster at Center, Colo., in place of J. M. Deitrich. Incumbent's commission expired December 21, 1930.

James S. Proctor to be postmaster at Englewood, Colo. Office established September 15, 1930.

Samuel H. Leipziger to be postmaster at Spivak, Colo., in place of S. H. Leipziger. Incumbent's commission expires March 3, 1931.

DELAWARE

W. Bateman Cullen to be postmaster at Clayton, Del., in place of W. B. Cullen. Incumbent's commission expired March 3, 1930.

FLORIDA

George E. Gay to be postmaster at Palatka, Fla., in place of G. E. Gay. Incumbent's commision expires February 24, 1931.

HAWAII

Alfred Ornellas to be postmaster at Makawao, Hawaii, in place of Lucy Ornellas, resigned.

IDAHO

Wilbur J. Selby to be postmaster at Eagle, Idaho, in place of W. J. Selby. Incumbent's commission expires March 3, 1931.

ILLINOIS

Paul M. Green to be postmaster at Bluffs, Ill., in place of P. M. Green. Incumbent's commission expired January 28, 1931.

Walter C. Yunker to be postmaster at Forest Park, Ill., in place of W. C. Yunker. Incumbent's commission expires February 23, 1931.

Herbert L. East to be postmaster at Highwood, Ill., in place of H. L. East. Incumbent's commission expired December 22, 1930.

Roy F. Dusenbury to be postmaster at Kankakee, Ill., in place of R. F. Dusenbury. Incumbent's commission expired January 18, 1931.

Robert M. Farthing to be postmaster at Mount Vernon, Ill., in place of R. M. Farthing. Incumbent's commission expired December 13, 1930.

INDIANA

Charles E. Elkins to be postmaster at Bourbon, Ind., in place of W. G. Minard. Incumbent's commission expired December 21, 1930.

Burr E. York to be postmaster at Converse, Ind., in place of B. E. York. Incumbent's commission expires February 24, 1931.

Ernest J. Gallmeyer to be postmaster at Fort Wayne, Ind., in place of H. W. Baals. Incumbent's commission expired December 21, 1930.

William B. Hays to be postmaster at Garrett, Ind., in place of W. B. Hays. Incumbent's commission expires March 3, 1931.

Charles W. Foulks to be postmaster at Goshen, Ind., in place of I. M. Dausman. Incumbent's commission expired February 10, 1931.

Ira A. Dixon to be postmaster at Kentland, Ind., in place of Reuben Hess. Incumbent's commission expired December 21, 1930.

Don D. Nelson to be postmaster at Lagrange, Ind., in place of R. M. Waddell. Incumbent's commission expired May 26, 1930.

Charles H. Olinger to be postmaster at North Manchester, Ind., in place of Calvin Ulrey. Incumbent's commission expired January 15, 1931.

Howard W. Dubois to be postmaster at Rochester, Ind., in place of A. W. Bitters. Incumbent's commission expired January 6, 1930.

Maude W. Zaring to be postmaster at Salem, Ind., in place of J. C. Brown. Incumbent's commission expired January 15, 1931.

Arthur Tomson to be postmaster at Wabash, Ind., in place of D. E. Purviance. Incumbent's commission expired January 15, 1931.

Amanda B. Gosnell to be postmaster at West Terre Haute, Ind., in place of A. B. Gosnell. Incumbent's commission expired February 14, 1931.

IOWA

Otto E. Gunderson to be postmaster at Forest City, Iowa, in place of W. R. Prewitt. Incumbent's commission expired March 8, 1930.

Isaac J. Phillips to be postmaster at Hiteman, Iowa, in place of I. J. Phillips. Incumbent's commission expired February 16, 1931.

Harvey S. Bliss to be postmaster at Kensett, Iowa, in place of H. S. Bliss. Incumbent's commission expired July 2, 1930.

Merle B. Camerer to be postmaster at Oto, Iowa, in place of M. B. Camerer. Incumbent's commission expires February 28, 1931.

KANSAS

Henry A. Luebbe to be postmaster at Horton Kans., in place of C. H. Browne. Incumbent's commission expired January 18, 1931.

Roger M. Williams to be postmaster at Lansing, Kans., in place of Isabel Brown. Incumbent's commission expired April 23, 1930.

Frank E. Chapin to be postmaster at Minneapolis, Kans., in place of F. E. Chapin. Incumbent's commission expires March 3, 1931.

John P. Pierce to be postmaster at National Military Home, Kans., in place of John Malone. Incumbent's commission expires February 24, 1931.

Jessie I. Dickson to be postmaster at Neosho Falls, Kans., in place of J. I. Dickson. Incumbent's commission expired February 11, 1931.

KENTUCKY

Lucille C. Yates to be postmaster at Grayson, Ky., in place of L. C. Yates. Incumbent's commission expired February 17, 1931.

Sister Marie M. LeBray to be postmaster at Nazareth, Ky., in place of Sister M. M. LeBray. Incumbent's commission expired July 2, 1930.

MARYLAND

George B. Gardner to be postmaster at Jessups, Md., in place of G. B. Gardner. Incumbent's commission expires March 3, 1931.

John S. Dean to be postmaster at North East, Md., in place of J. S. Dean. Incumbent's commission expired February 9, 1931.

MASSACHUSETTS

Walter C. Wright to be postmaster at Graniteville, Mass., in place of W. C. Wright. Incumbent's commission expired December 21, 1930.

MICHIGAN

David A. Kooker to be postmaster at Ewen, Mich., in place of D. A. Kooker. Incumbent's commission expired December 11, 1930.

Andrew Bram to be postmaster at Hancock, Mich., in place of Andrew Bram. Incumbent's commission expired January 7, 1931.

Edward Barstow to be postmaster at Menominee, Mich., in place of C. A. Anderson. Incumbent's commission expired January 18, 1931.

Dorr A. Rosencrans to be postmaster at Reed City, Mich., in place of D. A. Rosencrans. Incumbent's commission expired January 18, 1931.

MINNESOTA

Helmer C. Bacon to be postmaster at Dawson, Minn., in place of H. C. Bacon. Incumbent's commission expired July 2, 1930.

Dwight M. Backman to be postmaster at Whalan, Minn., in place of D. M. Backman. Incumbent's commission expires March 1, 1931.

MISSISSIPPI

Henry E. Wamsley to be postmaster at A. and M. College, Miss., in place of H. E. Wamsley. Incumbent's commission expired January 22, 1931.

Huey O. Cash to be postmaster at Artesia, Miss., in place of B. M. Nickels. Incumbent's commission expired January 13, 1930.

William O. Thompson to be postmaster at Lexington, Miss., in place of W. O. Thompson. Incumbent's commission expired June 7, 1930.

Catherine Fitzpatrick to be postmaster at Pass Christian, Miss., in place of R. J. Delpit. Incumbent's commsision expired February 16, 1929.

Laura E. Turnage to be postmaster at Tchula, Miss., in place of S. R. T. Perry, deceased.

Luella H. Riser to be postmaster at Terry, Miss., in place of V. P. Hollingsworth. Incumbent's commission expired March 2, 1930.

George O. Robinson to be postmaster at Tunica, Miss., in place of J. B. Block, removed.

MISSOURI

Owen S. Randolph to be postmaster at Gideon, Mo., in place of O. S. Randolph. Incumbent's commission expired February 17, 1931.

Charles A. Bryant to be postmaster at Richland, Mo., in place of C. A. Bryant. Incumbent's commission expired January 15, 1931.

Athol J. Michener to be postmaster at St. Louis, Mo., in place of A. J. Michener. Incumbent's commission expires March 3, 1931.

NEBRASKA

Robert W. Finley to be postmaster at Bradshaw, Nebr., in place of R. W. Finley. Incumbent's commission expired February 14, 1931.

Elmer E. Gockley to be postmaster at Edison, Nebr., in place of E. E. Gockley. Incumbent's commission expired January 17, 1931.

Richard J. Ward to be postmaster at Rushville, Nebr., in place of C. T. Gammon, deceased.

Harvey A. Loerch to be postmaster at Tekamah, Nebr., in place of H. A. Loerch. Incumbent's commission expired February 9, 1931.

William E. Brogan to be postmaster at Tilden, Nebr., in place of W. E. Brogan. Incumbent's commission expired February 14. 1931.

Wayne Mead to be postmaster at Western, Nebr., in place of Wayne Mead. Incumbent's commission expired February 12, 1931.

NEW HAMPSHIRE

Philip G. Hazelton to be postmaster at Chester, N. H., in place of A. H. Wilcomb, deceased.

Cora H. Eaton to be postmaster at Littleton, N. H., in place of C. H. Eaton. Incumbent's commission expired January 6, 1931.

Joseph H. Geisel to be postmaster at Manchester, N. H., in place of J. H. Geisel. Incumbent's commission expired February 7, 1931.

NEW JERSEY

Lemuel H. Greenwood to be postmaster at Elmer, N. J., in place of L. H. Greenwood. Incumbent's commission expires March 3, 1931.

Herman H. Wille to be postmaster at Orange, N. J., in place of H. H. Wille. Incumbent's commission expired February 16, 1931.

Charles Roeltgen to be postmaster at Rochelle Park, N. J., in place of Charles Roeltgen. Incumbent's commission expires March 1, 1931.

Harold P. Humphrey to be postmaster at Washington, N. J., in place of W. J. Caswell. Incumbent's commission expired May 29, 1930.

NEW MEXICO

John N. Norviel to be postmaster at Hatch, N. Mex., in place of J. N. Norviel. Incumbent's commission expires February 28, 1931.

NEW YORK

Elmer A. Arnold to be postmaster at Burdett, N. Y., in place of E. A. Arnold. Incumbent's commission expires March 1, 1931.

Florence J. Davis to be postmaster at Cold Brook, N. Y. Office became presidential July 1, 1930.

Alger Davis to be postmaster at Munnsville, N. Y., in place of F. A. Wheeler. Incumbent's commission expired February 4, 1930.

Robert A. Lundy to be postmaster at Ray Brook, N. Y., in place of R. A. Lundy. Incumbent's commission expired January 22, 1931.

Albert A. Patterson to be postmaster at Willsboro, N. Y., in place of A. A. Patterson. Incumbent's commission expired February 4, 1931.

NORTH DAKOTA

Walter L. Saunders to be postmaster at Ellendale, N. Dak., in place of W. L. Saunders. Incumbent's commission expires February 28, 1931.

Alexander R. Wright to be postmaster at Oakes, N. Dak., in place of A. R. Wright. Incumbent's commission expired February 14, 1931.

OHIO

Linden C. Weimer to be postmaster at Dayton, Ohio, in place of L. C. Weimer. Incumbent's commission expires March 3, 1931.

Lenna E. Seaver to be postmaster at Dorset, Ohio, in place of H. A. McConnell, deceased.

OKLAHOMA

Otis C. Reed to be postmaster at Blanchard, Okla., in place of R. H. Bowser. Incumbent's commission expired March 29, 1930.

Isaac N. Ferguson to be postmaster at Harrah, Okla., in place of E. J. Malone. Incumbent's commission expired January 18, 1931.

PENNSYLVANIA

Edison A. Brown to be postmaster at Dover, Pa., in place of J. B. Seifert. Incumbent's commission expired April 9, 1930.

Kenneth Cooper to be postmaster at New Kensington, Pa., in place of W. H. Yoder. Incumbent's commission expired February 26, 1930.

James S. Fennell to be postmaster at Salina, Pa., in place of J. S. Fennell. Incumbent's commission expired February 4, 1931.

Anna Kolesar to be postmaster at Terrace, Pa. Office became presidential October 1, 1930.

Henry W. Merritt to be postmaster at Wilkes-Barre, Pa., in place of W. E. Mannear, resigned.

Amy L. Smith to be postmaster at Wrightsville, Pa., in place of C. H. Myers. Incumbent's commission expired June 8, 1930.

PORTO RICO

Jenaro Vazquez to be postmaster at Central Aguirre, P. R., in place of Jenaro Vazquez. Incumbent's commission expires March 3, 1931.

SOUTH CAROLINA

Fred Mishoe to be postmaster at Greelyville, S. C., in place of Fred Mishoe. Incumbent's commission expired February 14, 1931.

Ottis L. Edwards to be postmaster at Saluda, S. C., in place of P. H. Padget. Incumbent's commission expired January 26, 1930.

TENNESSEE

Ernest H. Smothers to be postmaster at Camden, Tenn., in place of I. L. Presson, resigned.

Sam A. Winstead to be postmaster at Dresden, Tenn., in place of S. A. Winstead. Incumbent's commission expired December 13, 1930.

Joseph R. Mitchell to be postmaster at Mascot, Tenn., in place of J. R. Mitchell. Incumbent's commission expired December 20, 1930.

Conley Collins to be postmaster at Morristown, Tenn., in place of Conley Collins. Incumbent's commission expired January 6, 1931.

Methyr G. Booth to be postmaster at Oliver Springs, Tenn., in place of E. D. Phillips. Incumbent's commission expired December 16, 1929.

Noble C. White to be postmaster at Pulaski, Tenn., in place of M. H. Webb. Incumbent's commission expired June 16, 1930.

TEXAS

Trevor W. Powell to be postmaster at Channing, Tex., in place of S. J. Hott, resigned.

Peter W. Henry to be postmaster at Henrietta, Tex., in place of P. W. Henry. Incumbent's commission expired February 7, 1931.

Harry B. Strong to be postmaster at Iredell, Tex., in place of H. B. Strong. Incumbent's commission expired February 16, 1931.

Leroy H. Perry to be postmaster at Spur, Tex., in place of Kate Senning. Incumbent's commission expired May 26, 1930.

Perry Wendtland to be postmaster at Yoakum, Tex., in place of T. J. Hill. Incumbent's commission expired March 11, 1930.

UTAH

Emerson B. Nason to be postmaster at Soldiers Summit, Utah, in place of E. B. Nason. Incumbent's commission expires March 3, 1931.

VIRGINIA

J. Gratt Gillespie to be postmaster at Bluefield, Va., in place of J. G. Gillespie. Incumbent's commission expires March 3, 1931.

William D. Austin to be postmaster at Buena Vista, Va., in place of W. D. Austin. Incumbent's commission expired June 8, 1930.

Harry E. Marshall to be postmaster at Thaxton, Va., in place of H. E. Marshall. Incumbent's commission expires March 3, 1931.

WASHINGTON

Robert L. Wright to be postmaster at Omak, Wash., in place of R. L. Wright. Incumbent's commission expired February 10, 1931.

WEST VIRGINIA

David C. Garrison to be postmaster at Morgantown, W. Va., in place of H. W. Cox, deceased.

Harry R. Tribou to be postmaster at Tams, W. Va., in place of H. R. Tribou. Incumbent's commission expired December 17, 1929.

WISCONSIN

Joseph E. Kuzenski to be postmaster at Stetsonville, Wis., in place of J. E. Kuzenski. Incumbent's commission expired February 17, 1931.

George T. Classon to be postmaster at Weyauwega, Wis., in place of G. T. Classon. Incumbent's commission expires March 3, 1931.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 20 (legislative day of February 17), 1931

UNITED STATES DISTRICT JUDGE

Charles B. Kennamer to be United States district judge, middle and northern districts of Alabama.

UNITED STATES ATTORNEY

Harry M. Reed to be United States attorney, northern district of Iowa.

UNITED STATES MARSHALS

Angus Sutherland to be United States marshal, district of Idaho.

Albert White to be United States marshal, division No. 1, district of Alaska.

COMMISSIONER OF IMMIGRATION

John D. Nagle to be commissioner of imigration, port of San Francisco, Calif.

COLLECTORS OF CUSTOMS

Curtis M. Johnson to be collector of customs, district No. 36, Duluth, Minn.

Emery J. San Souci to be collector of customs, district No. 5, Providence, R. I.

APPOINTMENTS AND PROMOTIONS IN THE NAVY

John S. Phillips to be lieutenant commander.
Harry T. Chase to be lieutenant.
Thomas B. Williamson to be lieutenant.
William T. Rassieur to be lieutenant.
Jack H. Lewis to be lieutenant (junior grade).
Peter K. Wells to be lieutenant (junior grade).
Reamor E. De La Barre to be lieutenant (junior grade).

MARINE CORPS

To be first lieutenants

Wilburt S. Brown.
Theodore B. Millard.
Albert L. Gardner.
Samuel S. Ballentine.
James P. S. Devereux.
David K. Claude.
Edward J. Trumble.
Harold D. Harris.
Martin S. Rahiser.
Frank J. Uhlig.
Adolph Zuber.
Robert E. Hogaboom.
Francis H. Brink.
James Snedeker.
John D. Blanchard.

To be second lieutenants

Marcellus J. Howard.
August Larson.
Norman Hussa.
Henry T. Elrod.
Donovan D. Sult.
Robert L. McKee.
Edward B. Carney.

Robert M. O'Toole to be chief quartermaster clerk.

POSTMASTERS

ALABAMA

Kate E. Gilbert, Geiger.

ALASKA

Martin J. Martin, Nenana.

ARKANSAS

Thomas S. Reynolds, Bradley.
Charles M. Davis, Scott.

CALIFORNIA

John L. Ross, Beverly Hills.
Mildred E. Millett, Dos Palos.
Carroll V. Crawford, Jacumba.

Alice E. Tate, Lone Pine.
Caroline H. Hackney, Parlier.
William A. Hensel, Soquel.

COLORADO

William E. Triffet, Akron.
Amy Hill, Arapahoe.
Fred J. Dyer, Crested Butte.
Fred E. Maker, Grandlake.
Nellie M. Connelly, Hartman.
Jesse W. Noble, Manitou.
William D. Asbury, Montrose.
Merrill D. Harshman, Wiggins.

HAWAII

F. J. Cushingham, Kealakekua.
Lee Loon, Pahala.

IDAHO

Hazel M. Lawton, Firth.
Guy I. Towle, Jerome.

IOWA

Hazel N. Chapman, Bagley.

KANSAS

Louisa Allender, Axtell.
Robert T. Smith, Caldwell.
Ruth Herthel, Claflin.
Maude T. Breese, Cottonwood Falls.
Howard F. Heleker, Frankfort.
Charles H. Van Meter, Johnson.
Otis N. Taylor, Kanorado.
Adna E. Palmer, Kingman.
Elam Shaffstall, Luray.
Marvin S. Gilbert, Lyndon.
Carl F. Wendt, Manter.
Walter S. Wright, Minneola.
William Dancaster, Richmond.
Horace A. Fink, Russell.
Tom W. Davis, Shawnee.
Herbert M. Bentley, Sterling.

KENTUCKY

Emma M. Oldham, Bloomfield.
Edward R. Lafferty, Cave City.
William M. Maffett, Cynthiana.
Myrtle Miller, Hazel Green.
Forrest Calico, Lancaster.
Maggie Wolfinbarger, Ravenna.
James L. Blair, West Liberty.
Flora Carroll, West Paducah.
Fred R. Blackburn, Winchester.

LOUISIANA

Charles E. Burch, Roseland.

MARYLAND

George M. Mowell, Glencoe.

MICHIGAN

George H. Neisler, Dearborn.
Frank A. Miller, Gladstone.
William A. Chamberlain, Ontonagon.
Albert Sanders, jr., Stephenson.
Webb W. Walter, Three Rivers.
Ernest A. Hopperstead, Whitehall.
Charles S. Sisson, White Pigeon.

MINNESOTA

Anthony C. Klee, Aitkin.
Edward R. Bell, Akeley.
Gilbert J. Brenden, Badger.
Arthur F. Johnson, Barrett.
Frank L. Lane, Bigelow.
Bertha Finch, Butterfield.
Mathias N. Koll, Cass Lake.
Frank A. Lindbergh, Crosby.
Mary J. Stensby, Cyrus.
Claude W. Tucker, Fort Ripley.
Herman J. Ricker, Freeport.
Clyde H. Hiatt, Granada.
Carl J. Johnson, Hendricks.
Gustav E. Hensel, Howard Lake.
C. Edward Sarff, Keewatin.
Charles F. Wolfe, Kellogg.
Edward Odberg, Kettle River.
Robert B. Forrest, Lake Wilson.
George W. Kiefer, Lewiston.
Gustav O. Schlick, Lucan.
Carl W. Carlson, Melrose.
John L. Beck, Mountain Iron.
Walter Peltoniemi, New York Mills.
John P. Grothe, Roseau.
Henry C. Megrund, Shelly.
John Schmelz, Springfield.
Claire M. Peterson, Stanchfield.
Mae A. Lovestrom, Stephen.
Charles Olson, Sturgeon Lake.
Olof E. Reiersgord, Ulen.
Almer B. Nelson, Warren.
Edward F. Joubert, Wheaton.

MISSOURI

Benonia F. Hardin, Albany.
Walter N. Langford, Appleton City.
Walter C. Haferkamp, Augusta.
Louis E. Meyer, Bowling Green.
Willis M. Wallingford, Carthage.
Prentiss H. Percifull, Cowgill.
James O. Erwin, Mokane.
Cyrus R. Truitt, Novinger.
Elvin L. Renno, St. Charles.
Felix J. Boesche, Unionville.

NEW MEXICO

Berthold Spitz, Albuquerque.
Chester G. Parsons, Wagon Mound.

NEW YORK

Lewis E. Fredenburg, Afton.
William J. Leighton, Avon.
Earl J. Franklin, Belfast.
Roy W. Munson, Brasher Falls.
Elbert J. Eckerson, Cobleskill.
Charles H. Brown, Corfu.
Benjamin W. Wellington, Corning.
Walter L. Bibbey, Fort Edward.
Sue Caldwell, Glen Head.
Beatrice M. Bergersen, Glenwood Landing.
Emil M. Pabst, Huntington Station.
Edward J. O'Hara, Lawrence.
Beulah H. Kelly, Lisbon.
August C. Hasselbush, Livingston.
Herman C. Stevens, Locke.
Gottlieb H. Morris, Lynbrook.
Ralph J. Borden, McGraw.
Frederick A. Billipp, Mamaroneck.
Frank D. Hurd, Napanoch.
Cornelius J. Carey, Newman.
Charles J. Lansing, New Woodstock.
William S. White, Oriskany.
Henry A. Holley, Otisville.
Joseph R. Wilder, Painted Post.
Dennis Lamarche, Plattsburg.
Frank M. Douglass, Red Creek.
Calvin H. Peters, Stamford.
Earl J. Conger, Waterville.
Frank L. Millen, Watkins Glen.
George M. Lewis, Whitesville.

OHIO

Harry W. McKinstry, Athens.
John R. Lloyd, Cambridge.
George H. Lewis, Geneva.
John B. Davis, Ironton.
Paul H. Clark, Junction City.
Anthony L. Stanchina, jr., Laferty.
Otha C. Burris, London.
Wilmer C. Trace, New Concord.

Robert H. Gano, Newport.
Charlie D. Harvey, North Fairfield.
Hylas L. Vesey, Perry.
Elsie G. Saner, Powhatan Point.
Georgiana Pifer, Rock Creek.
William S. Kindle, Thornville.
Clarence E. Dowling, Wayne.
John W. Hencke, Willoughby.

OREGON

Godfrey C. Minsker, Cloverdale.
Claude E. Ingalls, Corvallis.
Darwin E. Yoran, Eugene.
Thomas W. Angus, Gardiner.
Vincent Byram, Gold Beach.
Roy G. Cairns, Reedsport.
Emil F. Messing, Vernonia.
Menno H. Wiebe, Wheeler.

PENNSYLVANIA

Howard L. Harbaugh, Fairfield.
Effie P. Corts, Karns City.
Wilbur C. Johnson, Lopez.
Thomas J. Morgan, Nanticoke.
F. Carroll Krautter, Newfoundland.
Harry H. Carey, Plymouth.
Howard C. Shenton, Slatington.
Harry B. Paterson, Vandergrift.
Clyde W. Bailey, Wellsboro.

PORTO RICO

Rafael P. Robert, Fajardo.

TEXAS

Hurlburt Slate, Amherst.
Lucy D. Campbell, Brazoria.
Carlton A. Dickson, Cleburne.
Clark A. Fortner, Crosby.
David F. Stamps, Dime Box.
Edwin C. Hill, El Campo.
Hugh W. Cunningham, Eliasville.
Robbie G. Ellis, Fort Davis.
Oliver S. York, Galveston.
Herman L. Stulken, Hallettsville.
Irene G. Ferguson, Hearne.
Bobbie Kluge, Linden.
Jackson E. Brannen, Littlefield.
James E. Moore, Lometa.
Andrew J. Nelson, Meadow.
Thomas M. Welch, Palestine.
James J. Dickerson, Paris.
Richard J. Bradford, Pettus.
Ruth Moncrief, Red Barn.
Nena M. Iiams, Sugar Land.
Hiram H. McGuffey, Three Rivers.
George Ireland, Victoria.
Harry Reast, Whitesboro.
Charles A. Andrews, Wolfe City.

UTAH

William T. Boyle, Beaver.
John A. Call, Bountiful.
William H. Fitzwater, Duchesne.
Jesse M. French, Greenriver.
Glen A. Jensen, Manti.
Walter O. Lundgreen, Monroe.
Luke Clegg, Roosevelt.

WASHINGTON

Frank Givens, Port Orchard.

WEST VIRGINIA

Paul C. Freeman, Adrian.
Ralph L. Teter, Belington.
Ruth Lewis, Buffalo.
Cecil B. Dodd, Follansbee.
Earle M. Pierpoint, Harrisville.
Noah W. Russell, Lewisburg.
Stillman O. Phillips, Mill Creek.
Thomas E. Pownall, Romney.
Clifford S. Musser, Shepherdstown.
John W. Farnsworth, Weston.

WISCONSIN

Blanch Lyon, East Ellsworth.
Mabel A. Dunwiddie, Juda.
Hazel I. Hicks, Linden.
James C. Fritzen, Neenah.
Wesley C. Hymer, Potosi.
Blanche Delany, Sinsinawa.
Nathaniel C. Garland, Sturgeon Bay.
Fred J. Hurless, Viola.

HOUSE OF REPRESENTATIVES

FRIDAY, FEBRUARY 20, 1931

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father who art in heaven, hallowed be Thy name, Thy kingdom come and Thy will be done on earth. Then will be abolished race hatred, class struggle, and this world of ours shall be a beautiful home for Thy redeemed children. May the simple, human qualities that make men helpful and loving be not neglected by us. O blow ye winds and fill the sails of our great ship of state, and send us on and on to our ultimate task and our final harbor. We thank Thee for the best, the freest, and the bravest country on earth, our own United States. God bless the Stars and Stripes while the centuries pass by. In the name of the world's Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 17054. An act to increase the loan basis of adjusted-service certificates.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 202. An act to provide for the deportation of certain alien seamen, and for other purposes.

The message also announced that the Senate had agreed to the amendments of the House to a bill of the following title:

S. 5458. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 7.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 980) entitled "An act to permit the United States to be made a party defendant in certain cases."

The message also announced that the Senate concurs in the amendment of the House to the amendment of the Senate No. 38 to the bill (H. R. 16415) entitled "An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1932, and for other purposes"; that the Senate disagrees to the amendment of the House to the amendment of the Senate No. 69 to said bill, asks a conference with the House on the disagreeing votes of the two houses thereon, and appoints Mr. KEYES, Mr. SMOOT, Mr. JONES, Mr. GLASS, and Mr. BROUSSARD to be the conferees on the part of the Senate.

REPORTS FROM THE COMMITTEE ON RULES

Mr. SNELL, from the Committee on Rules, submitted the following resolutions for printing in the RECORD:

PROMOTION OF COMMISSIONED OFFICERS

(House Resolution 353)

Resolved, That immediately upon the adoption of this resolution it shall be in order to take from the Speaker's table the bill (S. 550) entitled "A bill to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes," and to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of such bill. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

ALTERATIONS AND REPAIRS OF CERTAIN NAVAL VESSELS

(House Resolution 365)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 4750, to authorize alterations and repairs to certain naval vessels. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Naval Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

MANUFACTURE AND SALE OF OLEOMARGARINE

(House Resolution 366)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 16836, to amend the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended. That after general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

VOCATIONAL EDUCATION, ETC., IN PORTO RICO

(House Resolution 367)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 5139, to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Porto Rico. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

THE FEDERAL RESERVE ACT

(House Resolution 368)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10560, to amend section 22 of the Federal reserve act. That after general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion except one motion to recommit.

HEALTH AND WELFARE OF MOTHERS, ETC.

(House Resolution 369)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 255, for the promotion of the health and welfare of mothers and infants, and for other purposes. That after general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and the amendments thereto to final passage without intervening motion, except one motion to recommit.

RESTRICTION OF IMMIGRATION

(House Resolution 370)

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House Joint Resolution 500, further restricting for a period of two years immigration into the United States. That after general debate, which shall be confined to the joint resolution and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Immigration and Naturalization, the joint resolution shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the joint resolution for amendment the committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and the amendments thereto to final passage without intervening motion, except one motion to recommit.

JAMES EARL BRIGGMAN

Mr. JAMES of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 504) for the relief of James Earl Brigman, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill and the Senate amendments.

The Clerk reported the title of the bill and the Senate amendments, as follows:

Page 1, line 5, strike out "Briggman" and insert "Brigman."

Amend the title so as to read: "An act for the relief of James Earl Brigman."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in.

ROBERT GRAHAM MOSS

Mr. JAMES of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2694) conferring the rank, pay, and allowances of a major of Infantry, to date from March 24, 1928, upon Robert Graham Moss, late captain, Infantry, United States Army, deceased, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Amend the title so as to read: "An act for the relief of the widow of Robert Graham Moss."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

FORT SILL MILITARY RESERVATION

Mr. JAMES of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7272) to provide for the paving of the Government road across Fort Sill (Okla.) Military Reservation, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 1, strike out line 5 and down through and including "north," in line 6.

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

CATHARINE PANTURIS

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 458) for the relief of Catharine Panturis, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the title of the bill and the Senate amendments.

The Clerk reported the title of the bill and the Senate amendments, as follows:

Page 1, line 5, strike out "the sum of $1,000."

Page 1, line 6, strike out all after "Panturis," down to and including "Columbia" in line 10, and insert: "during her natural life, or in the event of her death payment shall be made to her three minor children until they have reached their majority, the sum of $25 per month, in full settlement of all claims against the Government on account of the death of her husband, Chris Panturis, Two hundred and eleventh Aero Squadron, who was killed on June 4, 1927, by an inmate of St. Elizabeths Hospital, Washington, D. C., said monthly payments to be paid through the United States Employees' Compensation Commission."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendments were concurred in.

AGNES LOUPINAS

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3187) for the relief of Agnes Loupinas, with a Senate amendment thereto, and concur in the Senate amendment.

The SPEAKER. The Clerk will report the bill and the Senate amendment.

The Clerk read the title of the bill and the Senate amendment, as follows:

Page 1, line 7, after "received" insert: "by her."

The SPEAKER. Is there objection?

There was no objection.

The Senate amendment was concurred in.

CHARLES PARSHALL

Mr. IRWIN. Mr. Speaker, I ask unanimous consent to file minority views by the gentleman from Texas [Mr. Box] on the bill (S. 612) for the relief of Charles Parshall, Fort Peck Indian allottee, of the Fort Peck Reservation, Mont.

The SPEAKER. Is there objection?

There was no objection.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL, 1932

Mr. SHREVE. Mr. Speaker, I call up the conference report on the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, and ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16110) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 9, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 52, 53, 54, 56, 57, 58, 59, 60, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 107, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 148, 149, 151, 153, 154, 155, 156, 157, 158, 159, and 160.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 4, 5, 6, 7, 8, and 147, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$1,960,588; in all, $1,985,588"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$2,000,000"; and on page 14 of the bill, in line 2, after the word "expended," insert the following: ": *Provided*, That in expending appropriations for the foregoing purposes obligations shall not be incurred which will require expenditures in excess of the total of $10,000,000 now authorized by law"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,587,709"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "$328,160; in all, $343,160"; and the Senate agree to the same.

Amendment numbered 50: That the House recede from its disagreement to the amendment of the Senate numbered 50, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$646,700"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$80,000"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,992,640"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$736,280"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$1,013,131"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$518,220"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$387,592"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$78,200"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$62,599"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: In lieu of the sum proposed insert: "$5,334,122"; and the Senate agree to the same.

Amendment numbered 68: That the House recede from its disagreement to the amendment of the Senate numbered 68, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,055,000"; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$121,790"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$653,080"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the number proposed insert "sixty-one"; and the Senate agree to the same.

Amendment numbered 121: That the House recede from its disagreement to the amendment of the Senate numbered 121, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$662,313"; and the Senate agree to the same.

Amendment numbered 150: That the House recede from its disagreement to the amendment of the Senate numbered 150, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$10,534,160"; and the Senate agree to the same.

Amendment numbered 152: That the House recede from its disagreement to the amendment of the Senate numbered 152, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,368,800"; and the Senate agree to the same.

MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
ERNEST R. ACKERMAN,
ROBERT L. BACON,
W. B. OLIVER,
ANTHONY J. GRIFFIN,
Managers on the part of the House.

W. L. JONES,
FREDERICK HALE,
WM. J. HARRIS,
KENNETH MCKELLAR,
GEO. H. MOSES,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16110) making appropriations for the Departments of State and Justice, and the judiciary, and the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes, submit the following statement explaining the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

The following amendments, with respect to which the accompanying conference report recommends that the Senate shall recede, deal exclusively with the underaverage salary increases: 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 52, 53, 54, 56, 57, 58, 59, 60, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 95, 96, 97, 98, 99, 100, 101, 102, 103, 107, 109, 110, 111, 112, 113, 114, 115, 116, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 140, 141, 142, 146, 148, 149, 151, 153, 154, 155, 156, 157, 158, 159, and 160.

The following amendments involved salary increases along with other purposes. As to each of these amendments the Senate has receded from the salary increase portion of the amendment and the action of the managers on the rest of the matter involved in each of such amendments is as follows:

On No. 1: Increases the House appropriation for "Salaries, office of the Secretary of State," by $1,620, as proposed by the Senate, to provide for the employment of one visa clerk.

On No. 2: Strike out $3,240 proposed by the Senate for additional personnel for passport agencies.

On No. 49: Increases the House appropriation for salaries, office of the Secretary of Commerce, by $1,620, to provide for one additional clerk, instead of $3,060 to provide for two additional clerks, as proposed by the Senate.

On No. 50: Increases the House appropriation for the radio division, Department of Commerce, by $146,700 instead of by $180,000, as proposed by the Senate.

On No. 51: Increases the House appropriation for the amount to be expended for personal services in the District of Columbia, under the radio division, Department of Commerce, by $10,000, instead of $12,020, as proposed by the Senate.

On No. 55: Increases the House appropriation for air-navigation facilities, Department of Commerce, by $20,000, as proposed by the Senate, for survey and investigations of the northern transcontinental airway.

On No. 61: Increases the House appropriation for District and cooperative office service by $26,280, instead of $41,280, as proposed by the Senate.

On No. 62: Increases the House appropriation for export industries, Bureau of Foreign and Domestic Commerce, by $40,131, instead of $68,660, as proposed by the Senate, for additional employees and Brookhart Act increases.

On No. 63: Increases the House appropriation for domestic and raw material investigations, Bureau of Foreign and Domestic Commerce, by $25,000, instead of $50,000, as proposed by the Senate.

On No. 64: Increases the House appropriation for customs statistics, Bureau of Foreign and Domestic Commerce, by $2,592, as proposed by the Senate, to take care of increases under the Brookhart Act.

On No. 65: Increases the House appropriation for "lists of foreign buyers," Bureau of Foreign and Domestic Commerce, by $8,200, as proposed by the Senate, to provide for additional employees and increases under the Brookhart Act.

On No. 66: Increases the House appropriation for "Investigation of foreign-trade restrictions," Bureau of Foreign and Domestic Commerce, by $159, as proposed by the Senate, to provide for salary increases under the Brookhart Act.

On No. 67: Corrects a total.

On No. 68: Corrects a total.

On No. 94: Strikes out $24,000, proposed by the Senate, for an investigation pertaining to silver.

On. No. 104: Corrects a total.

On No. 105: Corrects a total.

On No. 106: Increases the House appropriation for "salaries," office of the commissioner, Bureau of Lighthouses, by $8,990, as proposed by the Senate, to provide for additional personnel and Brookhart Act increases.

On No. 108: Increases the House appropriation for "salaries," superintendents, clerks, etc., Lighthouse Service, by

$740, as proposed by the Senate, to provide additional personnel.

On No. 135: Strikes out $5,000, proposed by the Senate, for testing fuel at Salt Lake City, Utah.

On No. 143: Strikes out $25,000, proposed by the Senate, under economics of mineral industries for studies of silver.

On No. 144: Strikes out $25,000, as proposed by the Senate, from the amount which may be expended for personal services in the District of Columbia under the head of "Economics in mineral industries."

On No. 145: Corrects a total.

On Nos. 150 and 152: Increases the House appropriation for "Salaries and expenses," Bureau of Immigration, as proposed by the Senate, by $500,000, to provide for 250 additional employees in the border patrol.

The following amendments do not involve salary increases:

On No. 3: Makes available for 1932 the unexpended balance of the appropriation made for "collecting and editing official papers of Territories of the United States" for the fiscal year 1931, as proposed by the Senate.

On Nos. 4, 5, 6, and 7, pertaining to salaries of envoys extraordinary and ministers plenipotentiary, increases the House appropriation for the salary of the minister resident and consul general to Liberia by $5,000, as proposed by the Senate.

On No. 8: Strikes out a comma.

On No. 9: Strikes out of the appropriation for "Contingent expenses, United States consulates," the increase of $20,000 proposed by the Senate for travel in commercial work.

On No. 10: Increases the House appropriation for "Foreign Service buildings fund" by $800,000, as proposed by the Senate.

On No. 11: Appropriates for "Rent, heat, fuel, and light" for the Foreign Service $1,587,709, instead of $1,567,332, as proposed by the House, and $1,607,709, as proposed by the Senate.

On No. 16: Strikes out the proviso proposed by the Senate relative to use of funds for investigation of Federal judges.

On Nos. 117, 118, 119, 120, and 121: Relating to commissioned officers, Coast and Geodetic Survey: Provides for 7 additional officers with relative rank of lieutenant (junior grade) instead of 1 additional with relative rank of commander, 3 additional with relative rank of lieutenant commander, and 3 additional with relative rank of lieutenant, as proposed by the Senate.

On No. 147: Changes language, striking out "Expenses of regulating immigration," as contained in the House bill, and inserting in lieu thereof "Salaries and expenses, Bureau of Immigration," as proposed by the Senate.

MILTON W. SHREVE,
GEORGE HOLDEN TINKHAM,
ERNEST R. ACKERMAN,
ROBERT L. BACON,
W. B. OLIVER,
ANTHONY J. GRIFFIN,
Managers on the part of the House.

Mr. GARNER. Will the gentleman yield?

Mr. SHREVE. I yield.

Mr. GARNER. In order that the RECORD may show why this conference committee is composed differently from other conference committees on the part of the House, I would like to ask the gentleman from Pennsylvania [Mr. SHREVE] why there are four Republican conferees and two Democratic conferees on this conference committee, and on all other conference committees, as I recall, there are either three Republicans and two Democrats or two Republicans and one Democrat?

Mr. SHREVE. For many years this subcommittee carried into conference the entire committee. During the last year and a half another member was added to the committee, so we just carried on the same rule that had obtained for 7 or 8 or 10 years. There is no reason for it other than that the committee has been enlarged.

Mr. GARNER. Is this the only subcommittee of the Committee on Appropriations which is composed of six members?

Mr. SHREVE. I think it is.

Mr. STAFFORD. The committee on the deficiency——

Mr. GARNER. Oh, I understand; but that is a special committee. I am trying to find out whether there was any weakness in the subcommittee that caused another member to be added, or whether there was some particular reason for it. I think the RECORD ought to be cleared up. Of course, if there was weakness on the part of the Republican side on that committee, naturally it was all right to add an additional member, but we are entitled to know just why that committee was strengthened.

Mr. CRAMTON. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. CRAMTON. I recall that while the late Martin B. Madden was chairman of the subcommittee handling the Treasury and Post Office Departments bill, he appointed a sixth member of that committee, and I think no one would intimate it was because of any weakness in that subcommittee.

Mr. GARNER. I am not intimating. I am asking a question. The gentleman from Michigan [Mr. CRAMTON] has taken it as an intimation. I was asking a question why that was done. I am waiting for the gentleman from Pennsylvania [Mr. SHREVE] to answer.

Mr. SHREVE. The gentleman from Pennsylvania has answered.

Mr. GARNER. Has the gentleman from Tennessee [Mr. BYRNS] any explanation?

Mr. BYRNS. I simply want to make the statement that I do not know whether that number obtains with reference to any other subcommittee than the Deficiency Appropriation Subcommittee, except in the case of the Post Office and Treasury Departments appropriation bill, to which the gentleman from Michigan [Mr. CRAMTON] has referred. There are six members on that committee.

Mr. GARNER. At the present time?

Mr. BYRNS. At the present time.

Mr. GARNER. Do they all go to conference?

Mr. BYRNS. They did this time.

Mr. GARNER. What is the reason for adding a member to this subcommittee?

Mr. BYRNS. The gentleman will have to get that information from the other side. The subcommittees are appointed by the chairman of the committee. I do not know just what the reason was.

Mr. GARNER. I hope the gentleman from Pennsylvania [Mr. SHREVE] will give some reason for some of his committees being composed of six members and some only five members. I know it is interesting. Inquiries have been made, and I think it would be a reasonable thing for the gentleman to state why it is that some of them require five members and some require six.

Mr. SHREVE. The gentleman from Pennsylvania is not concerned in appointing the committees. That is done by somebody higher up, and we accept the situation, and we were very glad to have the assistance of the distinguished gentleman who was added to the committee the last time.

Mr. GARNER. Who is "the gentleman higher up"?

Mr. SHREVE. The chairman of the committee, I suppose.

Mr. GARNER. Does the gentleman mean the gentleman from Indiana, Mr. WOOD?

Mr. SHREVE. I presume so.

Mr. GARNER. I wonder if the gentleman would yield sufficient time to the gentleman from Indiana [Mr. WOOD] to let the RECORD show just why the committees are made up as they are?

Mr. SHREVE. I will be glad to do so.

Mr. LINTHICUM. Will the gentleman yield to me for a question?

Mr. SHREVE. Certainly.

Mr. LINTHICUM. I wanted to ask with reference to the appropriation for the Foreign Service Building Commission?

Mr. SHREVE. I am very happy to inform the gentleman from Maryland that we have restored the item to the

Budget estimate, with a provision that no obligations should be made other than the $10,000,000 provided in the original act. Everybody seemed to be satisfied with the arrangement.

Mr. LINTHICUM. But that is not the particular item I was speaking about. I was speaking about the appropriation. The House Committee on Appropriations authorized $1,200,000——

Mr. SHREVE. That is just what I am talking about. We put it back to $2,000,000.

Mr. LINTHICUM. That is very good.

Mr. BYRNS. Will the gentleman yield?

Mr. SHREVE. Certainly.

Mr. BYRNS. Senate amendment No. 61 increases the appropriation which was passed by the House for district and cooperative offices from $710,000 to $755,000, an increase of $41,280. I notice the conferees have agreed to $26,280 increase over that provided by the House. What is that for?

Mr. SHREVE. That brings it up to the Budget estimate.

Mr. BYRNS. I understand, but the gentleman remembers there was some discussion on the floor with reference to whether or not there is going to be a continuance of the installation of new district offices throughout the country, and I was interested in knowing whether or not this increase was to make provision for that?

Mr. SHREVE. It does not provide for any additional offices. This fund was a general increase over the entire system, to strengthen various points where strength was needed, but it was not calculated for any district offices.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. Under the order of the House the gentleman from New York [Mr. PARKER] is entitled to recognition for 15 minutes, but the Chair will give preference in recognition to conference reports.

CONFERENCE REPORT—DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. SIMMONS. Mr. Speaker, I call up the conference report on the bill (H. R. 16738) 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, 1932, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Nebraska calls up a conference report and 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.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16738) 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, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 7, 10, 17, 18, 19, 37, 38, 39, 40, 42, 46, 47, 52, 57, and 58.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 8, 9, 11, 12, 13, 16, 20, 35, 41, 43, 44, 45, 48, 49, 50, 51, 53, 54, 59, 60, and 61, and agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$161,160"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "including for teachers' colleges assistant professors in salary class 7,"; and the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Woodridge School, $2,095; Murch School, $2,900; school at Fourteenth Street and Kalmia Road, $4,995"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$44,015"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$16,190"; and the Senate agree to the same.

Amendment numbered 24: That the House recede from its disagreement to the amendment of the Senate numbered 24, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$18,000"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,090"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$44,015"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,115"; and the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,440"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$13,820"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,570"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$8,570"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$7,415"; and the Senate agree to the same.

Amendment numbered 33: That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$3,660"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$202,890"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$853,900"; and the Senate agree to the same.

Amendment numbered 56: That the House recede from its disagreement to the amendment of the Senate numbered 56, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not exceeding $37,000 for grading and improving the roadway of Rock Creek Park to the District line"; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 36.

ROBT. G. SIMMONS,
WM. P. HOLADAY,
M. H. THATCHER,
CLARENCE CANNON,
ROSS A. COLLINS,
Managers on the part of the House.

HIRAM BINGHAM,
L. C. PHIPPS,
ARTHUR CAPPER,
CARTER GLASS,
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16738) 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, 1932, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On No. 1: Strikes out, as proposed by the Senate, the House limitation respecting the filling of vacancies in the grade of junior clerk in the office of Recorder of Deeds.

On No. 2: Strikes out the appropriation of $100,000, inserted by the Senate, for the District of Columbia George Washington Bicentennial Commission.

On No. 3: Strikes out the increase of $4,500, proposed by the Senate, for temporary personal services in the Employment Service.

On Nos. 4, 5, and 6, relating to street improvements: Strikes out the item of $17,044.28 and $7,740, respectively, for the widening of Seventeenth Street NW., and for the grading of Eastern Avenue NE.

On Nos. 7 and 8: Restores the House language providing for the widening of B Street NW. to 80 feet, and makes the appropriation immediately available, as proposed by the Senate.

On No. 9: Makes the appropriation for the Connecticut Avenue Bridge over Klingle Valley immediately available.

On No. 10: Strikes out the proviso inserted by the Senate to relieve the Superintendent of Trees and Parkings for a rental charge for the quarters he occupies.

On No. 11: Provides, as proposed by the Senate, for the purchase of automobiles in connection with the appropriation for control and prevention of the spread of mosquitoes.

On Nos. 12 and 13, relating to the electrical department: Makes $10,000 and $9,225, respectively, immediately available in connection with the police and fire-alarm systems.

On Nos. 14 to 35, inclusive, and 37 to 46, inclusive, relating to public schools: Appropriates $161,160 for personal services of clerks and other employees instead of $156,650 as proposed by the House and $164,580 as proposed by the Senate, the increase above the House amount to provide for one clerk at $1,620 for the college for colored teachers, one clerk at $1,440 for the assistant superintendent in charge of colored schools, and one clerk at $1,440 for the McKinley High School; makes provision for assistant professors for teachers' colleges in salary class 7 instead of salary class 11, as proposed by the Senate, and provides for professors in salary class 12, as proposed by the Senate, instead of salary class 9, as proposed by the House; strikes out the increase of $3,700 inserted by the Senate for per diem field workers for Americanization instruction; appropriates $834,670, as proposed by the Senate, instead of $833,270, as proposed by the House, for personal services for care of buildings and grounds; appropriates $202,890 for furnishing and equipping new school buildings instead of $171,000 as proposed by the House and $218,654 as proposed by the Senate, the additions to the House total consisting of amounts for the Woodridge, Murch, and the new school at Kalmia Road, not included in the House bill, and compromise amounts on items of the House bill increased by the Senate; makes $200,000, as proposed by the Senate, instead of $100,000, as proposed by the House, of certain unexpended balances of school-building appropriations available during 1932 for the improvement of grounds surrounding school buildings; strikes out the increase of $10,000 proposed by the Senate for construction of an addition to the Woodridge School; strikes out the increase of $10,000 proposed by the Senate for the addition to the Murch School; makes $120,000 available, as proposed by the Senate, for an 8-room addition to the Janney School; appropriates $490,000, as proposed by the Senate, instead of $530,000, as proposed by the House, for school-building and playground sites, and strikes out the authority in the House bill for the purchase of a site in the vicinity of the Keene School; and strikes out the paragraph inserted by the Senate making the appropriation for 1931 for the purchase of a site for an 8-room building west of Connecticut Avenue and south of Jenifer Street available for the purchase of a site for such a building west of Connecticut Avenue and south of Military Road.

On No. 47: Strikes out the increase of $5,000 inserted by the Senate for a site for a fire house in the vicinity of Twelfth and Rhode Island Avenue NE.

On Nos. 48 and 49, relating to the Board of Public Welfare: Increases the House appropriation for personal services from $112,700 to $114,500, as proposed by the Senate; and increases the appropriation of the House for home care for dependent children from $138,280 to $153,280, as proposed by the Senate.

On Nos. 50 and 51, relating to the Workhouse and Reformatory: Continues available during the fiscal year 1932, $60,000 as proposed by the Senate, instead of $12,000 as proposed by the House, out of the 1931 appropriation for power system and water supply.

On No. 52: Strikes out the increase of $3,800 proposed by the Senate, for personal services at the Tuberculosis Hospital.

On No. 53: Makes a technical correction in the text of the bill under Gallinger Hospital.

On No. 54: Makes immediately available $5,000 of the appropriation for construction of dormitories and school-building facilities at the Industrial Home School for Colored Children.

On Nos. 55, 56, 57, and 58, relating to public buildings and public parks: Appropriates $853,900 for general expenses instead of $816,900, as proposed by the House, and $873,900, as proposed by the Senate, in order to provide $37,000 for grading and improving the roadway of Rock Creek Park to the District line; and eliminates $20,000 for a recreational center in the Manor Park section; appropriates $180,885 for salaries of park police as proposed by the House, instead of $193,135, as proposed by the Senate, and strikes out the increase of $1,045, inserted by the Senate, for miscellaneous expenses of the park police.

On No. 59: Increases the appropriation for the National Zoological Park by $4,500, as proposed by the Senate.

On Nos. 60 and 61: Makes the appropriation for the construction of a water reservoir in Fort Stanton Park immediately available, as proposed by the Senate, and makes a technical correction in the paragraph.

DISAGREEMENT

On No. 36, relating to the under-age kindergarten in the Webster School: The managers on the part of the House

will recommend concurrence in the Senate amendment with an amendment.

ROBT. G. SIMMONS,
WM. P. HOLADAY,
M. H. THATCHER,
CLARENCE CANNON,
ROSS A. COLLINS,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the amendment in disagreement.

The Clerk read as follows:

Amendment No. 36: On page 48, after line 3, insert "*Provided*, That nothing herein shall be construed as discontinuing or curtailing the activities of the kindergarten now being operated at the Webster School in connection with the Americanization work."

Mr. SIMMONS. Mr. Speaker, I move to recede and concur in the Senate amendment with an amendment as follows:

Provided, That this limitation shall not be considered as preventing the employment of a matron and the care of children under school age at the Webster School whose parent or parents are in attendance in connection with Americanization work.

The SPEAKER. The question is on the motion of the gentleman from Nebraska to recede and concur with an amendment.

The motion was agreed to.

CONFERENCE REPORT—WAR DEPARTMENT APPROPRIATION BILL

Mr. BARBOUR. Mr. Speaker, I call up the conference report on the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from California calls up a conference report on House bill 15593, and 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.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, 27, 28, 29, 31, 33, 34, 35, 42, 47, 49, 50, 51, 52, 53, 56, 57, 58, 59, 60, 61, 62, 63, 67, 68, 69, 73, 75, 76, and 77.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 22, 23, 37, 38, 39, 45, 46, 55, 64, 65, 70, and 71, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$85,413"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$5,105,897"; and the Senate agree to the same.

Amendment numbered 36: That the House recede from its disagreement to the amendment of the Senate numbered 36, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$14,472,585"; and the Senate agree to the same.

Amendment numbered 54: That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$31,479,635"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "$2,779,129"; and the Senate agree to the same.

Amendment numbered 78: That the House recede from its disagreement to the amendment of the Senate numbered 78, and agree to the same with an amendment as follows: In line 7 of the matter inserted by said amendment, before the period, insert: ", to be available immediately"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 30, 32, 40, 41, 43, 44, 48, 72, and 74.

HENRY E. BARBOUR,
FRANK CLAGUE,
JOHN TABER,
ROSS A. COLLINS,
WILLIAM C. WRIGHT,
Managers on the part of the House.

DAVID A. REED,
W. L. JONES,
HIRAM BINGHAM,
WM. J. HARRIS,
DUNCAN U. FLETCHER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

On Nos. 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 33, 34, 35, 47, 49, 50, 51, 52, 53, 56, 57, 58, 59, 62, 63, 68, 69, 73, and 75: Appropriates for personal services, as proposed by the House, instead of allowing increases for promoting employees in under-average grades, as proposed by the Senate.

On No. 4: Appropriates for classifying and indexing the military personnel records of the World War $250,000, as proposed by the Senate, instead of $200,000, as proposed by the House.

On No. 12: Appropriates for salaries, office of Chief of Bureau of Insular Affairs, $85,413, instead of $85,033, as proposed by the House, and $85,713, as proposed by the Senate.

On No. 19: Corrects a total.

On No. 20: Appropriates $155,000 for contingent expenses, War Department, as proposed by the House, instead of $157,000, as proposed by the Senate.

On No. 21: Restores House provision in re use of funds not required in consequence of the economic survey which has been conducted by the War Department.

On No. 22: Appropriates $30,000 for participation by the United States Army in the Yorktown Sesquicentennial Celebration, as proposed by the Senate.

On No. 23: Appropriates $57,480, as proposed by the Senate, instead of $47,480, as proposed by the House, for contingencies, Military Intelligence Division.

On Nos. 26 to 29, both inclusive, relating to pay of the Army: Makes available $131,132 for increased pay for retired officers on active duty, as proposed by the House, instead of $168,650, as proposed by the Senate, and provides for the use of $800,000 of purchase-of-discharge funds, as proposed by the House, instead of $400,000, as proposed by the Senate.

On No. 36: Appropriates $14,472,585 for Army transportation, instead of $14,442,155, as proposed by the House, and $14,506,955, as proposed by the Senate.

On Nos. 37 and 38, relating to horses, draft and pack animals: Makes $132,500 available for the encouragement of the breeding of riding horses, as proposed by the Senate, instead of $120,000, as proposed by the House.

On Nos. 39, 42, and 45, relating to military posts: Excepts the appropriation from the provisions of sections 1136 and 3734 of the Revised Statutes, as proposed by the Senate; makes available $36,760 for construction at Fort Francis E. Warren, Wyo., as proposed by the House, instead of $69,745, as proposed by the Senate, and reappropriates $343,784 on account of construction at Fort Lewis, Wash., and $75,000 on account of construction at Fort Benning, Ga., as proposed by the Senate.

On No. 67: Appropriates $200,000 for arms, ammunition, etc., for target practice, as proposed by the House, instead of $250,000, as proposed by the Senate.

On No. 46: Clarifies the text of the appropriation for barracks and quarters, as proposed by the Senate.

On Nos. 54 and 55, relating to the Air Corps: Appropriates $31,479,635, instead of $31,679,635, as proposed by the House, and $31,522,295, as proposed by the Senate, and makes available for experimental and research work $2,310,377, as proposed by the Senate, instead of $2,510,377, as proposed by the House.

On Nos. 60 and 61, relating to the Chemical Warfare Service: Appropriates $1,252,099, as proposed by the House, instead of $1,681,579, as proposed by the Senate, and strikes out the proposal of the Senate that $420,000 of the appropriation shall be available for gas masks.

On No. 64: Appropriates $6,537,785 for the Organized Reserves, as proposed by the Senate, instead of $6,765,385, as proposed by the House.

On No. 65: Appropriates $3,970,000 for the Reserve Officers' Training Corps, as proposed by the Senate, instead of $3,960,000, as proposed by the House.

On No. 66: Appropriates $2,779,129 for citizens' military training camps, instead of $2,802,754, as proposed by the House, and $2,779,849, as proposed by the Senate.

On No. 70: Appropriates $40,120 for Shiloh National Military Park, as proposed by the Senate, instead of $90,120, as proposed by the House.

On No. 71: Continues available until June 30, 1932, the unexpended balances of the appropriations for survey of battlefields in the vicinity of Richmond, Va., and the battlefield of Saratoga, N. Y., as proposed by the Senate.

On No. 76: Strikes out the provision inserted by the Senate with respect to giving the Secretary of Agriculture authority to use $5,000,000 of the $45,000,000 appropriation for drought relief in certain ways as to aid in extending credit to farmers.

On No. 77: Strikes out the provision inserted by the Senate authorizing and directing the Federal Farm Board to make available 20,000,000 bushels of wheat, or so much thereof as may be necessary, to provide food for the distressed people in various parts of the United States.

On No. 78: Appropriates $7,500 for expenses of attendance of the Army Band at the Confederate Veterans' Reunion at Montgomery, Ala., in June, 1931, as proposed by the Senate, amended to be immediately available.

The managers on the part of the House have agreed to recommend that the House either recede and concur or recede and concur with amendments in the following amendments of the Senate:

On No. 30: Relating to Army personnel engaging with publications carrying paid advertising.

On No. 32: Relating to the purchase of oleomargarine or butter substitutes.

On Nos. 40, 41, 43, and 44: Relating to an appropriation of $45,000 for construction at West Point, N. Y., and an appropriation of $12,000 for reimbursing the Gray Ladies of the Red Cross.

On No. 48: Relating to the procurement of articles of the growth, production, or manufacture of the United States.

On No. 72: Relating to the repair, restoration, and rehabilitation of Old Fort Niagara, N. Y.

On No. 74: Relating to the construction of a public terminal for coastwise traffic in Biloxi Harbor, Miss.

HENRY E. BARBOUR,
FRANK CLAGUE,
JOHN TABER,
ROSS A. COLLINS,
WILLIAM C. WRIGHT,
Managers on the part of the House.

Mr. CRAMTON. Mr. Speaker, will the gentleman from California yield?

Mr. BARBOUR. Yes.

Mr. CRAMTON. I note that the $200,000 item in connection with experiments on metal-clad airships is eliminated. As I understand, that is not done because of any lessening of regard on the part of the House conferees for that item, but that the item has been inserted by the Senate in the naval appropriation bill, with general consent all around.

Mr. BARBOUR. That is true. It was inserted in the naval appropriation bill in the Senate by the committee in charge of the bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. STAFFORD. I assume the reason why they incorporated that item in the naval appropriation bill and determined to strike it out of the War Department appropriation bill was because the War Department is strenuously opposed to the idea of launching into that project, and for the further reason, perhaps, that the Navy Department has already been experimenting with a smaller metal-clad ship.

Mr. BARBOUR. Those reasons were considered. The War Department officials stated before the Senate Committee in charge of this bill that they preferred that the item be not included in the bill. The Navy Department is experimenting along that line and we thought that possibly the present arrangement would be a happy solution.

Mr. STAFFORD. And ultimately eliminating it entirely.

Mr. BARBOUR. No. I understand it will come back to the House for a vote in the Navy appropriation bill.

Mr. TABER. Is not this the situation: That the prospective conferees on the part of the House in connection with the naval appropriation bill have agreed that if the item is included in the naval appropriation bill on the Senate side they will bring it back to the House for a vote, although they are personally opposed to it?

Mr. BARBOUR. That is true.

Mr. CRAMTON. It is understood that they will either concur or bring it back?

Mr. BARBOUR. That is it.

Mr. LAGUARDIA. The project has not been abandoned at all.

Mr. BARBOUR. No, indeed.

Mr. LAGUARDIA. The item is being shifted to the naval appropriation bill, and the House will be given an opportunity to vote for it if the conferees do not agree.

Mr. STAFFORD. They are shifting this white elephant to the Navy.

Mr. LAGUARDIA. It is not a white elephant.

Mr. STAFFORD. If the gentleman ever saw it he would agree with that statement.

Mr. LAGUARDIA. The gentleman could not have seen anything that did not exist.

Mr. STAFFORD. But the smaller type is a baby white elephant.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BARBOUR. Mr. Speaker, I want to make this comment, that this bill is unique in that, as it comes from conference, it carries less money by $258,000 than it carried when it passed the House of Representatives. [Applause.]

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 30: On page 12, line 18, after the word "Army," insert "No appropriation for the pay of the Army shall be available for the pay of any officer or enlisted man in the Army who is engaged in any manner with any publication which is or may be issued by or for any branch or organization of the Army or military association in which officers or enlisted men have membership and which carries paid advertising of firms doing business with the Government: *Provided, however,* That nothing herein contained shall be construed to prohibit officers from writing or disseminating articles in accordance with regulations issued by the Secretary of War."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. BARBOUR moves to recede and concur in Senate amendment No. 30, with an amendment as follows: In line 2 of the engrossed Senate amendment strike out the word "in" after the word "man" and insert in lieu thereof "on the active list of."

Mr. BARBOUR. Mr. Speaker, I yield the gentleman from New York [Mr. WAINWRIGHT] three minutes.

Mr. WAINWRIGHT. Mr. Speaker, I think the House should understand that this amendment is one which has already been voted upon and was the subject of considerable débate in the House, namely, a proposition to exclude from the management of the service journals of the Army, officers who are giving their time to it at the present time.

The effect of this amendment, as was demonstrated in the debate when this matter was up before, will be to deprive the service journals of the services in positions of management or editorship of those who are best available to conduct the work.

This amendment should not be agreed to, and the House to be consistent should pursue the same course it did when the matter was so thoroughly discussed before. The amendment should not be adopted.

Mr. BARBOUR. Mr. Speaker, in reply to the gentleman from New York, this amendment is intended to correct a situation that should be corrected. It prevents Army officers on the active list from being connected with publications which are engaged in the solicitation of advertisements, and it was brought to the attention of the conferees after the bill passed the House that there had been at least one letter written by an Army officer connected with a publication which the conferees felt was not in any way proper.

Mr. LAGUARDIA. Are these publications published by private corporations? They are not published by the Government.

Mr. BARBOUR. No. I understand they are published by groups of men in the various branches of the service and they are maintained by a subscription list and by paid advertisements.

Mr. LAGUARDIA. But they are not published with Government funds?

Mr. BARBOUR. No; they are not published with Government funds.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. WAINWRIGHT. The gentleman will admit that if this amendment is adopted the result will be that those who are to-day conducting these valuable service publications will be prevented from having practically anything to do with them, and the only part that Army officers can take in the publication of such journals will be in contributing articles to them.

Mr. BARBOUR. No; I do not agree with that. It was stated to the conferees by a Senator from the State of New Hampshire that in all probability some of these magazines can be taken care of through the Joint Committee on Printing.

Mr. LAGUARDIA. It seems to me that would be much more desirable.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 32: Page 16, beginning in line 17, strike out the colon and the proviso ending in line 20.

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Mr. BARBOUR moves to recede and concur in amendment No. 32, with the following amendment: Restore the matter stricken out by said amendment, amended to read as follows: "*Provided,* That none of the money appropriated in this act shall be used for the purchase of oleomargarine or butter substitutes for other than cooking purposes, except to supply an expressed preference therefor or for use where climatic or other conditions render the use of butter impracticable."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 40: On page 24, in line 23, strike out "$20,638,990" and insert in lieu thereof "$20,728,975."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. BARBOUR moves to recede and concur in Senate amendment No. 40, with an amendment as follows: In lieu of the sum inserted by said amendment insert "$20,695,990."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows.

Amendment No. 41: On page 25, in line 7, after "1931" insert a colon and the following: "*Provided,* That of the amount herein appropriated not to exceed $45,000 shall be available for completing the construction of the new officers' apartment building at the United States Military Academy, West Point, N. Y.: *Provided further,* That of the amount herein appropriated $12,000 shall be made available for reimbursing the Gray Ladies of the Red Cross for expenditures already made in connection with the construction of the nonsectarian chapel at Walter Reed General Hospital, District of Columbia, authorized by the acts of February 25, 1929 (45 Stat. 1301), and February 28, 1928 (45 Stat. 156)":

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 43: Page 25, line 24, strike out the word "*Provided.*"

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 44: On page 26, in line 5, strike out "$19,138,990" and insert in lieu thereof "$19,228,975."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment which I have sent to the Clerk's desk.

The Clerk read as follows:

Mr. BARBOUR moves to recede and concur in Senate amendment No. 44, with an amendment as follows: In lieu of the sum inserted by said amendment, insert "$19,195,990."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 48: On page 29, beginning in line 8, strike out the paragraph ending in line 17 and insert in lieu thereof:

"That in the expenditure of appropriations in this act the Secretary of War shall, when in his discretion the interest of the Government will permit, purchase for use, or contract for the use of, within the limits of the United States only articles of the growth, production, or manufacture of the United States, notwithstanding any existing laws to the contrary."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. BARBOUR moves to recede and concur with an amendment, as follows: In lieu of the matter inserted by said amendment, insert the following:

"That in the expenditure of appropriations in this act the Secretary of War shall, unless in his discretion the interest of the Government will not permit, purchase or contract for, within the limits of the United States, only articles of the growth, production, or manufacture of the United States, notwithstanding that such articles of the growth, production, or manufacture of the United States may cost more, if such excess of cost be not unreasonable."

Mr. BARBOUR. Mr. Speaker, I yield three minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Speaker, when this bill was being considered the House was extremely interested in this amendment. I realize that the conferees did everything that was humanly possible in maintaining the House amendment. I simply want to call the attention of the House to the fact that if you recede and concur with the suggested amendment, it makes the whole purpose of the House amendment inoperative. It leaves the proviso to the discretion of the Secretary of War, and I know, and I predict, that he will certify that all food, butter and eggs and dairy products used by the Army in Panama can be better purchased in Australia and New Zealand, instead of Minnesota, Wisconsin, and other States.

So, gentlemen, if you really want to have your Army consume products from your home market, the thing to do is to insist upon the House amendment and vote down the Senate amendment and amendment thereto.

The SPEAKER. The question is on the motion of the gentleman from California.

The question was taken, and the motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Old Fort Niagara, N. Y.: For the completion of repair, restoration, and rehabilitation of the French castle, the French powder magazine, the French storehouse, the early American hot-shot oven and battery emplacements and gun mounts, the casemates of 1861, and the outer French breastworks, and for the repair and building of roadways and the improvement of grounds at Old Fort Niagara, N. Y., to be available until expended, $35,000, to be expended only when matched by an equal amount by donation from local interests for the same purpose, such equal amount to be expended by the Secretary of War: *Provided*, That all work of repair, restoration, rehabilitation, construction, and maintenance shall be carried out by the Secretary of War in accordance with plans approved by him.

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment 74, page 77, line 4, insert the following: "*Provided further*, That the conditions imposed upon the improvement of Biloxi Harbor, Miss., authorized to be carried out in accordance with the report submitted in House Document No. 754, Sixty-ninth Congress, second session, are hereby modified so as to provide that the local interests shall give assurances that they will construct a public terminal adequate for coastwise traffic, under plans to be approved by the Chief of Engineers of the War Department, whenever in his opinion such construction is necessary, and that such local interests shall contribute therefor $5,000 toward the first cost of the improvement and $5,100 annually thereafter for five successive years."

Mr. BARBOUR. Mr. Speaker, I move to recede and concur with the following amendment: In lieu of the matter inserted by said amendment insert the following:

Provided further, That the conditions imposed upon the improvement of Biloxi Harbor, Miss., authorized to be carried out in accordance with the report submitted in House Document No. 754, Sixty-ninth Congress, second session, may, in the discretion of the Chief of Engineers of the Army and the Secretary of War, be modified so as to provide that the local interests shall give assurances that they will construct a public terminal adequate for coastwise traffic, under plans to be approved by the Chief of Engineers of the Army, whenever in his opinion such construction is necessary, and that such local interests, in the event of modification of such conditions, shall contribute therefor at least $5,000 toward the first cost of the improvement and at least $5,100 annually thereafter for five successive years.

The SPEAKER. The question is on the motion of the gentleman from California.

The motion was agreed to.

DISTRICT OF COLUMBIA TRAFFIC ACT

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 14922) entitled "An act to amend the act approved March 3, 1925, and July 3, 1926," known as the District of Columbia traffic act, and so forth, and disagree to the Senate amendments and ask for a conference.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The SPEAKER appointed the following conferees upon the part of the House: Mr. ZIHLMAN, Mr. STALKER, and Mrs. NORTON.

WASHINGTON BICENTENNIAL—DISTRICT OF COLUMBIA COMMISSION

Mr. ZIHLMAN. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6041) authorizing an appropriation of funds in the Treasury to the credit of the District of Columbia for the use of the District of Columbia Commission for the George Washington Bicentennial.

Mr. STAFFORD. Reserving the right to object, may I inquire if this bill is on the Consent Calendar?

Mr. RAYBURN. Mr. Speaker, is the gentleman from Maryland asking unanimous consent? If so, I object. The gentleman from New York [Mr. PARKER], under an order of the House, is to make a very important report this morning, and therefore I object to anything else intervening.

The SPEAKER. The Chair will recognize the gentleman from New York [Mr. PARKER].

RAILROAD CONSOLIDATION

The SPEAKER. The Chair recognizes the gentleman from New York [Mr. PARKER] for 15 minutes.

Mr. PARKER. Mr. Speaker, on the 2d of July, 1930, the Committee on Interstate and Foreign Commerce reported to the House of Representatives the progress being made on the so-called holding company investigation authorized by House Resolution 114 (Rept. No. 2064, 71st Cong., 2d sess.). At that time the committee had employed special counsel and that special counsel had organized a staff of lawyers, accountants, and statisticians to aid in prosecuting the factual inquiry imposed upon him by the Committee on Interstate and Foreign Commerce.

The Committee on Interstate and Foreign Commerce as directed by House Resolution 114, hereinafter printed, respectfully submits the following report (H. Rept. No. 2789) (in three parts) of special counsel to the committee on the phases of the investigation pertaining to the control of railroads through stock ownership and the regulation of such control. The committee will at a later date transmit to the House of Representatives other findings after they have been completed. After your Committee on Interstate and Foreign Commerce has duly considered these findings, gathered and submitted to it by its special counsel, and has held such hearings as may be necessary on the pertinent questions as they develop during the course of the investigation, the committee will submit its recommendations for legislation.

May I now address myself to some observations concerning the results of the inquiry herewith submitted?

First, I want to call attention to the expedition with which this part of the inquiry has been conducted. The Members of this House are quite familiar with how time is consumed in any sort of extensive inquiry. Months and even years frequently pass before the desired information is run down and put in presentable form. This report transmitted to-day for your information contains the results of an examination of every Class I railroad in the United States; of a careful perusal of the files of the Interstate Commerce Commission for information concerning the ownership of every railroad company in the country; the results of interrogations of several hundred investment trusts; nearly 300

brokerage houses and of the investment houses important in railway financing; findings of expert accountants who made personal examinations of the books and records of the most important holding companies in the railway field; compilations by expert economists who examined every possible source of information concerning each of several railway holding companies which have fairly long histories; an expert opinion by an eminent economist as to whether the holding company in the railway field should be outlawed or regulated; and, in addition to all this information, Members of the House of Representatives will be interested in reading a statement which the report contains concerning the power of the Congress to regulate ownership of railway securities.

That within a year the results of these inquiries should have been brought together and compiled for the use of Members of the House of Representatives is eloquent testimony both of the diligence with which the investigation has been made and the cooperation of those who have been called upon by the committee to furnish information.

Second. The purpose in transmitting these findings is that Members of the House of Representatives may have sufficient time in which to inform themselves concerning railway ownership in this country while the committee is completing the inquiries and formulating its conclusions.

I shall not take your time to tell you what is contained in these three volumes. At your convenience you will find that out in your own way and for yourselves. I can not refrain, however, from emphasizing the wealth of information which is being placed before you. You will be impressed, as you turn these pages, by the activity in the acquisition of control of railway properties in certain parts of the country. Let me emphasize that this activity is explained by the competition of great interests for the possession of strategic railway properties. This should be borne in mind as you read of the dramatic and daring adventures of those ambitious to fashion the railway map to their own liking.

Again, as you read the study of the constitutional power of Congress to regulate stock ownership in railroads engaged in interstate commerce, you will be impressed by the large powers the Congress possesses under the Constitution. It seems clear to me that the Congress can do about what it finds to be necessary to protect the public interest. Whatever the abuses of the holding company which this inquiry under House Resolution 114 may bring to light, it seems clear that you have the power to correct the abuses, to remedy the evils, to subject the holding company to reasonable regulation without being reduced to the necessity of destroying it. That is, through proper regulation, so far as your powers are concerned, you can preserve the benefits of the holding company and at the same time remedy such evils as may call for correction.

Again, I think you will agree with me that the facts here disclosed clearly demonstrate the efficacy of congressional regulation of railroads. At this point I want to make it clear that what I am about to say represents my own views and not any expression of the committee. This portion of the report has only to-day come to the committee, as I stated at the beginning of my remarks.

The activities which may be construed to impose a burden upon interstate commerce, which may interfere with congressional planning in the public interest, have been by companies acting beyond the jurisdiction of the commission or at least as far without the reach of that jurisdiction as the cunning of lawyers could contrive. If these companies had unquestionably been subject to the commission's jurisdiction, I believe there would have been less complaint of their activities and less ground for accusation that they have engaged in grab-as-grab-can contests. It is true that most of these acquisitions of control through the device of the holding company about which the commission has complained will, it is announced, soon be submitted to the commission in connection with applications for four dominant systems in eastern territory. The outcome of the hearings before the commission on those proposed applications will perhaps determine the attitude of the Congress with reference to the problem of what to do about such acquisitions of control during the past 10 years as the commission has brought to our attention. Similar acquisitions in the future, it appears, can readily be brought within the jurisdiction of the commission by amending paragraph (2) of section 5 of the interstate commerce act, as amended.

I favor such an amendment and believe that it should be passed with promptness. If and when it is passed, however, it should be made very clear that it does not give immunity to any company which before the effective date of the amendment had acquired control of some railroad in violation of an existing statute. If there have been such violations, the proper authorities should be left free to initiate such measures as the facts warrant and as the public interest dictates. So much for bringing future acquisitions of control unquestionably within the jurisdiction of the Interstate Commerce Commission.

Now let us turn to the problem of the acquisitions already made. As I have indicated, the most important of these should be before the Interstate Commerce Commission within a short time in connection with the applications of four eastern systems. If all these matters are in good faith submitted to the commission in connection with those applications, I think it safe to leave the matters for the commission to adjudicate after they have heard the pleas and arguments of the parties at interest. But if there should be undue delay in coming to the commission with the proposed applications of the four systems, if there should continue to be striving after selfish advantage and hesitancy in submitting the issues to the commission, then the Congress may find it necessary to clothe the commission with undoubted power to compel divestiture of the ownership of railway stock where the commission would find that such ownership had been acquired without the commission's approval and was being continued contrary to the commission's finding of what is in the public interest.

These findings being transmitted to-day are concerned with the ownership and control of railroads. There is abundant information concerning the activity of the holding company in railway ownership and control. This part of the investigation was not concerned with the holding company in fields of business other than railway. The holding company is more important, perhaps, in some other lines of business than in the railway field. The disclosures herein contained will undoubtedly provoke a desire to regulate the holding company as an agency in business. It is my judgment, as an individual, that before Congress enters upon that line of legislation it should seek fully to be informed concerning the advantages and disadvantages of the holding company in the various lines of business engaged in interstate commerce. I personally believe that since we have started we should go through with a full and comprehensive inquiry into all the activities of the holding company in so far as those activities may impose a burden upon interstate commerce.

Referring again to the report, I have been forcibly struck by the simplicity of the capital structures of railway companies. Of 147 class I railroads, 80 have only one class of stock and 44 have only two classes of stock. In all but exceptional cases equal voting rights attach to all classes of stock.

Another impressive fact is the wide distribution of the ownership of the voting stock of American railroads. On the stock-registry books of 160 class I railroads on December 31, 1929, stood some 840,000 names. That is to say, 840,000, or nearly a million people, own the voting stocks of our railroads. This does not include the names of bondholders, for no inquiry was made as to the ownership of bonds except where the bonds have voting privileges. Each class I railroad was required to disclose its 30 largest stockholders. What do you suppose was the per cent of total voting power represented by the thirtieth largest holder of record? In 42 cases it was less than two-tenths of 1 per cent. In only two instances did the thirtieth holder of record have over 1 per cent of the voting power of a railroad company.

Another very striking fact, and to me rather surprising, is the small influence of family holdings in our American railways. On page 67 you will find listed the holdings of the

families really important in American railway finance. There are only eight of these family groups, and with the exception of an occasional road, like the Western Pacific, you will not find the per cent of total voting power held by a family to be of very great significance. The Baker family control about 10 per cent of the Lackawanna; Arthur Curtis James seems to dominate the Western Pacific; the Vanderbilts have about 17 per cent of the voting stock of the Pittsburgh & Lake Erie. You will find the other family holdings surprisingly small. For years the public has thought of the New York Central as a Vanderbilt property. This report discloses that the Vanderbilts hold less than 5 per cent of the voting stock of that corporation.

I had also supposed that the great foundations, such as the General Education Board, would be listed among the most important railroad holders. While such foundations appear frequently as stockholders, as a rule their holdings are of no consequence when control is considered.

On page 73 it is disclosed that the large banks and investment banking and brokerage houses altogether own only 5 per cent of the total outstanding capital stock of all Class I railroads. The ownership of railway stocks is in the hands of a multitude of American citizens. Usually when one of the 30 largest stockholders of a railroad would appear on the record to be a brokerage house or investment bank, an examination would reveal that the company held the stock in some instances for several hundred individual accounts.

On page 51 you will find an analysis of the manner of the control exercised over 160 railroad companies. Thirteen of these companies, with less than 3,300 miles in operation, are controlled by industries; 31 companies, with an aggregate of nearly 30,000 miles, are controlled by individuals or families. This seems contradictory to what I have just said about the lack of importance of family holdings in the ownership of American railroads. The report reveals that most of these 30,000 miles controlled—you will notice I said "controlled" not "owned"—is under the control of the Van Sweringen brothers. How they exercise this control through their holding companies is clearly set forth in the report. Thirty-two railroads, with 47,000 miles operated, have their securities held in large part by one or more interests. Sixty-two railroad companies, with a total of over 146,000 miles, show no marked concentration of ownership.

We have had a great deal of talk about the consolidations of the railroads in this country into a limited number of systems. The tentative plan of the Interstate Commerce Commission recommended 19 systems. Their so-called final plan includes 21 systems, 19 being in the continental United States and 2 belonging to the Canadian systems. Some people have wondered why the commission did not recommend more systems. This report reveals that 15 major groups in this country now control 210,000 miles, or nearly 85 per cent of the railway mileage of the entire country. These 15 major groups are as follows:

		Miles
Van Sweringens		28,411
Great Northern	8,511	
Northern Pacific	6,783	
Spokane International	554	
Burlington (includes 367 miles operated jointly with other systems)	11,987	
Total for Hill group (two systems)		27,693
Pennsylvania		23,698
Southern Pacific		14,485
Frisco		14,217
Atlantic Coast Line		14,122
Santa Fe		13,166
New York Central		13,376
Baltimore & Ohio		11,270
St. Paul		11,247
Chicago North Western		10,205
Union Pacific		10,157
Southern		9,903
Illinois Central		9,109

On page 52 and following you will find what companies have most of the other 15 per cent of the mileage.

An account of the holding companies in the railway field is shown at page 26 and following. This information, together with that contained in Volume II of the report, reveals that most of the holding companies in the railway field are merely used for convenience in tying subsidiary corporations in with the parent companies. In only a few instances have there been notable activities such as those which provoked the complaint of the Interstate Commerce Commission, and to which I referred in the beginning of this statement.

On December 31, 1929, 160 Class I railroads operated 242,000 miles of road, and for the year ending on that date they had received in operating revenues $6,280,000,000; their gross capital approximated $23,800,000,000; their operating expenses were over $4,506,000,000; their wage bill was about $2,897,000,000; they paid in taxes that year $397,000,000, and in interest approximately $500,000,000. These figures emphasize the importance of the railway systems to the American people.

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AMENDING IMMIGRATION ACT OF 1917

Mr. JENKINS. Mr. Speaker, I call up the conference report upon the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended, and move the adoption of the same.

The SPEAKER. The gentleman from Ohio calls up a conference report, which the Clerk will report.

The Clerk read the conference report.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended, 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 disagreement to all the amendments of the Senate, and agree to the same.

ALBERT JOHNSON,
T. A. JENKINS,
S. RUTHERFORD,
Managers on the part of the House.

HIRAM W. JOHNSON,
DAVID A. REED,
WILLIAM J. HARRIS,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (H. R. 9803) to amend the fourth proviso to section 24 of the immigration act of 1917, as amended, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The fourth proviso of section 24 of the immigration act of 1917, as amended, provides for payment of traveling expenses of inspectors or other employees of the Immigration Service when ordered to perform duty in a foreign country or transferred from one station to another in a foreign country, including, in the discretion of the Secretary of Labor, the expense of transferring wives and dependent minor children and not over 5,000 pounds of household effects and other personal property. The House bill extended this provision to apply to inspectors and other officers and employees of the Immigration Service transferred from one station to another in the United States. The House bill also provided for the payment of the expenses of transporting the remains of inspectors and other employees of the Immigration Service who die while in or in transit to a foreign country in the discharge of their official duties to their former homes in the United States for interment.

The Senate amendments include within the original provisions of the portion of the 1917 act referred to, as well as the broadened provisions of the House bill, officers and employees of the Naturalization Bureau and Naturalization Service; and the House recedes on all three amendments.

ALBERT JOHNSON,
THOMAS A. JENKINS,
SAMUEL RUTHERFORD,
Managers on the part of the House.

Mr. STAFFORD. Mr. Speaker, will the gentleman tell the House what the conference report is?

Mr. JENKINS. Mr. Speaker, this bill provides that immigration inspectors shall be put in the same classification with customs inspectors, in that when they are traveling from one place to another their traveling expenses shall be allowed them. The bill passed the House two or three different times and went to the Senate. The last time the Senate amended it by including the naturalization officials. That is all the change there is.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

REFUNDING TREASURY OBLIGATIONS

Mr. HAWLEY. Mr. Speaker, I call up the bill (H. R. 16111) to amend sections 1 and 7 of the second Liberty bond act, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Oregon calls up the bill H. R. 16111 and asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

Mr. PATTERSON. Mr. Speaker, I object.

Mr. HAWLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16111. Pending that, I ask unanimous consent that the

time for debate be limited to 45 minutes, 30 minutes to be controlled by the gentleman from Tennessee [Mr. HULL] and 15 minutes by myself.

The SPEAKER. The gentleman from Oregon asks unanimous consent that the time for general debate be limited to 45 minutes, 30 minutes to be controlled by the gentleman from Tennessee and 15 minutes by himself. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Oregon that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16111.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 16111, with Mr. SNELL in the chair.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1 of the second Liberty bond act, as amended (Public, Nos. 43, 120, and 192, 65th Cong., September 24, 1917, April 4, 1918, and July 9, 1918, respectively), is hereby amended by striking out the figures "$20,000,000,000" and inserting in lieu thereof the figures "$28,000,000,000."

SEC. 2. That section 7 of the second Liberty bond act, as amended (Public, No. 43, 65th Cong., September 24, 1917), is hereby amended by adding thereto the following sentence: "Bonds authorized by section 1, and certificates authorized by section 6, of this act, as amended, shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States, upon the income or profits of individuals, partnerships, associations, or corporations, if and when the Secretary of the Treasury shall so prescribe in connection with the issue thereof."

Mr. HAWLEY. Mr. Chairman and ladies and gentlemen of the committee, the purpose of this bill is to enable the Treasury Department to refund certain outstanding obligations that are callable within a short period. Under the existing law the total amount that can be issued as securities is $20,000,000,000. There will be due within about a year $1,933,000,000, face amount, of the first Liberty bonds outstanding, callable in 1932, and of the fourth issue of Liberty bonds, 4¼ per cent bonds, callable in 1933, an aggregate of $6,268,000,000. The present total amount of issues of bonds under the $20,000,000,000 is $18,107,000,000. It is impossible for the Treasury out of the current revenues to retire these bonds as they become callable, and the passage of this legislation at this time will give the Treasury an opportunity to carry out proper financing operations to refund these bonds as they are callable.

Mr. LINTHICUM. What is the interest on the bonds it is proposed to refund?

Mr. HAWLEY. The interest on the larger amount is 4¼ per cent.

Mr. LINTHICUM. And we can get money now for less than 1½ per cent?

Mr. HAWLEY. It is hoped that this rate of interest may be materially reduced. There is another consideration. There is an outstanding obligation of some $3,000,000,000 of short-term securities. It may be necessary in order to bring them within manageable proportions to refund some portion of them. There is also an estimated deficit in the revenues for the fiscal year of some $500,000,000. Recent legislation regarding adjusted-service certificates may require some issues of bonds in order to expedite the payment of the loans to the veterans. This legislation will afford the Treasury opportunity to issue bonds for the prompt payment of the loans when they are applied for by the veterans.

There is one new paragraph in the bill, and that relates to the exemption of these bonds, from the payment of certain taxes in the event that the Treasury finds that proper and beneficial to the Treasury so to do. At present States can issue tax-exempt securities, and under the comity of States the securities and interest thereon issued by one State are not taxed in another State, with few exceptions. The political subdivisions of the States may issue tax-exempt securities, and under the comity one State does not tax the bond issues or the interest on them of the political subdivisions of another State; also, the outstanding short-term securities of the Government that are nontaxable, and they have proven to be very acceptable to the bond market, being issued at very low rates of interest. The interest on Federal bond issues is subject only to the surtax. They are not subject to the normal tax, either individual or corporation, and to relieve the corporations from the payment of tax thereon and to tax individuals and partnerships discriminates in favor of the corporation as against the partnership or the individual in this respect.

In order to provide equality of burden between the various activities of the country, this elimination of the interest provision will effect a readjustment.

The Treasury will sell in competition with the State issues, and issues of political subdivisions of the State. Where we sell a taxed bond in competition with a tax-free bond, we are likely to pay a higher rate of interest than would otherwise be necessary. The Treasury has given the proposition very careful consideration and taken into consideration any possible loss of taxes that might occur. If the bonds are relieved from the excess-profit tax, they are confident the sale of these bonds can be effected on such terms that the saving of interest to the Treasury will exceed any possible loss of revenue.

The bill was unanimously reported by the Committee on Ways and Means and we believe it should pass at this time.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. LAGUARDIA. Under our system of financing, it is possible to increase the national debt automatically. What I do not quite understand is, if by increasing the second Liberty loan by $8,000,000,000, that means the Treasury Department will be able to increase the national debt, automatically. The pending bill is not intended to increase the public debt, but is proposed in the interest of refunding operations.

Mr. HAWLEY. The law now limits total issues to twenty billions of securities, and the aggregate is limited to $20,000,000,000. They can not call in some issues and refund them beyond this limit. In order to take care of the two outstanding issues already mentioned that amount to over eight billion, by issuing new bonds to replace called bonds, they must have an increase of the limit. They can not go above twenty billion.

Mr. LAGUARDIA. Am I correct that if we had the resources we would retire those bonds?

Mr. HAWLEY. We have been retiring them.

Mr. LAGUARDIA. And if we had surpluses, or if we had anticipation of surpluses we could retire them, could we not?

Mr. HAWLEY. We have done so.

Mr. LAGUARDIA. So, therefore, we are increasing the borrowing capacity in order to take care of maturing indebtedness instead of paying for it? The additional authorization is to enable the refunding of called securities.

Mr. HAWLEY. The gentleman will agree that in the next two years it is not possible to raise $8,000,000,000 of additional revenue to retire those securities. So in order to meet the maturities and keep the Government in good faith with its people, we are necessarily compelled to increase the limit so that they can replace an old bond with a new one.

Mr. LAGUARDIA. In other words, we are borrowing new money to pay old debts?

Mr. HAWLEY. Yes; but without increasing the public debt.

Mr. PATTERSON. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. PATTERSON. Does the gentleman mean to say that the Ways and Means Committee reported this bill unanimously?

Mr. HAWLEY. I have looked up the minutes, and that is what the minutes show.

Mr. PATTERSON. Were all the members present?

Mr. HAWLEY. I think there were 22 or 23 members present.

Mr. PATTERSON. In the second section of this bill does it not exempt those people from certain surtaxes and income taxes which under previous laws they were compelled to pay?

Mr. HAWLEY. I stated that under existing law the income from public securities of the United States is not subject to the normal tax, personal or corporation.

Mr. PATTERSON. I heard the gentleman make that statement, but I would like a direct answer to my question.

Mr. HAWLEY. If the gentleman will give me an opportunity. The income is subject to the surtax. Corporations do not pay any surtax. Individuals and partnerships do pay surtax. In order to hold an even balance between the different kinds of activities of this country, the committee felt that to relieve them all of the obligation of paying surtaxes on those securities would be fair to all, and would also increase the Government's opportunity to get money at a lower rate of interest. Whether the new issues will be issued as tax exempt is left for the Treasury to determine when any issue is offered.

Mr. PATTERSON. The gentleman, then, believes in the theory that we ought now to reduce taxes paid by those people who earn millions of dollars annual income?

Mr. HAWLEY. That does not follow. I believe that where the Government can, by the sale of bonds at a lower rate of interest, save money to the Treasury over existing plans it is a commendable plan.

Mr. PATTERSON. Well, I do not believe in that kind of philosophy.

Mr. WOODRUFF. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. WOODRUFF. Along the line of the questions propounded by the gentleman who was just interrogating the gentleman from Oregon, the present Government securities are tax-exempt entirely?

Mr. HAWLEY. The income from certain issues are taxable under the surtax.

Mr. WOODRUFF. And under the proposed bill it is proposed to tax income derived from the surtax?

Mr. HAWLEY. No.

Mr. WOODRUFF. In other words, the proceeds from the surtax?

Mr. HAWLEY. No. To relieve taxpayers, in the discretion of the Treasury, if they find it more profitable to issue bonds in that form, without their income being subject to any tax whatever.

Mr. WOODRUFF. I misunderstood the gentleman, then.

Mr. FREAR. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. FREAR. In response to the gentleman who just spoke [Mr. PATTERSON], who has no confidence in the Committee on Ways and Means, I would suggest that it is possible for us at any time to increase the surtax on personal incomes. There is that means of meeting the deficit.

Mr. HAWLEY. And that is quite likely to be done in the near future.

Mr. FREAR. And that is the answer to the whole thing.

Mr. WOODRUFF. May I proceed further?

Mr. HAWLEY. Mr. Chairman, I wish to reserve two minutes of my time.

Mr. WOODRUFF. The gentleman from New York [Mr. LAGUARDIA] called attention to the fact that this bill gives the Treasury Department authority to increase the amount of bonds which can be issued from something like twenty billion to twenty-eight billion, but practically it does not mean that that indebtedness will be increased one dollar, does it?

Mr. HAWLEY. It is not intended to increase the indebtedness, but to enable the Treasury to conduct refunding operations. It simply means that the total volume issued altogether shall be twenty-eight billion instead of twenty billion, new bonds being issued to take the place of old bonds that are callable.

Mr. Chairman, I reserve the balance of my time.

Mr. HULL of Tennessee. Mr. Chairman, the bill now pending before the committee proposes a sudden and complete reversal of the policy of this Government with respect to tax-exempt securities. In 1917, when the second Liberty bond act was under consideration, both Houses of Congress, with singular unanimity, agreed upon the permanent policy of imposing a surtax on the interest derived from all Liberty bonds. From 1921 to 1927 there were no stronger advocates of that policy and its permanent continuance than the Treasury.

This proposal is a challenge to the doctrine of graduated-income taxation. Those who would reduce their surtaxes receive corresponding benefits by the remission of surtaxes on Federal securities. One is the equivalent of the other. So in the absence of any further reduction or readjustment of surtaxes in this country we have the equivalent proposal to the extent it will go and that is the complete tax exemption of all interest on Liberty bonds.

When this tax was imposed on the incomes of individuals it was not expressly imposed on corporations because individuals were supposed to draw from those corporations in the form of dividends their ratable share of the entire earnings of the corporations in which they held stock. So today the criticism which the Treasury offers to the effect that individuals are placed at a disadvantage in the bond market and that corporations derive a corresponding advantage is due to the fact that the corporations only distribute about 45 per cent of their earnings to their stockholders, on the average. If they would distribute their entire earnings, as the income-tax law contemplates, then every penny of interest they derive from Liberty bonds would be subjected to a surtax, and that would apply to all bonds in the hands of individual stockholders whose income exceeded $10,000.

So it is no criticism of this policy of taxing securities in the hands of individuals.

Now, gentlemen, this World War was fought, I think, by European countries on tax-free securities to a large extent. All of them except Great Britain undertook, to the extent that they raised money by borrowing, to put out tax-exempt securities. England and this country alone undertook to finance the war by imposing at least a surtax on the interest of the bonds they issued. In my opinion, it is unwise and unsound at this stage—even when all the States have piled up vast debts and have put out some $15,000,000,000 or $16,000,000,000 of tax-free securities—to make a change. But when the States have reached a point of vast expenditures and bond issues, as they now have, they must soon halt and devise programs of retrenchment and economy, of new systems of more equitable taxation to take the place of the outrageous general property-tax systems that curse so many of them. Just at the time when these vast changes and readjustments in tax methods must be taken up by the States our Federal Government would lend the great prestige of its leadership in the direction of permanent tax exemption in this country. It seems to me we already have enough property exempted from all taxation. Five years ago more than $55,000,000,000 worth of property, real and tangible, was exempt from all taxation, Federal, State, county, and municipal, and I dare say that huge amount approaches $75,000,000,000 by this time.

I am opposed, gentlemen of the committee, to a policy which would cause this Government to contract away the right to tax vast structures of wealth piled up by individuals in this country. [Applause.]

Mr. FREAR. Will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. FREAR. Let me say that I believe I express the opinion on both sides of the aisle when I say that the Members of the House sincerely regret that we are going to lose the distinguished gentleman from Tennessee from our midst in the succeeding Congresses. He is an authority on the subject of taxation, and we have particularly appreciated him in the committee and in the House during his long term of service. The question I want to ask is this: All of the States, cities, counties, and other municipalities that have issued these tax-free securities are in the market to-day for refunding and new issues. As I understand the bill now before us, it merely provides that the Government may place the same kind of securities in the same market. As far as I know, there was no opposition to it in the committee, and my understanding of the reason for the bill is

that as these other municipal securities are now in the market the Federal Government is to place the same kind of securities in that same market. I am in favor, as the gentleman well knows, of taxing all personal incomes and with the surtaxes, so as to make people best able to pay their just share of taxes. It is impossible for the Government to control this great wealth of tax-free securities issued by various municipalities and which, as suggested by the gentleman, have now reached over $70,000,000,000.

Mr. HULL of Tennessee. The gentleman's interruption is very timely and very pertinent. The answer to it as I see it is, first, that two wrongs do not make a right. If the States have been heading in an unwise and unsound direction by the issuance of vast amounts of tax-free securities they can not halt and retrace their steps too soon. This great Federal Government, instead of falling in line, should stand for the sound policy that is involved.

Mr. FREAR. Will the gentleman yield for another question in relation to that statement?

Mr. HULL of Tennessee. Yes.

Mr. FREAR. As we are giving authority by this bill for $28,000,000,000 to be issued out of the $70,000,000,000, would not the Government securities be placed at a disadvantage in competing with other tax-free securities on the market at a time when we have been threatened, as claimed by the witnesses who have been before us, with having to negotiate Government securities at an unfair interest rate?

Mr. HULL of Tennessee. In the first place, the United States security is the premier security in all the world. Every bank and every trust company and every corporation and every business individual is constantly after these bonds at interest rates that do not relate to the conditions to which the gentleman refers. They want them to place in their reserves. Instead of retaining cash they take these bonds and they are equivalent to money on interest. They can take them out and deposit them as collateral on an hour's notice. They can use them for an infinite number of tremendously valuable and advantageous purposes as a part of their reserves, and for this reason they do not seriously think about fractional interest rates, and the interest rate is governed by these considerations.

Mr. DUNBAR. Will the gentleman yield?

Mr. HULL of Tennessee. If the gentleman will let me go a little further, then I will be pleased to yield.

Now, Mr. Chairman, here is a statement of Mr. Ogden Mills before the National Tax Association in 1923:

> Tax-exempt securities must inevitably destroy the progressive income tax, and I am by no means sure that the evil has not already reached such proportion as to make any possible action too late to save our present income tax.

Emphasizing just a little further the situation in the States, there is insistent demand in every State in the Union to tax intangible property owners and give some relief to the farmer and to the real estate and tangible property owner.

The only way this can be done, of course, is by taxing the profits or interest derived from intangible property. Thirteen States have already commenced this undertaking and just as we are reaching a stage where all this $100,000,000,000 of intangible property is about to be sought after by the States for tax purposes, our Federal Government faces in the opposite direction and undertakes to establish here the permanent policy in this great country that there shall be at all times, or may be, $50,000,000,000, $100,000,000,000, or $125,000,000,000, of the choicest wealth in America securely locked up so that whether in times of peace or war no tax-gatherer can get within reach of it.

Why, we have seen these surtaxes vary from a maximum of 20 per cent to 65 per cent in this country within 15 years, and when you are talking about a little fraction of interest rate for to-day or to-morrow, you are not touching the merits of this problem of whether we are going to adopt a policy of tax-exempt securities permanently in this country or not. I want to get this thought impressed on the minds of you gentlemen.

During the Civil War we put out tax-exempt securities, some of them running 30 years. They jumped to a premium of 128 or in that neighborhood. To-day there is no attention really given to a little fraction of value of interest rate on Federal securities, and all of them are at a premium. There is no thought of figuring out these fractions. They want them for all kinds of business purposes. They are complaining because the public debt is being paid off too fast and they will not have these bonds for reserve purposes, and for tremendously valuable business purposes in this country, to make capital liquid, to enable industry to function; and our war bonds have really performed a great service in this regard.

Mr. STAFFORD. Will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. STAFFORD. As I recall the issue of the national bonds, the first issue at 3½ per cent, under the first Liberty loan, is exempt from taxation.

Mr. HULL of Tennessee. They were exempt from taxation.

Mr. STAFFORD. And they are to-day?

Mr. HULL of Tennessee. The one billion and some odd that are unrefunded are still exempt.

Mr. STAFFORD. What is the difference in the price of those bonds as compared with other taxable bonds?

Mr. HULL of Tennessee. I checked up on that some days ago. To state the general development of this matter, I recall the fifth Liberty loan was floated early in 1919, with two offers, one for 3¾ per cent tax-exempt, and one for 4¾ per cent subject to surtax. There were only a few hundred million bids at 3¾ tax free. Everybody, practically, took the 4¾ per cent bonds subject to surtax.

So there is no particular attention being given to the difference between taxed and tax-free bond values by the country at this time, and, as I say, any little difference in rates to-day does not raise the real question of ultimate permanent policy. I would shudder, in the first place, to see this country thrown into a war in 20 or 50 years. I would shudder still more to find a great, rich, fat, idle, lazy class in this country with perhaps over $150,000,000,000 of tax-free money locked up securely and completely immune from any of the burdens of that war. [Applause.]

Mr. DUNBAR and Mr. OLIVER of Alabama rose.

Mr. HULL of Tennessee. I yield first to the gentleman from Indiana.

Mr. DUNBAR. What Government securities are exempt from the surtax where an individual pays taxes on an income of more than $10,000 a year?

Mr. HULL of Tennessee. As I undertook to explain in the beginning, the theory of income tax law was that the earnings of all corporations would be distributed to the stockholders and they would pay surtaxes on those corporate earnings, even though they included interest from Liberty bonds; but as it is only half of their earnings are distributed, and individuals now pay surtaxes on all interest that goes into incomes of $10,000 and over.

Mr. DUNBAR. Suppose you have an income of $500,000 a year from tax-exempt securities—individual, not corporation—are there any bonds upon which you will be exempt from paying a surtax on an income of more than $10,000?

Mr. HULL of Tennessee. I do not know whether I understand the gentleman, but I have said that every individual income pays a surtax upon an income of $10,000 or more. The interest from the bonds is the same as rent or profits from property of any other kind. The surtax to-day applies to the late war bonds of the United States aggregating near $12,500,000,000.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. HULL of Tennessee. I yield.

Mr. OLIVER of Alabama. There are bonds drawing 4 per cent interest liable to surtax and some callable in 1932 and 1934, and both are selling for about 103.

Mr. HULL of Tennessee. That is true. Now I want to read what Secretary Mellon said on this policy back in 1923. He was resisting the argument in favor of new exempt securities. He made this statement:

> The arguments presented for the State of Virginia may be answered more specifically in taking up the several questions raised by your letter, but I may say at the outset that no amount

of arbitrarily assumed figures or loosely drawn conclusions such as appear in its brief and accompanying tables can serve to obscure the main facts in the situation upon which the Treasury relies in urging support for the proposed constitutional amendment, namely, that the continued issuance of tax-exempt securities is building up a constantly growing mass of privately held property exempt from all taxation; that tax exemption in a democracy such as ours is repugnant to every constitutional principle, since it tends to create a class in the community which can not be reached for tax purposes, and necessarily increases the burden of taxation on property and incomes that remain taxable; and that is absolutely inconsistent with any system of graduated income surtaxes to provide at the same time securities which are fully exempt from all taxation, since the exemptions will sooner or later defeat at least all higher graduations and will always be worth far more to the wealthier taxpayers than to the small ones.

Tax exemption, of course, gets quite a disproportionate value when taxes are not at a level rate but are levied at graduated rates, and the Federal surtaxes are almost wholly responsible for the extraordinary value which tax-exempt securities enjoy to-day. It is nonsense to refer to this value as something which the States have the right to enjoy in selling their securities, for the value depends in large measure on the relative scarcity of tax-exempt securities, and the Federal Government could seriously impair and nearly destroy it by issuing all its own securities exempt from surtaxes. Contrariwise, since the value of the exemption turns largely on the existence of graduated surtaxes, the Federal Government could certainly reduce and probably destroy the present premium on tax-exempt securities by changing its own tax system and substituting for the income surtaxes some other form of tax which would not be affected by the presence of tax-exempt securities, as, for example, a tax on sale or expenditures.

I hope the membership of the House will not overlook the fact that the real test of the wisdom of this policy arises in times of great stress, in times of war, in times when those who have the cream of the wealth can be turned to by the Government which gives them and their property protection and requires them to bear a fair share of the burden.

Mr. BRIGGS. Will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. BRIGGS. What does the gentleman say about the statement of the chairman of the committee that the inclusion of this provision in the bill will have the effect of refunding the bonds at a lower rate of interest than could otherwise be obtained?

Mr. HULL of Tennessee. As I stated in my opening remarks, no business men are thinking about interest so much as they are thinking of getting these bonds for liquid capital and putting it in reserve for any emergency. That is the question that is paramount to them. It makes no difference whether we have a large amount of tax-free securities as we have to-day so far as the rate of interest is concerned. Are we going out of our way to reverse the time-honored policy of retaining the right on the part of Congress, at least when there is an emergency, to impose taxes on any and all properties that should be reasonably subject to taxation?

Mr. PATTERSON. Mr. Chairman, will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. PATTERSON. In other words, the benefit derived from this to the Government will be very small, and in addition to that it changes the law and sets up a fundamental policy which might cause the Government a great deal of embarrassment in time of stress.

Mr. HULL of Tennessee. The advantage is inconsequential. We get back to the question of whether we propose to strike a severe blow at the doctrine of graduated income taxation in this country.

Mr. O'CONNOR of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. O'CONNOR of Oklahoma. Is it not really a question of creating a large reservoir of great wealth invested in tax-exempt securities, and because they are exempt from the burden of Government, those who hold them are also exempt from any interest in or responsibility for Government; and also, when and if taxes get higher, they are still out of the picture?

Mr. HULL of Tennessee. Yes; in the hands of an idle, worthless class, sitting by and enjoying the protection of Government, and defying every taxgatherer in the land.

Mr. LAGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. HULL of Tennessee. Yes.

Mr. LAGUARDIA. Would not the necessity for this legislation indicate that our bonded indebtedness is maturing more rapidly than we can absorb it, and hence the need of increasing the amount which the Treasury may refund?

Mr. HULL of Tennessee. That opens up a rather long story. I may say that refunding operations are only replacements, and this is vastly different from finding new markets for new loans. Some day I hope to make a review of our refunding operations since 1919, since the war, but my time is just expiring now, and I shall be glad to include that later.

Mr. Chairman, I personally believe that at the end of 8 or 10 years of unimaginable expenditures in this country by Federal and State, county and municipal authorities, for all kinds of purposes, the time has now come when there should be a halt on the part of Congress and legislatures and municipal councils, and a drastic curb imposed upon further expenditures in this country and further burdens to the American taxpayer. [Applause.] Productive expenditures in a selective way, of course, would constitute an exception, but the time is here when there should be readjustment and retrenchment of our expenditures and a reform of our tax burdens, in order that they may be redistributed, and this policy of surtaxes on Government bonds appeals keenly to me as lying largely at the base of that kind of a plan and course of readjustment of taxation and expenditures in this country. [Applause.]

Mr. PALMER. Has the gentleman any plan whereby we can reach intangible property to make it pay its proportion of taxation?

Mr. HULL of Tennessee. Any income tax collected at the source, if not collected in any other way, would reach it, just as they reach it in Great Britain.

Mr. MORGAN. Is it the judgment of the gentleman that there would be wider distribution of Government securities if they bear surtaxes than if they do not?

Mr. HULL of Tennessee. It is like it was in 1919, and really during the war. People did not stop to look and see the little fractional difference there was in rates. They wanted these securities and they still want them.

Mr. MORGAN. I am thinking of the small investor. Would there not be a larger number of small investors and a smaller number of large investors and a wider distribution if the bonds bore surtaxes?

Mr. HULL of Tennessee. The small investor, of course, to-day has a 20 per cent advantage over the individual with an income of $100,000 a year and over. This proposed tax repeal would wipe that out and put a 20 per cent premium on the individual with an income of $100,000 and over.

Mr. MOORE of Virginia. Considering the state of the money market at this time, would the gentleman be good enough to give us his opinion as to the rate at which the bonds could be sold, if they carried the income surtax?

Mr. HULL of Tennessee. There is no difficulty whatever about disposing of Government securities. There is an immense reservoir of credit in this country that would seek directly at every opportunity to invest in such Federal securities as are remaining in the country and at a liberal price. The fact that they are at a premium all the time—the bonds, the notes, and certificates—at almost any interest rate is indicative of the fact that there would be no difficulty about selling any substantial amount of Federal securities on our market overnight at entirely satisfactory rates of interest. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

SEC. 2. That section 7 of the second Liberty bond act, as amended (Public, No. 43, 65th Cong., September 24, 1917), is hereby amended by adding thereto the following sentence: "Bonds authorized by section 1, and certificates authorized by section 6 of this act, as amended, shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States upon the income or profits of individuals, partnerships, associations, or corporations, if and when the Secretary of the Treasury shall so prescribe in connection with the issue thereof."

Mr. HULL of Tennessee. Mr. Chairman, I move to amend by striking out section 2.

The Clerk read as follows:

Amendment by Mr. HULL of Tennessee: Beginning on page 1, in line 9, strike out all of section 2.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

Mr. HAWLEY. Mr. Chairman, I rise in opposition to the amendment. State governments and the political subdivisions of State governments issue large quantities of tax-exempt securities. These securities and the interest on them issued by one State are not, with some few exceptions, taxed in another, and interest on them is not taxed by another State, but by the comity of States, with few exceptions, they are tax exempt in other States.

The Federal Government, going into the market to sell its securities, meets this competition, and some of those securities which the States, municipalities, and counties offer, are excellent securities. They are gilt-edge. If the Government is to get as fair rates of interest as the States and political subdivisions of the States can get, it must offer its bonds on similar terms. The question is simply whether it is beneficial to the Government to pay a lower rate of interest on its securities without the collection of excess-profit tax from individuals and partnerships, but not from corporations, or to continue the excess-profit tax on individuals and corporations and pay a higher rate of interest on its issues of securities.

An examination and long study leads to the conclusion that from the standpoint of the Government, it may be better to issue a tax-exempt security. If we believe that the rate of taxation on incomes, surtaxes especially, is not high enough, the proper procedure would be to increase those taxes and not to subject our Government, in the bond market, to an unfair disadvantage in the sale of its securities, for which all the people finally have to pay, and pay the interest annually.

Mr. BRIGGS. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. BRIGGS. I wish the gentleman would inform the House what he understands or thinks from his knowledge of the situation would be the rate of interest at which these bonds could be sold with this provision in the bill, and what would be the rate of interest if this provision were not in the bill, or whether there would be any substantial difference in the rate of interest.

Mr. HAWLEY. The gentleman submits a very difficult question, because there are so many factors in the bond market that unless you have them stated it is a matter somewhat of a guess. But there is no doubt that the tax-free bond will sell on better terms than a security, the income from which is taxed. It may be approximately one-half per cent or more, but it would depend upon the circumstances surrounding the sale.

Mr. STAFFORD. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. STAFFORD. I was much impressed, as the Members of the House must have been, by the position of the Secretary of the Treasury in 1923, when he pointed out great objections to allowing tax-exempt Government securities to be amassed in the hands of a few, or the wealthy, and not pay any tax at all. What has the gentleman to say, with the position which the Secretary took back in 1923 against this very policy? I might say that the tax-exempt feature for short-term notes, allowing them to be tax exempt for short terms, allowing them to be sold at less than 1 per cent, could be defended.

The CHAIRMAN. The time of the gentleman from Oregon has expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. STAFFORD. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. STAFFORD. The objection raised by the Secretary of the Treasury in the letter read by the gentleman from Tennessee [Mr. HULL] has to be met. The Secretary presented insurmountable arguments, as far as I am concerned, as expressed then, against the very policy that it is attempted to establish now.

Mr. FREAR. Will the gentleman yield?

Mr. STAFFORD. Well, Mr. Chairman, I asked a question.

Mr. HAWLEY. I think the gentleman from Wisconsin [Mr. FREAR] desired to speak on that very point, and I yield to him.

Mr. FREAR. At that same time, if the Chairman will permit, this question was discussed before our committee by the Secretary of the Treasury and various other authorities. It was represented to us then that the States and cities and all municipalities were issuing securities that were tax free; that the Federal Government, by putting restrictions on its bonds, would be placed at a disadvantage. Of course, as the gentleman from Tennessee [Mr. HULL] well says, it would be all right for the Government to take the lead in a reform against permitting an escape from surtaxes as was proposed by the Secretary of the Treasury at that time, and of establishing a taxable security, but by doing that you are putting the Government at a disadvantage with all of these competing municipalities.

Take, for instance, the State of New York. Its securities are just as good as the securities of the Federal Government, at a higher rate of interest. Of course, they are able to meet this proposition, which we can not do if we tie the hands of the Treasury by not permitting us to be placed in negotiating Government bonds on the same basis as all the States and municipalities. Is that not as the gentleman remembers the facts?

Mr. HAWLEY. Yes, sir.

Mr. STAFFORD. That is not an answer to my question.

Mr. HAWLEY. The gentleman has asked whether, if we exempt the securities from taxation, they will assemble in the hands of people having large holdings. That is anybody's guess. The present ownership of national securities is very widely extended. Forty per cent are held by banks; some $2,000,000,000 by small investors; considerable volume by life insurance companies. Whether at any time they would tend to flow together or at another time tend to flow apart is a matter of experience, and that has been the experience.

The gentleman from Tennessee [Mr. HULL] raised the question of the reduction of taxation. Of course, we can not control expenditures by States of any amounts that they please. That is impossible. There are outstanding now of bonds and other securities issued under State authority approximately $20,000,000,000. There are probably more than a hundred billion dollars of first-class industrials. The Treasury must go into the market when we put out these bonds for sale in competition with those securities. Now, it appears, after long experience, that the best thing for the Government is to treat all of its taxpayers alike, not requiring individuals and partnerships to pay a greater rate of tax than we require of their chief competitors, the corporations. It is a matter of adjustment on the basis of justice.

At the same time the Government would be benefited by getting a lower rate of interest for securities over any possible amount of tax it might receive.

Mr. STAFFORD. As to the flotation of State bonds, would not the direct effect be that of having their rates raised, because you are putting into the market, in competition with them, a premier bond of the United States that is not taxable?

Mr. HAWLEY. That would depend on what securities were being offered at that time.

Mr. STAFFORD. That was the argument made some years ago.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

Mr. HAWLEY. In connection with a certain line of inquiry I have been engaged in I have found that many bonds issued by States and municipalities have in this present market been selling for 3.10 per cent and some were selling around 3 per cent. They were tax-free. I also found that some State issues were selling for less than that rate. We have this market to face. It is not a theory but it is a condition. This legislation is proposed as the best thing for the country and the Treasury.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

Mr. HULL of Tennessee. Mr. Chairman, I move to strike out the last word. I think there are two answers to the views expressed by the gentleman from Oregon. In the first place, the hearings are filled with statements by Secretary Mellon, Undersecretary Mills, and others, made during the pendency of the constitutional tax amendment in 1921–22, to the effect that when tax-free securities are issued to a considerable extent there is no longer any appreciable difference in bond price levels on the markets of the country. I mean by this that the value of the exemption disappears. The reporter carried off those hearings. If I had them I could read them again, but they are filled with the unqualified statements of the Secretary of the Treasury and the Undersecretary to the effect that when you issue large numbers of tax-free securities that then the values of all merge, that is, the Federal, State, county, and other municipal securities settle on a level that ignores the value of the tax exemption. In the second place, the gentleman from Oregon said it would not be treating all taxpayers alike not to repeal this surtax on Liberty bonds. The fact is it was imposed in order to treat all taxpayers with the same equity and consideration. It was imposed in harmony with the doctrine of this Government to impose surtaxes or a graduated income tax. The proposal of the gentleman from Oregon is to repudiate the whole doctrine of graduated income taxation in this country. So if the surtaxes are reasonable and equitable—and the Congress, speaking through all political parties, has said it is just—it is logical and really imperative, if we propose to maintain the doctrine of graduated income taxation in this country, that we pursue the policy of retaining the surtax on Liberty bonds.

Mr. FREAR. Mr. Chairman, generally I find myself in agreement with the gentleman from Tennessee. I have always insisted upon placing a fairly good surtax on those best able to pay the graduated income tax. Within the last week I have introduced a bill to increase the surtax from 20 to 25 per cent in the highest brackets. Of course, that has no direct relation to this question of tax-free securities; but here is the situation that confronted us when all these great financiers came before our committee last week opposing the veterans' loan bill because "it would depress the bond market." Because of a statement given out by the Secretary of the Treasury, there had been a drop of 3 cents on the dollar on some of these Federal Government tax-free securities through the threat of putting $3,400,000,000 more of Government securities on the market. They asserted it would demoralize the bond market. In other words, as the chairman of our committee has just said, the Treasury has to go into the market to meet tax-free securities on every side—Government, State, city, county, and all other municipalities—and in addition we have got to meet all these industrial bonds now held by purchasers for investment. Not only that competition, but we have to market Government securities in this tremendous well of investment in stocks and bonds. If Congress had been frightened, as were all these great financiers who appeared before us were on a possible $3,400,000,000 bond issue—if it is going to disturb conditions by putting out any comparatively small amount of securities to finance loans for the veterans, what will be the effect of putting the Government into competition with all this vast amount of tax-free securities of the municipalities in the 48 States which are still in existence and which will be continuously invested? Where is the disadvantage of putting Federal Government bonds on the market not containing like tax exemptions when conditions are as they are to-day?

Mr. LINTHICUM. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. LINTHICUM. Does not the gentleman think he ought to make a distinction between State and municipal bonds by saying they are free only in the States where issued and in those respective communities that issue them, because the Government proposition is nation-wide?

Mr. FREAR. That is possibly true; but under the comity of States they are tax free in direct competition, and we are facing a condition and not a theory.

Mr. HULL of Tennessee. Will the gentleman yield?

Mr. FREAR. I yield.

Mr. HULL of Tennessee. In 1919, after the war was over and after we had issued and floated about $25,000,000,000 worth of securities, we then put on the Victory loan, which, as I stated, was absorbed after the war was over at a rate of 4½ per cent, subject to surtax, and those bonds were taken in preference to tax-free exempt securities at 3¾ per cent. So I think that in peace time, with great reservoirs of credit, the present comparatively small amount would be taken care of by the market.

Mr. FREAR. It is not a compratively small amount. Eight billion dollars is about to be refunded, and in a market that has absorbed many billions of securities since that day. The gentleman sat with me and he listened, as I did, to those witnesses the other day who were telling us about the condition of the bond market. Certainly all of us desire to permit the same tax-free privileges, if necessary, to meet prices of over $70,000,000,000 of different classes of Government and municipal bonds now held by investors and that are constantly being refunded.

If we put the Government at a disadvantage, we have got to pay higher rates of interest. It is for the benefit of the Government I am speaking, and purely that, when going into the bond market for the sale of securities provided for in the bill.

Mr. REILLY. Will the gentleman yield?

Mr. FREAR. I yield to my colleague from Wisconsin.

Mr. REILLY. Does the gentleman agree with the statement of the gentleman from Tennessee that in the past there has been no appreciable difference in the rate of interest nor would be in the future?

Mr. FREAR. That may be true no one can say now, but we face this question: If my colleague from Wisconsin is going into the market to buy bonds, and is a man of large enough means so that the surtax is going to affect him, he will say, "Here is a New York bond, or some other tax-free bond, and here is a Federal bond. On the New York bond I will not be compelled to pay any surtax, and on the Government bond I will have to pay that tax. Consequently I will invest in the New York bond," and therefore the other bonds must bear a higher rate of interest in order to be comparable.

Mr. REILLY. What has been the result in practice?

Mr. FREAR. The practice is that when you consider the two you will make your choice between them, and that affects the terms of purchase.

Mr. BRIGGS. Is it not true, however, that all of the Government bonds practically are now demanding a very substantial premium, even those bearing the lowest interest rate?

Mr. FREAR. It is true now. It is only a question of rates of interest that the Government will pay to release the tax-free privilege. We are borrowing now through our short-term Treasury notes at as low a rate as 1 per cent.

Mr. BRIGGS. Is it not also true that the removal of this surtax will create a loss, and in a rather substantial amount, to the United States, in its tax returns?

Mr. FREAR. That is possible, but the interest rates are the real issue presented to us by the Treasury. I may suggest that this is the wish of the Treasury Department. It is not the committee that is urging this, and the Treasury Department has to negotiate the bonds. They are up against this very proposition of competing with an abundance of

tax-free securities constantly offered for sale. The purchaser will select the best bargain represented in net returns to him.

Mr. DUNBAR. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman and members of the committee, I am in favor of the amendment of the gentleman from Tennessee unless I can obtain information which I have been unable to obtain in the debate which would justify the adoption of section 2.

I wish to ask the chairman of the committee [Mr. HAWLEY] a question. On page 2 of the report of the Secretary of the Treasury, for the year ending June 30, 1928, the statement is made, "Since the income of corporations from such securities"—that is, Federal securities—"is wholly surtax exempt, whereas the individual income therefrom is subject to surtax * * *."

Federal securities of approximately $15,000,000,000 issued by the United States are outstanding. Those in the hands of corporations are exempt from the payment of surtax. Now, can the gentleman inform us how much of that $15,000,000,000 of Federal securities is in the hands of corporations?

Mr. HAWLEY. It is impossible to make any statement on that because the bonds are being dealt in and ownership is continually being transferred. I have no figures on that, but the insurance companies own great blocks of them.

Mr. DUNBAR. I am in favor of striking off section 2 for this reason. The sale of these bonds, with surtax exemptions, will, as stated by the gentleman, enable the Federal Government to borrow money at a less rate of interest, but it is accompanied by decreased tax on incomes of more than $10,000 annually. But unless the gentleman can tell us how much our present Federal indebtedness is in the ownership of corporations, there is no information that will inform us how much less surtax will be paid to the Federal Government.

Mr. FREAR. Will the gentleman yield?

Mr. DUNBAR. Yes.

Mr. FREAR. If the gentleman has bonds from the State of Indiana and he puts them beside bonds of the Federal Government, and one is tax free and the other is not tax free, does not the gentleman see the position in which he places the agents for the Federal Government in the selling of these bonds?

Mr. DUNBAR. No; I do not. Indiana bonds pay a higher rate of interest.

Mr. HAWLEY. Will the gentleman yield?

Mr. DUNBAR. Yes.

Mr. HAWLEY. Forty per cent of the securities are held by the banks, large blocks are held by insurance companies, and very large issues are distributed throughout the various parts of the country.

Mr. DUNBAR. What I am interested in with respect to this amendment is this: Some of the comparably poor people in the United States should have assurance that they can buy a bond and know that they are practically secure; such as Federal securities. If the surtax is exempt in the sale of these bonds, the Government, of course, will pay a less rate of interest and receive more for sale of bonds; but a poor man or a poor family owning $5,000 worth of bonds will pay more for bonds and receive less interest, which, in the event of the adoption of section 2, will be very much reduced. The individual with an income of $1,000,000 from bonds pays 20 per cent surtax. The individual who owns $5,000 worth of bonds pays no surtax if his income is less than $10,000; but that 20 per cent will be reflected in the price that is paid for the bonds, and being thus reflected, the small individual bondholder will pay more for his bonds. The large individual bondholder will be exempt 20 per cent if section 2 is adopted, if his income is at the maximum; the small man will not be exempt the 20 per cent, but the 20 per cent will be reflected in the amount of interest he receives on his bonds and amount paid for bonds.

Mr. PATTERSON. Will the gentleman yield?

Mr. DUNBAR. I will yield.

Mr. PATTERSON. In the gentleman's extension of his remarks, will he be kind enough to tell us—since it has appeared that the financiers appeared before the Treasury Department—how can the common people reach it?

Mr. DUNBAR. I have never extended my remarks in the RECORD because I have had nothing to add to what I may say on the floor, but I see no reason why we should have surtax-exempt securities in the form of Federal bonds. As I have stated before, I think that all bonds should be surtaxed as now surtaxed. I hope the amendment of the gentleman from Tennessee will be adopted.

Mr. ESTEP. Mr. Chairman and Members of the House, in answer to a question asked by the gentleman from Indiana that in a sense was answered by the gentleman from Oregon [Mr. HAWLEY], I might amplify that statement by saying that 40 per cent of all Government securities are held by the banks of the United States, and there are something like 24,000 banks in the country, and 19,000 of them belong to the American Banking Association.

There are $300,000,000 of bonds that belong to the insurance companies; $2,000,000,000 are owned by individuals; and the balance held by corporations and other industrial organizations that have these securities in their assets as reserves.

Mr. DUNBAR. Does the gentleman say that $300,000,000 belong to the insurance corporations?

Mr. ESTEP. Yes.

Mr. DUNBAR. And $2,000,000,000 owned by——

Mr. ESTEP. By individuals.

Mr. DUNBAR. And who has the rest?

Mr. ESTEP. Forty per cent is held by banks, $300,000,000 by insurance companies, and the balance by corporations and other organizations in the country.

Mr. DUNBAR. The gentleman makes the contention that if the national banks hold Government bonds on which no surtax is paid——

Mr. ESTEP. Some are tax exempt and some are not.

Mr. DUNBAR. Then those held by the banks are not all tax exempt.

Mr. ESTEP. No.

Mr. DUNBAR. We ought to have some definite presentment as to the manner in which the Treasury of the United States will be affected by the removal of surtaxes on bonds.

Mr. ESTEP. The tax will not affect the Treasury; the only way it will affect the Treasury is going into the market and competing with other bonds being sold that are tax exempt, because there are State bonds which are tax exempt.

Mr. DUNBAR. I do not know of any State that has approximately as low rate of interest as that which the United States Government pays. We have $750,000,000 due this year and next year upon which the Federal Government is paying as low as 2⅜ per cent interest. We have other securities upon which it has been stated on the floor of the House that the Federal Government is paying only 1 per cent.

Mr. ESTEP. Yes; there is 90-day paper which is paying as low as 1 per cent.

Mr. DUNBAR. Does the gentleman undertake to say that any State government can make a loan with interest as low as 1 per cent?

Mr. ESTEP. No; I do not say anything of that kind, because no State government has the assets and the confidence of the people as has the United States Government, and so could not possibly sell at as low a rate of interest.

Mr. DUNBAR. I do not understand the gentleman's argument that the Federal Government will not be able to retain the surtax and compete with State securities. The price of State securities to-day is nearly double.

Mr. ESTEP. I am suggesting that this bill is to help the Secretary of the Treasury market the Government's securities. I do not know what conditions may arise, but I do say that Congress is not always in position to handle the matter, and if you authorize the Secretary of the Treasury to handle it, I think it will be well taken care of.

Mr. KETCHAM. Will the gentleman state the total amount of securities of the Federal Government outstanding?

Mr. ESTEP. Sixteen billion dollars.

Mr. KETCHAM. Does the gentleman have any figures that would indicate approximately the number of billions of dollars of securities that were put out by the States and their political subdivisions?

Mr. ESTEP. I can give the gentleman about the total sum of industrial State and foreign bonds held in the United States, which is $150,000,000,000.

Mr. KETCHAM. Owned in the United States?

Mr. ESTEP. And there is an absorbing power in the people of the United States in normal times of about $7,000,000,000 to absorb municipal, Government, industrial, and foreign bonds.

Mr. KETCHAM. Then the ratio as between Federal and other bonds is about as one to nine?

Mr. ESTEP. There are $30,000,000,000 worth of municipal bonds on the market in comparison to the $16,000,000,000 worth of Federal bonds.

Mr. O'CONNOR of Oklahoma. Mr. Chairman, I move to strike out the last word. I have no desire to embarrass the Secretary of the Treasury. I am not on the Ways and Means Committee, but if the Congress does not change its ways you are going to have to furnish a whole lot of means some of these days. I believe a principle is involved here, and that is the principle of the graduated income tax. If that is sound, then this provision in the bill is wrong. It strikes at the root of the surtax. The two can not stand together. I am in favor of the amendment offered by the gentleman from Tennessee. The amendment here to strike out section 2 sustains the graduated income tax law. If this bill be passed without that amendment, do we not place the Secretary of the Treasury in this position? These great bond buyers that come really to fix the interest rate with him on the bonds have a legislative authorization to use to influence him and force him to issue bonds tax free in order to secure a reasonable interest rate, and they are going to use it. The test is not what would be a fair rate of interest to-day, under present conditions from which they would be tax exempt, but they are exempt from all taxes to be imposed hereafter, through all the time that these bonds will be outstanding. I do not know anyone who is enough of a prophet to know what facts and emergencies are going to face this country, but if we keep on with the Government going into various kinds of business and appropriating all the money that anybody who has votes enough to elect or defeat us asks us to appropriate then we are going to have to sell lots and lots of bonds; and by a provision such as this contained in the bill you are giving the big bond buyer an insurance against his ever having to pay any taxes, and asking the Government to go to other sources to raise all of the revenue that is needed.

I expect to support the amendment offered by the gentleman from Tennessee. To do otherwise would be to strike a body blow at the graduated income tax. Tax exemptions, like indirect taxes, tend to governmental extravagance. We are developing a class of people who are tax exempt. If we were able to pay all of our taxes—municipal, State, and Federal—directly, we would not have the extravagant Government that we have to-day. You can not go into a man's home and take a dollar of direct tax away from him without a holler on his part; but you can tax the food on his table in an indirect way to a point so high that he will hardly be able to buy any, and you can by indirect tax so tax his clothing that he will find himself compelled to keep on an old coat instead of having a new coat. It is done indirectly; he does not know it, and he does not feel it, but it is there just the same in the cost of living. And with your tax-exempt people it is the same thing. If a man is not paying for the extravagance of government, he is not interested in governmental economy. What this country needs more than anything else is to have brought home to the people that all of this cost of government is borne by all the people, whether they are taxpaying or not. It is all wrapped up in the high cost of living and has to be paid for. There is no magic, and we can not perform magic, although we may have magicians here. To meet the financial obligations of the Government, all of the money has to come out of the sweat and toil and labor of the past and what is to be earned in the future. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I shall gladly vote for the amendment to strike out section 2 unless this section is amended. This section, as it is drawn, clearly provides a nice present to many who now hold large blocks of Government bond issues.

We are told that we must have the language in the bill as incorporated in section 2 in order to exempt the new bonds and certificates from the surtax so that the Treasury Department may market the bonds and certificates more easily. While the language of the bill as it is drawn indicates that the new bonds and certificates issued under the provisions of the bill will not be subject to the surtax, that language also repeals the surtax on the billions of dollars' worth of bonds already issued and now in the hands of the taxpayers subject to the payment of the surtax. There is no doubt about it because, beginning in line 1, section 2, on page 2, the bill reads:

> Bonds authorized by section 1, and certificates authorized by section 6, of this act, as amended, shall be exempt from graduated additional income taxes.

And when you read section 1 it does not merely refer to the new bonds and certificates to be issued hereafter, but the entire issue of $28,000,000,000. I hope the chairman of the Ways and Means Committee will offer an amendment which will definitely limit the exemption from the surtax to the issues hereafter made.

Mr. CHIPERFIELD. May I ask the distinguished gentleman from Oregon a question, and it is a very serious question, as this measure is drafted. Section 2 of the bill provides in part "bonds authorized by section 1, and certificates authorized by section 6 of this act, as amended, shall be exempt from graduated additional income taxes," and so forth. Is there not great probability that that includes all bonds that have been issued heretofore, as well as bonds that will be issued now?

Mr. HAWLEY. No. Only bonds that the Treasury will offer under this legislation.

Mr. CHIPERFIELD. It does not say so.

Mr. HAWLEY. If the Chairman will pardon me. All the bonds which the Treasury will offer are the additional eight billions. The bonds already outstanding are not in the hands of the Secretary of the Treasury; he has nothing to do with them; he is not offering them for sale to anybody, but if the gentleman is in doubt, that may be remedied by putting in an amendment at line 3, page 2, after the word "amended," "hereafter issued," so that it will read "hereafter issued, shall be exempt from graduated additional income taxes."

Mr. CHIPERFIELD. I am not disposed to place any obstacles in the way of the plan of the committee, but I think there is a very serious question if it does not embrace all bonds.

Mr. TABER. Will the gentleman yield?

Mr. HAWLEY. I yield.

Mr. TABER. In section 2, the last two lines, I think, safeguard the matter:

> If and when the Secretary of the Treasury shall so prescribe in connection with the issue thereof.

No bonds, unless the Secretary of the Treasury has already prescribed that they shall carry this tax-exempt privilege, can be tax exempt unless they are issued in the future, and the Secretary of the Treasury shall so prescribe.

Mr. HAWLEY. Mr. Chairman, I offer an amendment, which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

> Amendment offered by Mr. HAWLEY: On page 2, in line 3, after the word "amended," insert the words "hereafter issued."

The amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. HULL of Tennessee: Beginning on line 9, page 1, strike out all of section 2.

The question was taken; and on a division (demanded by Mr. HULL of Tennessee) there were—ayes 100, noes 111.

So the amendment was rejected.

Mr. HAWLEY. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SNELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 16111) to amend sections 1 and 7 of the second Liberty bond act, as amended, had directed him to report the same back to the House with one amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. HAWLEY. Mr. Speaker, I move the previous question on the bill and amendment to final passage.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. HULL of Tennessee. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Tennessee [Mr. HULL] offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. HULL of Tennessee moves to recommit the bill to the Committee on Ways and Means with instructions to report the bill back to the House with an amendment striking out section 2 of the bill.

The SPEAKER. The question is on the motion to recommit.

Mr. HULL of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 200, answered "present" 1, not voting 69, as follows:

[Roll No. 33]

YEAS—161

Abernethy	Condon	Green	McDuffie
Allgood	Connery	Greenwood	McFadden
Almon	Cooper, Tenn.	Gregory	McKeown
Andresen	Cox	Griffin	McMillan
Arentz	Crisp	Hare	McReynolds
Arnold	Cross	Hastings	McSwain
Aswell	Crosser	Hill, Ala.	Mansfield
Auf der Heide	Cullen	Hill, Wash.	Mead
Ayres	Davis	Hogg, Ind.	Milligan
Bankhead	DeRouen	Howard	Montet
Black	Dominick	Huddleston	Mooney
Blanton	Dorsey	Hull, Tenn.	Moore, Ky.
Bloom	Doughton	Hull, Wis.	Moore, Va.
Box	Doxey	James, N. C.	Moorehead
Boylan	Drane	Jeffers	Nelson, Mo.
Brand, Ga.	Driver	Johnson, Okla.	Norton
Briggs	Dunbar	Johnson, Tex.	O'Connor, Okla.
Browne	Edwards	Jones, Tex.	Oldfield
Browning	Eslick	Kading	Oliver, Ala.
Brunner	Evans, Mont.	Kemp	Oliver, N. Y.
Buchanan	Finley	Kerr	Owen
Busby	Fisher	Ketcham	Palmisano
Butler	Fitzpatrick	Knutson	Parks
Byrns	Fuller	Kvale	Parsons
Campbell, Iowa	Fulmer	LaGuardia	Patman
Canfield	Gambrill	Lambertson	Patterson
Cannon	Garber, Okla.	Lanham	Peavey
Cartwright	Gasque	Lankford, Ga.	Pittenger
Christgau	Gavagan	Linthicum	Prall
Clague	Glover	Lozier	Quin
Clark, Md.	Goldsborough	Ludlow	Ragon
Cochran, Mo.	Goodwin	McCormack, Mass.	Rainey, Henry T.
Ramspeck	Sears	Taylor, Tenn.	Williamson
Rankin	Selvig	Thurston	Wilson
Rayburn	Sinclair	Tucker	Wingo
Reilly	Smith, W. Va.	Underwood	Woodrum
Robinson	Somers, N. Y.	Vinson, Ga.	Wright
Rutherford	Stafford	Walker	Yon
Sanders, Tex.	Steagall	Warren	
Sandlin	Sumners, Tex.	Whitehead	
Schneider	Tarver	Williams	

NAYS—200

Ackerman	Dickinson	Jenkins	Schafer, Wis.
Adkins	Douglas, Ariz.	Johnson, Ill.	Seger
Allen	Doutrich	Johnson, Nebr.	Seiberling
Andrew	Dyer	Johnson, Wash.	Shaffer, Va.
Bachmann	Eaton, Colo.	Jonas, N. C.	Shott, W. Va.
Bacon	Eaton, N. J.	Kahn	Shreve
Baird	Elliott	Kearns	Simmons
Barbour	Ellis	Kelly	Sloan
Beck	Estep	Kendall, Ky.	Smith, Idaho
Beedy	Esterly	Kendall, Pa.	Snell
Beers	Evans, Calif.	Kinzer	Snow
Blackburn	Fenn	Kopp	Sparks
Bohn	Fish	Kurtz	Speaks
Bolton	Fort	Langley	Sproul, Kans.
Bowman	Foss	Lankford, Va.	Stalker
Brand, Ohio	Frear	Leavitt	Stobbs
Brigham	Free	Leech	Strong, Kans.
Britten	Freeman	Lehlbach	Strong, Pa.
Brumm	French	Letts	Sullivan, Pa.
Buckbee	Gibson	Loofbourow	Summers, Wash.
Burdick	Gifford	Luce	Swanson
Burtness	Golder	McClintock, Ohio	Swing
Cable	Goss	McLaughlin	Taber
Campbell, Pa.	Graham	Maas	Temple
Carter, Calif.	Granfield	Manlove	Thatcher
Carter, Wyo.	Guyer	Mapes	Tilson
Chalmers	Hadley	Martin	Timberlake
Chindblom	Hale	Menges	Treadway
Chiperfield	Hall, Ill.	Merritt	Turpin
Christopherson	Hall, Ind.	Michener	Underhill
Clancy	Hall, N. Dak.	Miller	Vestal
Clarke, N. Y.	Halsey	Moore, Ohio	Vincent, Mich.
Cochran, Pa.	Hancock, N. Y.	Mouser	Wainwright
Cole	Hardy	Murphy	Wason
Collier	Haugen	Nelson, Me.	Watres
Collins	Hawley	Niedringhaus	Welch, Calif.
Colton	Hess	Nolan	Welsh, Pa.
Cooke	Hickey	Palmer	White
Cooper, Ohio	Hoch	Parker	Whitley
Coyle	Hogg, W. Va.	Pratt, Ruth	Whittington
Craddock	Holaday	Pritchard	Wigglesworth
Crail	Hooper	Purnell	Wolfenden
Cramton	Hope	Ramey, Frank M.	Wolverton, N. J.
Crowther	Hopkins	Ramseyer	Wolverton, W. Va.
Culkin	Houston, Del.	Ransley	Wood
Dallinger	Hudson	Reece	Woodruff
Darrow	Hull, Morton D.	Reed, N. Y.	Wurzbach
Davenport	Hull, William E.	Rich	Wyant
Denison	Irwin	Rogers	Yates
De Priest	James, Mich.	Sanders, N. Y.	Zihlman

ANSWERED "PRESENT"—1

Lindsay

NOT VOTING—69

Aldrich	Erk	Larsen	Rowbottom
Bacharach	Fitzgerald	Lea	Sabath
Bell	Garber, Va.	McClintock, Okla.	Short, Mo.
Bland	Garner	McCormick, Ill.	Simms
Carley	Garrett	McLeod	Sirovich
Celler	Hall, Miss.	Magrady	Spearing
Chase	Hancock, N. C.	Michaelson	Sproul, Ill.
Clark, N. C.	Hartley	Montague	Stevenson
Connolly	Hoffman	Morgan	Stone
Cooper, Wis.	Hudspeth	Nelson, Wis.	Sullivan, N. Y.
Corning	Igoe	Newhall	Swick
Dempsey	Johnson, Ind.	O'Connor, La.	Taylor, Colo.
Dickstein	Johnson, S. Dak.	O'Connor, N. Y.	Thompson
Douglass, Mass.	Johnston, Mo.	Perkins	Tinkham
Dowell	Kennedy	Pou	Watson
Doyle	Kiefner	Pratt, Harcourt J.	
Drewry	Korell	Reid, Ill.	
Englebright	Kunz	Romjue	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Larsen (for) with Mr. Connolly (against).
Mr. Bell (for) with Mr. Aldrich (against).
Mr. O'Connor of New York (for) with Mr. Sproul of Illinois (against).
Mr. Igoe (for) with Mr. Johnson of South Dakota (against).
Mr. Lindsay (for) with Mr. Bacharach (against).
Mr. Romjue (for) with Mr. Pratt, H. J. (against).
Mr. Drewry (for) with Mr. Johnson of Indiana (against).
Mr. Kennedy (for) with Mr. Reid of Illinois (against).
Mr. Hall of Mississippi (for) with Mr. Magrady (against).
Mr. Clark of North Carolina (for) with Mr. Kiefner (against).
Mr. Dowell (for) with Mr. Hartley (against).
Mr. Stevenson (for) with Mr. Erk (against).
Mr. Corning (for) with Mr. Swick (against).
Mr. Sullivan of New York (for) with Mr. McLeod (against).
Mr. Bland (for) with Mr. Watson (against).
Mr. Hancock of North Carolina (for) with Mr. Perkins (against).
Mr. Pou (for) with Mr. Short (against).
Mr. Dickstein (for) with Mr. Englebright (against).

Until further notice:

Mr. Tinkham with Mr. Garner.
Mr. Garber of Virginia with Mr. Carley.
Mr. Korell with Mr. Taylor of Colorado.
Mr. Nelson of Wisconsin with Mr. Lea.
Mr. Michaelson with Mr. Celler.
Mr. Cooper of Wisconsin with Mr. McClintic of Oklahoma.
Mr. Johnston of Missouri with Mr. Garrett.
Mr. Chase with Mr. Sirovich.
Mr. Dempsey with Mr. Montague.
Mrs. McCormick of Illinois with Mr. Sabath.
Mr. Simms with Mr. O'Connor of Louisiana.
Mr. Fitzgerald with Mr. Doyle.
Mr. Newhall with Mr. Spearing.
Mr. Hoffman with Mr. Hudspeth.
Mr. Stone with Mr. Kunz.

Mr. FITZGERALD. Mr. Speaker, I was not in the Chamber when my name was called, but if I had been I would have voted "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

On motion of Mr. HAWLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WASON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H. R. 16415, making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1932, and for other purposes, insist on the House amendment to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from New Hampshire asks unanimous consent to take from the Speaker's table House bill 16415, insist on the House amendment to the Senate amendment and agree to the conference asked by the Senate. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees: Messrs. WASON, SUMMERS of Washington, and WOODRUM.

CONFERENCE REPORT—MUSCLE SHOALS

Mr. WURZBACH. Mr. Speaker, I call up the conference report on Senate Joint Resolution 49, to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes, and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up the conference report on Senate Joint Resolution 49, and asks unanimous consent that the statement may be read in lieu of the report. Is there objection?

Mr. FORT. Mr. Speaker, reserving the right to object, as I understand it, we have only an hour under the rules for debate on this motion. If the gentleman from Texas is prepared to agree to ask for a longer time than that I shall not object.

Mr. WURZBACH. How much longer time would the gentleman suggest?

Mr. FORT. The time I want is guaranteed to me, but a considerable number of Members want to be heard on this question. The gentleman from Pennsylvania [Mr. RANSLEY] can answer as to the amount of time desired.

Mr. RANSLEY. Will the gentleman yield?

Mr. WURZBACH. Yes.

Mr. RANSLEY. I would suggest, if the gentleman will permit the suggestion, that at least an hour and a half, if not two hours, be given, because there is a matter of principle involved, and many Members on both sides of the Chamber are asking for time. I would further request that the gentleman give a fair division of the time so that we can divide the time equally between those favoring the bill and those opposing it.

Mr. WURZBACH. I want to state that I had a tentative understanding with the gentleman from Pennsylvania that if he made a unanimous-consent request for an additional 30 minutes I would not object to it and I still stand by that tentative understanding.

Mr. TILSON. That would mean an equal division of the time.

Mr. WURZBACH. I also stated to the gentleman from Pennsylvania that I would permit him to suggest to me the names of those gentlemen who were in opposition to the report.

Mr. RANSLEY. We want a fair division of the time, and as a rule that courtesy is always extended, even to the other side.

Mr. WURZBACH. No one can charge me with any discourtesy.

Mr. RANSLEY. I did not intend to suggest that.

Mr. WURZBACH. I want to be perfectly fair with the opposition.

Mr. CRISP. Will the gentleman yield?

Mr. WURZBACH. Yes.

Mr. CRISP. May I suggest this to the gentleman: If any unanimous-consent request is submitted for the extension of time, would it not be advisable to have in that request that at the expiration of that time the previous question shall be ordered?

Mr. TILSON. If that request is made, we ought to have two hours. It is better to spend the time in debate than to have a roll call, and unless we get a fair division of the time I shall insist upon an effort to vote down the previous question so that we may have an hour's more time. Let us be fair about this matter.

Mr. CRISP. The object of my inquiry was to have the House fully understand the situation.

Mr. WURZBACH. Mr. Speaker, I ask unanimous consent that debate on this report be limited to two hours; that at the end of that time the previous question shall be considered as ordered, and that the statement be read in lieu of the conference report. I also ask that the time be divided equally between those in favor of and those against the report.

The SPEAKER. May the Chair make this suggestion: It would be far easier for the Chair if the time were controlled by one gentleman on one side and another gentleman on the other side.

Mr. WURZBACH. And that one-half of the time be controlled by the gentleman from Pennsylvania [Mr. RANSLEY], in opposition, and the other one-half of the time be controlled by myself.

The SPEAKER. The gentleman from Texas asks unanimous consent that time for debate upon the conference report be limited to two hours, one-half to be controlled by himself and one-half by the gentleman from Pennsylvania [Mr. RANSLEY]; that debate be confined to the report; at the end of two hours the previous question shall be considered as ordered; and that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 49) to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House to the text of the joint resolution and agree to the same, with an amendment as follows:

In lieu of the language put in by the House insert the following:

"That for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development, and to aid navigation and the control of destructive flood waters in the

Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the 'Muscle Shoals Corporation of the United States' (hereinafter referred to as the corporation). The board of directors first appointed shall be deemed the incorporators and the incorporation shall be held to have been effected from the date of the first meeting of the board. This act may be cited as the 'Muscle Shoals act of 1931.'

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

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

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

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

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

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

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

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

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

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

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

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

"(a) Shall have succession in its corporate name.

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

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

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

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

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

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

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

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

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

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

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

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

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

"(e) The board shall manufacture fixed nitrogen at Muscle Shoals by the employment of existing facilities (by

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

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

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

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

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

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

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

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

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

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

"(a) The exclusive use, possession, and control of the United States nitrate plants numbered 1 and 2, located respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings connected therewith, all tools and machinery, equipment, accessories, and materials belonging thereto, and all laboratories and plants used as auxiliaries thereto; the fixed-nitrogen research laboratory, the Waco limestone quarry, in Alabama, and Dam Numbered 2, located at Muscle Shoals, its power house, and all hydroelectric and operating appurtenances (except the locks), and all machinery, lands, and buildings in connection therewith, and all appurtenances thereof are hereby entrusted to the corporation for the purposes of this act.

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

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

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

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

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

"SEC. 9. The board is hereby empowered and authorized to sell the surplus power not used in its operations and for operation of locks and other works generated at said steam plant and said dam to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth, and to carry out said authority the board is authorized to enter into contracts for such sale for a term not exceeding 10 years and in the sale of such current by the board it shall give preference to States, counties, or municipalities purchasing said current for distribution to citizens and customers: *Provided further*, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the board to cancel said contract upon two years' notice in writing, if the board needs said power to supply the demands of States, counties or municipalities.

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

"SEC. 11. In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power it is hereby expressly authorized either from appropriations made by Congress or from funds secured from the sale of such power to construct, lease, or authorize the construction of transmission lines within transmission distance in any direction from said Dam No. 2 and said steam plant: *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct a transmission line to Muscle Shoals, the board is hereby authorized and directed to contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 30 years, and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power: *Provided further*, That all contracts entered into between the corporation and any municipality or other political subdivision shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be void if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality

or other political subdivision: *And provided further*, That any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be sold to the ultimate consumer of such electric power at a price that shall not exceed an amount fixed as reasonable, just, and fair by the Federal Power Commission; and in case of any such sale if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the Federal Power Commission, the contract for such sale between the board and such distributor of electricity shall be declared null and void and the same shall be canceled by the board.

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

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

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

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

"SEC. 16. In order to enable and empower the Secretary of War to carry out the authority hereby conferred, in the most economical and efficient manner, he is hereby authorized and empowered in the exercise of the powers of national defense in aid of navigation, and in the control of the flood waters of the Tennessee and Mississippi Rivers, constituting channels of interstate commerce, to exercise the right of eminent domain and to condemn all lands, easements, rights of way, and other area necessary in order to obtain a site for said Cove Creek Dam and the flowage rights for the reservoir of water above said dam, and to negotiate and conclude contracts with States, counties, municipalities, and all State agencies and with railroads, railroad corporations, common carriers, and all public utility commissions and any other person, firm, or corporation, for the relocation of railroad tracks, highways, highway bridges, mills, ferries, electric-light plants, and any and all other properties, enterprises, and projects whose removal may be necessary in order to carry out the provisions of this act. When said Cove Creek Dam and transportation facilities and power house shall have been completed, the possession, use, and control thereof shall be intrusted to the corporation for use and operation in connection with the general Muscle Shoals project and to promote flood control and navigation in the Tennessee River and in the Clinch River.

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

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

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

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

"(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion or agreement, express or implied, with intent to defraud the

corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than five years, or both.

"SEC. 20. In order that the board may not be delayed in carrying out the program authorized herein the sum of $10,000,000 is hereby authorized to be appropriated for that purpose from the Treasury of the United States, of which not to exceed $2,000,000 shall be made available with which to begin construction of Cove Creek Dam during the calendar year 1931.

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

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

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

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

"SEC. 25. That for 12 months following the passage of this act, the President of the United States is hereby given authority to lease, for a term not exceeding 50 years, to any person, firm or corporation, the nitrate plants now owned by the Government at Muscle Shoals, Ala. Said lease shall include the Waco quarry, the railroad switches connecting said quarry with the Southern Railway, and other structures connected therewith and necessary for the operation of said railroad, for the operation of said Waco quarry, and for the operation of said nitrate plants Nos. 1 and 2, but not including steam generating plants. The lease shall also include the machinery, tools and equipment connected with said quarry, said railroad switches and said nitrate plants; also, the houses and residences in the vicinity of said quarry and said nitrate plants for the purpose of housing the employees and others needed in the operation of said quarry, said railroad and said nitrate plants, but not including houses and buildings connected with either of said steam plants and used and occupied or useful for the occupation of employees and others operating said steam plants and not including that portion of the reservation west of Spring Creek. Said lease shall be made upon the following conditions, to wit:

"(a) The rental to be paid for the leasing of such property shall be in such amounts and payable at such times as in the judgment of the President shall be fair and just.

"(b) The lessee shall covenant to keep said property in first-class condition during the entire term of said lease.

"(c) The lessee shall covenant to operate said plants and use said property exclusively in the production and manufacture of fertilizer and fertilizer ingredients to be used in the manufacture or production of fertilizer, and if, in the manufacture of fertilizer or fertilizer ingredients, a by-product is produced which is not an ingredient of fertilizer, the lessee shall have authority to sell and dispose of such by-product as the lessee shall see fit and shall likewise have authority to process such by-product so as to prepare the same for a market.

"*Provided, however,* That in consideration of the lessee complying with the requirements as to the manufacture of fertilizer as prescribed in subsection (d) of this section, the lessee shall have the right during the term of the lease to purchase under provisions of section 26 hereof, an amount of primary power from the corporation equal to 15 per cent of the amount of power used by the lessee in the production of fertilizer, but such 15 per cent of power so purchased shall be entirely independent of, and not used in connection with the leased premises, nor shall the power so purchased be used for the processing or further manufacture of any product produced or manufactured on the leased premises except such by-products as are not ingredients of fertilizer, and in no way shall said power or any machinery operated by it be connected directly or indirectly with the power used for the production of fertilizer or fertilizer ingredients on said leased premises, and no part of the property herein leased shall be used either directly or indirectly for any purpose in connection with the said 15 per cent of power to which the said lessee is given a preferential right.

"*Provided further,* That the said lessee shall be entitled to such quantity of secondary power subject to all the conditions herein set forth applying to said 15 per cent of primary power as in the judgment of the President is fair and equitable.

"(d) Said lease shall also provide that there must be manufactured under said lease annually at least a prescribed amount of nitrogenous plant food of a kind and quality and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops; and that such lease shall also contain a stipulation requiring the lessee to produce within three years and six months from the date such lease shall become effective, such fertilizer or fertilizer ingredients containing not less than 10,000 tons of fixed nitrogen, and shall require periodic increases in quantity of such fertilizer or fertilizer ingredients from time to time as the market demands may reasonably require. Such lease shall also provide that such increases shall, within 12 years after such lease becomes effective, reach the maximum production capacity of such plant or plants as the board may find to be economically adapted to the fixation of nitrogen, if the reasonable demands of the market shall justify the same, except when the nitrogen produced is required for national defense, or when the market demands for the same are satisfied by the maintenance in storage and unsold of such fertilizer or fertilizer ingredients containing at least 2,500 tons of fixed nitrogen, but whenever said stock in storage shall fall below the quantity containing 2,500 tons of fixed nitrogen, the production of such nitrogen, and the manufacture of such fertilizer or fertilizer ingredients shall thereupon be resumed. Said lease shall also provide that the sale of such fertilizer or fertilizer ingredients to be used as fertilizer by the said lessee shall be at a price to include the cost of production and not exceeding 8 per cent profit on the turnover produced, and the cost shall include whatever may be paid to the Government for the use of that part of Government property employed by the lessee in manufacturing such fertilizer or fertilizer ingredients to be used as fertilizer and also not exceeding 6 per cent on any capital invested by the lessee in improvements to existing plants or in additional plants employed in the manufacture of fertilizer or fertilizer ingredients to be used as fertilizer and shall include a reasonable actual carrying charge (exclusive of 8 per cent profit thereon) on the stocks of such fertilizer and fertilizer ingredients as are held in storage and unsold for a year or more as the market demands as above provided shall be satisfied. There shall not be included as part of the cost of producing such fertilizer or fertilizer ingredients any royalty for the use by such lessee of any patent, patent right, or patented process belonging to the lessee, or in which the lessee has any interest, or belonging to any subsidiary or allied corporation, or belonging to or controlled by any officer or agent of the lessee of any such allied or subsidiary corporation, and if the lessee should buy any patent, patent right, or patented process with the hope and expectation of thereby reducing the cost of manufacturing such fertilizer or fertilizer ingredients, or of processing any by-product as hereinbefore permitted, then such sum of money as shall be so paid by the lessee shall be considered and treated in the accounting of the cost of such fertilizer or fertilizer ingredients as investment in the nature of plant account, and not as current expenses, and such costs shall be written off on the expiration of any junior patent or license so acquired. For the annual determination of the cost of such fertilizer and fertilizer ingredients there shall be appointed by the board a production engineer, and by the lessee another production engineer and by these a firm of certified public accountants, and these three shall proceed to ascertain and compute the cost of producing such fertilizer and fertilizer ingredients; and in the event of any disagreement the two said engineers shall select a third production engineer who shall hear and consider the contentions and decide the issues, and such decision shall be binding upon all parties for the year for which the determination shall have been made. A copy of such audit and decision shall be filed each year with the board and by it preserved. The expenses incident to this provision shall be paid by the lessee and shall be charged

as an item in the cost of producing such fertilizer or fertilizer ingredients. If such annual cost determination discloses that any purchasers have paid a cost for fertilizer or fertilizer ingredients in excess of that allowable under this act, then the lessee shall refund such excess to the respective purchasers.

"(e) The said lessee shall give to the said corporation a good and sufficient bond to be approved by the President of the United States, conditioned upon monthly payments to the corporation during the term of said lease for all the power sold by the said corporation to the said lessee.

"SEC. 26. The corporation hereinbefore referred to, operating the steam plants at Muscle Shoals and Dam No. 2 and any other steam and hydroelectric power facilities which may hereafter be constructed or built as hereinbefore provided in this act, shall supply the said lessee with the power necessary for the operation of the properties leased and for the other manufacturing purposes mentioned in subdivision (c) of section 25 hereof at a price which shall be deemed fair and just by the President and the board.

"SEC. 27. For a period of 12 months after the passage of this act, all the provisions of this act relating to the activities of said corporation in the manufacture and production of fertilizer and fertilizer ingredients and to the operation of any of the property authorized to be leased by this act are hereby suspended; and if, within said period, the President leases the property authorized to be leased, such suspension shall continue during the entire time said lease is in effect.

"SEC. 28. If within 12 months after the passage of this act, no lease is made by the President as herein authorized, then authority to make such lease shall cease and sections 25, 26, and 27 shall, at the end of said 12 months' period, become null and void and all the other provisions hereof, which have been suspended for said period of 12 months, shall at once go into full force and effect."

Amend the title to read as follows: "To provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama; to authorize the letting of the Muscle Shoals properties under certain conditions, and for other purposes."

And the House agree to the same.

HARRY M. WURZBACH,
CARROLL REECE,
PERCY E. QUIN,
HUBERT F. FISHER,
Managers on the part of the House.

CHAS. L. MCNARY,
G. W. NORRIS,
E. D. SMITH,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 49), providing for the leasing of the Muscle Shoals properties on certain terms and conditions, and providing for the national defense by the creation of a corporation for the operation of the Government properties at or near Muscle Shoals, in the State of Alabama, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the conference report:

The Senate joint resolution provides for the creation of a corporation to be known as the Muscle Shoals Corporation of the United States, with authority to operate existing plants for experimental purposes for the manufacture of fertilizer or fertilizer ingredients; for donation of not exceeding 1 per cent of the total product of such plants for experimental, educational purposes to county demonstration agents and agricultural colleges; to allot to the Secretary of War certain power for use in operation of all locks, lifts, and other facilities in aid of navigation; and then to sell the surplus power to States, counties and municipalities, corporations, partnerships, or individuals, with preferences as indicated in said resolution, and providing that in order to place the Government upon a fair basis for making sales of such surplus power, then to construct transmission lines, within transmission distances in any direction from Dam No. 2 and the steam plant; and also provides for the building of Cove Creek Dam, and an authorization of not to exceed $2,000,000 to begin construction of said dam.

The conferees accepted the Senate joint resolution without amendment but only as an alternative, and its provisions can not, under any circumstances, become effective for a period of 12 months after the passage of the act, during which 12-month period, the President of the United States is given authority to lease all of the Muscle Shoals property for private operation of the nitrate plants for fertilizer manufacture. And if a lease can be made, then for all practical purposes, never become effective.

The managers on the part of the House who have signed the report, believe that the leasing language is so liberal as that the President will be able to effectuate a lease, thus consuming all of the power distributable at Muscle Shoals, leaving little, if any, power for sale, or sale and distribution, under the provisions of the Senate joint resolution. They believe further that if a lease is made, and if not quite all of the power is thus consumed, that the minor part for distribution will be taken by muncipalities, willing to build their own transmission lines and thus prevent, by making wholly unnecessary, at least the construction of any transmission lines at the cost of the Government. In other words, we believe that the liberal leasing language written in this report will serve as an effectual barrier against the provisions of the Senate joint resolution from becoming operative.

The language of the bill, as it passed the House, has been superseded by new language whereby the President of the United States is given almost unlimited authority to lease the Muscle Shoals property for fertilizer manufacture, with limitations only controlling the quantity, quality, and selling price of the fertilizer there manufactured, leaving it wholly to the judgment of the President what rental shall be charged for the nitrate plants and other property mentioned in the bill, and the price for power to be paid by the lessee.

It is our firm conviction that only by granting such wide and general blanket authority to the President, making it possible for him to sit across the table from a prospective lessee, can a lease of the Muscle Shoals properties ever be negotiated. We believe that there are no such restrictions or limitations in the leasing language of the conference report as will bar any reasonably minded prospective lessee from submitting a bid, or from negotiating for a lease. The terms may be made attractive, without the grant of Government subsidy, and at the same time realizing a much fairer return to the Government than it is now receiving, and has been receiving, under present arrangements.

Manifestly, it was necessary to make the lease language as liberal as possible so as to bring about a lease. The price for power and the rental to be charged for the other property may be made as liberal as the President sees fit.

The long-continued disagreement between the Senate and House conferees arose over the language to be used in granting authority to the lessee in the matter of manufacturing or processing by-products incidental to the manufacture of fertilizer. Under the language as now written in the conference report, the lessee is permitted to manufacture, process, and sell, on the Government reservation, all such by-products as are not ingredients of fertilizer, and is also permitted to manufacture and process, but on property outside of the reservation, electrochemicals, or any other product whatever, he chooses to manufacture, and for that purpose is allowed as much as 15 per cent of all the power actually used in fertilizer manufacture, so long as he complies with the quantity stipulations of subdivision "d" of section 25 of this act, and subject to the same conditions, is permitted to purchase as much secondary power as, to the President, appears fair and equitable. The lessee

is given first call on power, both primary and secondary, subject only to the reasonable conditions stated in the report.

HARRY M. WURZBACH,
PERCY E. QUIN,
HUBERT F. FISHER,
Managers on the part of the House.

For the purpose of giving the two Houses opportunity to act upon the measure, I am signing conference report embodying provision for private leasing of nitrate plants for quantity production of fertilizer with Government operating power plants and constructing Cove Creek Dam.

While this is not what I preferred, it is the best that could be obtained in view of the situation which developed in conference. If satisfactory operations are secured under proposed lease authorization, the legislation will be beneficial. Otherwise, it would be unsound and hurtful.

This formula includes in a measure compromise principles propounded by House conferees last December, but it is not consistent with the House plan.

In event the measure should become law, I am hopeful that successful fertilizer production may be started and continued under limitations now proposed or modified as practical experience demonstrates to be necessary.

With successful operation of nitrate plants under lease contract for large-scale fertilizer production, no need will arise for Government to build transmission lines, as most, if not all, the power will be used in nitrate plant operations as originally intended in national defense act under which whole project was constructed.

CARROLL REECE.

Mr. WURZBACH. Mr. Speaker, ladies and gentlemen of the House, although the Members of the House apparently paid very little attention to the reading of the statement in lieu of the conference report, I want to say that the statement is a brief but a correct statement of the issues involved in this legislation.

I may say in the beginning that from the very nature of this subject of the disposition of Muscle Shoals no legislation offered to the House can be in any way perfect. We are satisfied that no legislation could be proposed that would be 100 per cent satisfactory to even 5 per cent of the Members of this House. The legislation is of such a nature that it must be, necessarily, very largely a matter of compromise. Of course, it is very easy to criticize any sort of legislation that might be submitted upon this subject.

I may say, further, that in my opinion, and I have almost lived with this subject for 10 years, no legislation has ever been proposed to the Congress during the last 10 years that is a more satisfactory disposition of this vexatious problem than the one we are submitting to-day. Some of you may think that this is damning the present proposition with faint praise, but I say to you that this is a meritorious bill.

For more than 10 years Congress has been laboring with this proposition, and we have accomplished nothing. This proposition is being submitted to the Congress not as an original one but it has been thrown into its lap for some kind of disposition. The legislation was initiated in 1916, when two-thirds of the present Congress were not Members and had nothing at all to do with the origin of it. We have got to do with it the very best we can. We can continue at the present and for the future to do as we have done in the past, and do nothing at all.

I have heard Members of Congress denounce this legislation as a recognition of the principle of the Government going into business.

I may say in reply that within less than a year past this Congress passed legislation known as the Boulder Dam legislation, which may with much more force and plausibility be denounced as establishing the principle of Government competition with its private citizens than may the present proposed legislation. In the former case this Congress initiated legislation knowing at the very time of its enactment that it meant Government competition with its citizens at least in the business of production of power. In the present case we have a white elephant on our hands. We are making the best of a bad situation. I was not responsible for the legislation that built Dam No. 2 and the nitrate plants and the expenditure of $150,000,000. Two-thirds of the Members here now were not responsible for that legislation because we were not then Members of the Congress.

Boulder Dam legislation received the approval of this Congress and Congress knew that by the construction of that dam, power would be produced and sold in competition with private enterprise. Not only did that legislation receive the support of the Congress, but it received executive approval as well, and, therefore, I challenge the statement that a Member supporting this conference report is establishing a precedent such as was one year ago already established in the Boulder Dam legislation.

I want to explain to the membership of the House that although the language of the Senate joint resolution precedes the leasing language of this report, as a matter of fact, the Senate joint resolution providing for the sale or sale and distribution of power, is in the alternative and can only become effective, and can only become operative, if no lease is made; in other words, only after the leasing language of this bill is first tried out and fails to result in a lease being made.

I submit to the House that if a lease is made, practically all if not quite all of the power, primary and secondary, will be used up by the lessee, and there will be no power for sale or sale and distribution; and in that case, the Senate joint resolution will not become operative.

Frankly, I will state that but for the fact I believe the leasing language of this bill is so liberal in its terms that it will mean the execution of a lease and the use of all the power, I would not vote for any legislation that would mean Government competition with its citizens.

And it follows therefore that in order to make the leasing language an effectual barrier against the other provisions of the bill, those contained in the Senate Joint Resolution, becomng effective it woud have to be demonstrated that the leasing language is so liberal in its terms that we could safely assume that a lease could probably be made.

I believe in all sincerity that the leasing language is so liberal that a lease could and would be made. Liberal in what respect? I say in every respect. Under this bill the President of the United States is given such practically unlimited and unrestricted power that he may sit across the table from a prospective lessee and negotiate for, and in all probability effectuate, a lease. There is no restriction placed on the Chief Executive except only the quantity stipulations as to fertilizer production. He can provide in the lease that the lessee shall have the power that he needs. No limitation is placed upon the President in the matter of the rental he may charge for the property leased. That is left wholly to the judgment of the President of the United States, and I will say right now—and I believe that gentlemen on the minority will agree—that since the beginning of this Government we have had no occupant of that high office who, because of his past training, experience, integrity, and great business ability, is in a better position to represent the Government in negotiating a lease of this kind. I am glad to trust his judgment. [Applause].

Now it might be said that although the terms as to the price for power and rental may be liberal, that there are other limitations which would prevent the President from making a satisfactory lease, and that brings me to what I consider the most vital matter to be discussed in this proposed legislation.

It was upon the proposition of the latitude that should be given to the President in negotiating a lease as to the right of the lessee in the matter of receiving and using power for the processing of by-products and fertilizer ingredients, that so long prevented an agreement between the House and Senate conferees.

In my opinion, these particular terms contained in subdivision C of section 25 are so liberal that anyone who contemplated going into the business of manufacturing ferti-

lizer would be willing to lease under the terms provided in the bill. For a month the House conferees have contended with the Senate conferees on the question of what language should be written into the leasing portion of this bill so far as the lessees' right of processing is concerned. The House contention was finally sustained by the Senate conferees' acceptance of these very liberal terms. There was no surrender upon our part. We won our contention.

The contention of the Senate conferees at first was that the lessees should only be permitted to have the electric power and the property for the processing of by-products which are not ingredients of fertilizer. We contended that there were other products, ingredients of fertilizers, that ought also to be permitted to be processed under certain conditions. Those ingredients, usable in fertilizer, and the processed products thereof are more important to the lessee than the by-products which are not ingredients of fertilizer.

Under the leasing language of the report the lessee can be given full power and authority without limitation or restriction to use all the power and all the property leased in the processing of these products, not fertilizer ingredients, and can also be given the full power and authority to receive and use a full 15 per cent of all the primary power used in the manufacture of fertilizer, and in addition to that every kilowatt of secondary power.

Now, it should be understood that with the present set-up about 66,000 kilowatts of primary power is being produced at Muscle Shoals Dam, and about an equal additional amount of 65,000 kilowatts of secondary power is also available. And the secondary power is just as valuable for 9 months of the year as the primary power is for the full 12 months. Under the lease language of the conference report the lessee may be permitted to purchase and use all the power he needs for the manufacture of fertilizer and its ingredients and for the processing of all by-products of such manufacture, conditioned only that they are produced on the leased premises; and, further, the lessee is granted an additional 15 per cent of all the power, primary and secondary, used in fertilizer manufacture; and such 15 per cent power the lessee may have and use in any manufacture whatever, but not on the leased premises.

If a lease can not be made under these favorable terms, then the Congress would have the right to assume conclusively, I believe, that the property is not leasable now, nor in the near future, nor ever. And if that conclusion is reached, then Members of Congress might as well face the proposition and make some other disposition of the power. We then must sell the dam, or sell the power. We have to do something in this matter or do nothing at all. It won't do for Members to criticize this provision or that.

We have an opportunity here now. I believe sincerely that if this report is accepted, signed as it is by four of the House conferees and by all of the Senate conferees, that it will be approved by the President. Perhaps not. He may veto this legislation if also passed by the Senate. I can not speak for the President, as some Members apparently undertake to do. I saw in the newspapers two days ago, and heard it rumored in cloak room and corridor, immediately after the report was presented, that the President would veto this legislation. I do not know who, if anyone, had authority to make that statement. I did notice, however, in the Washington Post of this morning that the President had not authorized any such statement.

I understood from that newspaper report that the President stated that he did not even know at that time what the conference report contained. I think the conference report is a fair report and presents a fair proposition for congressional approval. I think it is the best proposed solution of Muscle Shoals that has been presented to Congress since I have been here. As I said a while ago, it is not perfect. No legislation proposed could be perfect, and although we do certainly confer upon a President belonging to our own party, power that might be objected to by Members belonging to the minority party, I as one of the majority party am not ready to say that we are granting too much power to President Hoover. [Applause.]

A great deal has been said by way of objection to this legislation about transmission lines. I opposed that provision myself and I would not vote for this legislation, as I said a while ago, but for the fact that I think that the leasing language as it is stands in the way of the transmission lines provided for ever becoming operative. But even if they were to become operative, it is not quite as dangerous as some Members would have you believe. The board that would have the decision of whether or not and the extent to which the transmission lines would be built is appointed by the President, and I do not think that he would appoint a board or that any President would appoint a board that would favor the building of transmission lines unless they were reasonably necessary to do what? Reading from the language of the bill—

To place the board upon a fair basis for making such contracts.

That leaves a wide discretion with the board to determine whether or not the building of transmission lines would be necessary in order to place the board upon a fair basis to make such contracts. And remember that would be only in case there was surplus power. That is, if no lease were made, or if a lease were made and all of the power not used by the lessee, and some small or large surplus of power not used by the lessee, another provision of the bill provides that municipalities shall have the preferential right to build their own transmission lines up to Muscle Shoals to secure the power. That that would be an additional barrier at least against the building of transmission lines by the board and at Government expense. For all of those reasons and for the reasons that I set out at greater length in remarks I made on the floor of the House on January 24 last, I have not the slightest fear that the Norris provisions, or the provisions of Senate joint resolution, will ever become effective; so that the proposition up for your consideration now is, whether or not you are going to make an honest effort to carry out the mandate that was placed on Congress in the basic law of 1916, providing that this power should be used for the manufacture of nitrates for explosives in time of war and nitrates for fertilizers in time of peace. In my opinion this conference report comes nearer to carrying out that mandate and to carrying out the present needs of the American farmer who is suffering from a lack of cheap fertilizer than any bill that has ever been proposed to this Congress at least during the last 10 years. [Applause.]

Mr. RANSLEY. Mr. Speaker, when the Congress adjourned last summer the Senate had voted for Government operation at Muscle Shoals; the House by a goodly majority was for a lease.

A highly important principle is at stake, and if the House agrees to the conference report, it would be a complete retreat or backdown by the House from its position taken some months ago.

The entire set-up has an ominous sound to the taxpayer, with memories of the Government's experiments with railroads and shipping.

Business is opposed to more Government in business.

The Chamber of Commerce of the United States voted overwhelmingly in favor of a recommendation for the lease or sale of the Muscle Shoals project.

You have many thousands interested in great industries. What they fear is not a stoppage in growth but they do fear Government interference. Government operation at the shoals they regard as only a beginning; what next do they ask? Is it railroads?

The bill will become a power proposition after fertilizer fades from the picture. It provides for the construction of transmission lines into two or more States, placing the Government into the retailing of power.

I ask you to remember that at the great Boulder Dam development power is to be sold at the switchboard. Why not at Muscle Shoals?

It is true there is a proviso that the President be given authority to lease the nitrate plants, but under conditions that make it impossible for him to do so. I believe that the

President could not lease under the provisions of this bill. [Applause.]

Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Speaker and Members of the House, I have given considerable thought to the many Muscle Shoals proposals which have been with us in every Congress since some time before the World War. Muscle Shoals first came before Congress as a navigation proposition—rivers and harbors proposal—to make that part of the Tennessee River navigable, and that got nowhere. Then came the World War, and Muscle Shoals was tossed right up front as a nitrate possibility. Federal money was poured in. The war ended, and Muscle Shoals was quickly put forward as a fertilizer proposition. Read the old debates. Get something for Muscle Shoals. The debates became progressive as the proposition became progressive, and finally one would have thought that the Muscle Shoals plant would make nitrate for the whole United States. But it can not, and will not be able to make much even with the completion of Dam No. 2 and other proposed additions. Senator NORRIS himself in the Senate in 1928 said in effect that the fertilizer plant could not deliver; that it would take another enormously expensive fixed-nitrogen plant to do it, if I read his statement correctly. But the fertilizer argument is still heard, to fool not only us but the farmers.

The proposition now reduces itself to a power proposition and in this report, in which we see to-day for the first time, the compromise bill, we find that leasing proposal is so hedged about that there are likely to be no bidders.

From what I can learn as to the manner in which the leasing and other paragraphs have been doctored up, this Muscle Shoals bill is worse now than any one which has ever been before any Congress heretofore. Worse for the United States Government; worse for the two States which are supposed to be the principal beneficiaries; certain to make enormous future demands on the United States Treasury because of extended Federal power lines. If the plant can not pay the bill, no matter; the Federal Government will have to, and the Appropriations Committee will not be able to sit on the lid, even if it wants. To make good the promises to the farmers the Government will have to build another great plant there before long. It has been an annoyance and a nuisance. It will now be a greater annoyance and a greater expense to the Federal Government than ever before.

Public ownership of power lines and plants by States, counties, and cities is one thing; Government ownership is quite another. We should not confuse the two.

The Southern States themselves, in States as far away as Arkansas, will be asking, sooner or later, for the benefits of extended power lines, and there is practically no limit on what the United States board may spend. Power lines are to be built by the Government and can be extended anywhere. If the profits above the 5 per cent of gross income, which is guaranteed to two States, does not provide enough, then Uncle Sam must foot the bill. I doubt if the 5 per cent will be as much as some people think, at least not for many, many years, and Alabama is already in the Supreme Court trying to get money through tax money already lost on what Muscle Shoals has already done.

Finally, in my opinion, this bill is the last word in stepping over into the rights of States, the Southern States to the contrary notwithstanding. Boulder Dam went pretty far, but that proposal could not pass until it carried a "pay-back-to-the-Government" clause. Where does the United States get off on this new scheme? Not even 50-50, as in the established Federal-aid plans.

Every Member of this House knows there is right now danger of our great Federal Government getting a little out of bounds. You see the signs everywhere of more Federal Government, and more of a kind of Federal Government that none of us dreamed possible even 10 years ago. Right and left we denounce bureaucracy, and then we beg for a little bit more of it. Let us look into the "bureau" part of it a minute.

There is to be a board of directors of the "Muscle Shoals Corporation of the United States"—that is its full official title—and they are to be paid at the rate of $50 for not to exceed 150 days the first year. That is $7,500 a year apiece. But subparagraph (b) of section 3 says:

> (b) The general manager shall appoint, with the advice and consent of the board, two assistant managers who shall be responsible to him, and through him, to the board. * * *

And subparagraph (c) says:

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

How they will cut up the $50,000, I do not know. That may mean $20,000 annually for the boss director, and $15,000 each for the other two, or it may mean that each will receive $16,666.66 per year for his effort to make the Government successful as it goes into business. That is little enough for what they have got to do. They have got to be some men. I do not know whether their appointments will have to be confirmed in open session by the body at the other end of the Capitol, but I think they do, and may Heaven help us if that is so. The more ability they have along the lines demanded in this bill, the more trouble there will be in confirming their appointments. Because subsection (h) of section 2 says:

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

They have got to do more than Alexander Legge will be able to do. Old King Canute tried to stop the tides but without much success.

And the next section provides that—

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

Note that the attorneys come in between the clerks and employees, but the salaries will be different. No matter, Uncle Sam will foot the bill.

If the other legislative body has to confirm appointment of the expert in the production of fixed nitrogen, it might be well to start now for an amendment to give us two Senates of the United States, for with this starter we are to have more of it.

Mr. Speaker, this is not Muscle Shoals alone. It is an issue that is coming along like creeping paralysis on old Uncle Sam. My colleagues, do not be afraid to meet the real issue. [Applause].

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. RANSLEY. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, if this report is adopted to-day, and this bill eventually becomes law, I do not think the United States can ever again object to other countries becoming socialistic. To my mind this is the nearest approach to a socialistic doctrine that has ever been advanced in Congress.

We have expended already at Muscle Shoals $125,000,000, and we are now asked to expend at least $50,000,000 more on the Cove Creek Dam proposition; and, in addition to that, to build transmission lines and to set up a governmental corporation, the directors of which are to be appointed by the President of the United States for the purpose of carrying on that business. It is true that the suggestion of a lease is made, and the advocates of the legislation say that the lease will be taken up.

Our good friend from Texas [Mr. WURZBACH] says that the leasing is all that will ever be done; that it will never come back onto the Government to be operated in accord-

ance with the conditions offered in the Norris resolution. In that I differ very materially from the gentleman from Texas. The lease can not look interesting to any business corporation, as I see it. We are told there is available in the Southeastern section of our country three times as much electrical energy as is now in use. Therefore, why should any corporation come forward and say, "We will take this off the hands of the Government"?

To my mind that is a smoke screen and nothing else; an effort to fool the people into thinking there is likelihood of a lease being made, when back of it all there is really a plan to set the Government up in business. I for one am opposed to that proposition.

We have gone a long way from the original ideas. Our friends from Alabama wanted navigation, but there is no thought of navigation to-day. If there were there would be a proposition here to build Dam No. 3, so-called, because without Dam No. 3 the engineers say there can be no navigation.

The gentleman from Texas said we must "do something." I do not agree with that. I think we had a great deal better do nothing than to do something which is wrong. That is the situation. This dead cat has been put on the doorstep of Congress for nearly 10 years. Let us bury it in the right place.

One of the reasons why I say we should not adopt such a report as this is the fact that the States of Tennessee and Alabama not only get all of these millions of dollars spent in that section of the country but, in addition, each State demands for its support of this legislation, 5 per cent of the gross receipts. There can not be anything more ridiculous. The Government having expended millions of money in their States, why are they not willing to take it over? If the gentleman from Texas wants something done I for one would gladly vote to donate the entire proposition to the benefited States of Alabama and Tennessee rather than pay to them 5 per cent of the gross receipts for the purpose of paying the running expenses of their States. [Applause.]

This resolution, as changed by the conferees, purports to be for the primary purpose of manufacturing nitrates and other products for use as fertilizer bases, fertilizers, and national defense. The resolution, however, provides for placing the Government in the business of distributing electrical energy from Wilson Dam, the steam plant as now constituted, and such other modifications and additions as may be necessary, and provides for the construction of Cove Creek Dam and the distribution of the power therefrom.

Both the hydroelectric and steam power companies of southeastern United States during the period from 1923 to 1928 were selling well under 25 per cent of their productive capacity of electrical energy, and the net increase of sales between 1923 and 1928 was less than 1 per cent per year, which clearly indicates that the existing power companies in this locality will not be able to sell their efficient productive capacity in the next 30 years at the present rate of growth.

From an economic standpoint, it is obvious that the power market, the condition of annual floods, and the price of fertilizer, do not warrant the construction of Cove Creek Dam or the extension of the Muscle Shoals project to meet any public need within the next 30 years.

The cost of Wilson Dam, the steam plant, and the anticipated cost of the projected Cove Creek Dam, are such as will not result in cheap power, and therefore can not possibly result in cheap fertilizers if the project contemplated by the Norris resolution is carried out.

Wilson Dam, the steam plant at nitrate plant No. 2, and the Cove Creek Dam, combined, would produce approximately 225,000 kilowatts of prime power, and would represent an investment of over $100,000,000. Applying ordinary business principles to an investment of this character, the cost of operation, depreciation, and maintenance costs, together with a reasonable amortization factor, the result would be an annual deficit of at least $5,000,000 per year, and could not possibly obtain the object of supplying fertilizer at a rate cheaper than the present market, unless Congress by appropriation provides a subsidy to reduce such costs.

At the present time, there is a productive capacity in the United States of 250,000 tons of nitrate; there is a productive capacity of 360,000 tons of ammonia, and by September, 1931, this productive capacity of ammonia will be increased to 504,000 tons per year.

Recent methods developed for oxidation of ammonia have reduced the metal bulk of equipment for producing ammonia to one-thirtieth of that involved in the installations at Muscle Shoals, reducing the cost of such equipment to something like one-eighth of that at Muscle Shoals, and decreasing the cost of production of the ammonia 1 cent per pound.

This progress in the production of nitric acid (the material which is essential to the Government for explosives) reduces the oxidation plants at Muscle Shoals to the value of scrap.

From a purely economic standpoint, considering transportation, adaptation to domestic needs, and trade conditions involving the importation of certain quantities of the same products, under existing conditions the needs of the country are fully met.

The law of economics forbids the total exclusion of articles and materials produced in this country. International trade conditions are such that there must constantly be an exchange of goods. The balance of trade may have to be met with money or credits, but ultimate result is an exchange of goods for goods.

The ostensible purpose of Senate Joint Resolution No. 49, otherwise sometimes known as the Norris resolution, is to provide for the national defense by the creation of a corporation for the operation of the Government properties at and near Muscle Shoals, in the State of Alabama. It is interesting to note that practically all proposed legislation relating to the Muscle Shoals project bears the "national-defense" label. It is indeed the hall marks of constitutional authority. However, the measure is not necessarily an aid to the national defense merely because it is so designated in its preamble and in various portions of its text, and a reading of Senate Joint Resolution No. 49 will make it clear to any thinking man that the measure is not in fact related to the national defense. It is true that the Muscle Shoals project was conceived and constructed for the national defense, the nitrate plants were erected to assure an adequate supply of this vital commodity at a time when our industries were compelled to rely upon imports of Chile saltpeter for their nitrogen supply. These nitrate plants are now obsolete, and there are available to the Government in case of war abundant sources of supply of fixed nitrogen entirely apart from the plants at Muscle Shoals. The Muscle Shoals project is now useless to the Government so far as munition purposes are concerned. Wilson Dam, with its hydroelectric power plant, was constructed as a war measure under the authority of section 124 of the national defense act. The purpose of this construction was to furnish hydroelectric power for the operation of the nitrate plants at Muscle Shoals. In view of the situation above outlined, the Wilson Dam is no longer a factor in our national defense.

Other objects found in the text of the proposed resolution are that it is an aid to navigation and flood control. These are also hall marks of constitutional authority under the interstate commerce clause. However, so far as flood control is concerned, the necessity for Government operations to that end in the Tennessee River Valley is well known to be negligible. At the most, flood control can be said to be but a minor purpose of the proposed legislation. To consider that the purpose of the proposed measure is to provide an aid for navigation is little short of an absurdity. This is, of course, but a moot question so far as the Wilson Dam is concerned, as that dam is already in existence. That that dam constitutes an aid to navigation can not be denied, but in order to make the Muscle Shoals navigable to river traffic another dam would have to be constructed approximately 15 miles upstream therefrom, at a site where the Army engineers have proposed the erection of a dam to be known as Dam No. 3. However, the resolution under discussion contains no mention of such a project.

The construction of Cove Creek Dam on the Clinch River would have no effect upon navigation over Muscle Shoals.

This projected dam, the erection of which by the Government is proposed in the resolution, is a storage dam pure and simple. Its purpose is power development and nothing else. Its construction would approximately double the primary power at the Wilson Dam.

All of these considerations clearly show that the proposed measure is not to provide for the national defense, is not to furnish an aid to navigation, and can not sensibly be taken as a flood-control project. On the other hand, it is clear that the effect of the resolution, if enacted into law, would be to launch the Government in the power business in direct competition with privately and State owned power developments in the Tennessee River Valley. There are projected developments of the Tennessee River and its tributaries costing hundreds of millions of dollars for the production of hydroelectric power to the amount of approximately 3,000,000 kilowatts, and if the Federal Government enters into competition therewith, it may well with its unlimited financial resources drive these weaker groups entirely out of business by the mere force of economic pressure. That the Government has a clear right to operate the Wilson Dam for its own purposes and to place on the market for sale the surplus power therefrom, as it is now doing, is to be conceded. To lease its nitrate plants to private industry for the manufacture of fertilizer bases, and so forth, is also, if practicable, a laudable purpose. But the program of power development and operation by the Government set forth in the proposed resolution furnishes an entirely different picture, one in fact that I can find no excuse for in the category of the legitimate functions of the Federal Government. It should be clear to any reasonable mind that such a proposition is not a proper Government function and is outside of the power delegated to the Federal Government by the Constitution, by implication, or otherwise.

Another feature of Senate Joint Resolution 49 that is clearly without constitutional authority is the attempt to tax the Federal Government in behalf of the States of Alabama and Tennessee. It is so well settled as to be beyond argument that the States have no power, by taxation or otherwise, to retard, impede, burden, or in any manner control the operations of the constitutional laws enacted by Congress to carry into execution the powers vested in the General Government. In the famous case McCulloch *v.* Maryland (4 Wheat. 316) the court aptly remarked that a State has no power to tax an agency of the Federal Government, for "the power to tax involves the power to destroy." This is an implied restriction of State powers but is nevertheless as effectual as any expressed restriction could be. This construction of the Constitution's meaning has been followed in a long line of decisions by the United States Supreme Court.

A late case upon the subject is that of the Panhandle Oil Co. *v.* Knox (277 U. S. 218). In that case the court in its opinion states:

> The States may not burden or interfere with the exertion of national power or make it a source of revenue or take the funds raised or tax the means used for the performance of Federal functions.

It is clear from these decisions that the proposition of paying the States of Alabama and Tennessee a tax upon power sales of the Government is repugnant to the Constitution. It is also clear that the tax provisions in question are not ex gratia in character, but are inserted in the resolution to meet the demands of the States in question. However, whether or not this be true, the Congress, which must function under the authority of the Constitution, has no more power to accede to such demands or to voluntarily burden the Government with such a tax than it has to dissolve the Union.

The major purpose of the measure being unconstitutional, and there being specific provisions in its text which also violate the Constitution, it is the duty of the Congress, as well as of the Chief Executive, to prevent the measure from being enacted into law. This duty exists even though the unconstitutionality of the resolution is only suspected and not conclusively revealed. Probably no more informative discourse on this point can be found than former President Taft's message to Congress of February 28, 1913, disapproving as unconstitutional the Webb-Kenyon bill in regulation of interstate shipments of intoxicating liquors. The views of this eminent jurist upon this question may be quoted from his message, as follows:

> But it is said that this is a question with which the Executive or Members of Congress should not burden themselves to consider or decide. It is said that it should be left to the Supreme Court to say whether this proposed act violates the Constitution. I dissent utterly from this proposition. The oath which the Chief Executive takes, and which each Member of Congress takes, does not bind him any less sacredly to observe the Constitution than the oaths which the justices of the Supreme Court take. It is questionable whether the doubtful constitutionality of a bill ought not to furnish a greater reason for voting against the bill, or vetoing it, than for the court to hold it to be invalid. The court will only declare a law invalid where its unconstitutionality is clear, while the lawmaker may very well hesitate to vote for a bill if of doubtful constitutionality, because of the wisdom of keeping clearly within the fundamental law. The custom of legislators and executives having any legislative functions to remit to the courts entire and ultimate responsibility as to the constitutionality of the measures which they take part in passing is an abuse which tends to put the court constantly in opposition to the legislature and Executive, and, indeed, to the popular supporters of unconstitutional laws. If, however, the legislators and the executives had attempted to do their duty, this burden of popular disapproval would have been lifted from the courts, or at least considerably lessened.

In the light of these considerations, it seems manifest that Senate Joint Resolution No. 49 should not be passed.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. RANSLEY. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD. Mr. Speaker, ladies and gentlemen of the House, foregoing the principle that is involved in this proposition, which is contrary to the fundamentals of our Government, and considering it solely upon its merits, this thing should be defeated. As has already been mentioned by the gentleman from Massachusetts [Mr. TREADWAY], there is a proposal contained in this report to pay 5 per cent, not of the net receipts but of the gross receipts to Alabama and Tennessee. Five per cent of the gross receipts from all the power that is generated at Dam No. 2 is to go to Alabama and 5 per cent of all the power that is generated at Cove Creek Dam is to go to the State of Tennessee. Why should we be paying them anything? They are not investing a dollar in this proposition, while from first to last the Government will have invested in this proposition $240,000,000 or $250,000,000. What has Tennessee invested in it? What has Alabama invested in it? Nothing. The only excuse they can offer for this is that there is to be some land taken in the construction of these dams, and the aggregate cost of that land, at the highest possible figure, would not exceed half a million dollars. Can they not forego a half million dollars, the price of their land, if the United States is going to expend $240,000,000? Tennessee and Alabama are the only interests that are bound to win and the Government is bound to lose.

It was not so long ago that a German syndicate came over here to make a survey of this proposition when they found we were trying to get rid of this elephant. I suspect there is nobody in this world that knows more about the manufacture of fertilizer and the manufacture of ammunition than the Germans. After they had made a careful survey they went back and reported to those who sent them over here that they could not afford to take it even if they were given a lease for nothing. That being so, how can anybody say it is possible for the Government of the United States to operate this thing at a profit, when we all know that the Government in business means a loss rather than a profit. To my mind this thing of itself should forever damn it.

I wish to commend the gentlemen from Tennessee and the gentlemen from Alabama for their foresight in getting this thing for they are bound to win and have nothing to lose. On the same basis the United States Government is bound to lose. There is not a possibility of the Government conducting this property at a profit.

So I hope this Congress, in justice to the taxpayers of the United States—and we had better be looking after them a little—will vote down this proposition. It would be infi-

nitely better if we should place a magazine of powder under this thing and blow it to heaven, or some other place, rather than to expend more money and take upon ourselves a proposition the cost of which no man can this day estimate. [Applause.]

Mr. WURZBACH. Mr. Speaker, I yield two minutes to the gentleman from Tennessee [Mr. TAYLOR].

Mr. TAYLOR of Tennessee. Mr. Speaker and gentlemen of the House, I shall only address myself to the point raised by the distinguished gentleman from Indiana. I am surprised that a man of the sagacity and legislative experience of the gentleman from Indiana [Mr. WOOD] would commit the error of criticizing Tennessee and Alabama with respect to the 5 per cent of the gross receipts provision in this bill.

Anyone who knows anything at all about the proposition can well realize the justice and the justification for this provision. The Cove Creek Dam is situated in my congressional district and I know something about it personally. The construction of this dam will inundate 54,000 acres of land and will therefore destroy approximately one-half million dollars' worth of taxable value in Tennessee, and for that reason, of course, the State is entitled to this consideration. As a matter of fact, the 5 per cent provision will not begin to compensate Tennessee for this taxable value loss.

Mr. BACON. Will the gentleman yield?

Mr. TAYLOR of Tennessee. Yes.

Mr. BACON. Will the States of Alabama and Tennessee take the whole thing as a gift? It would be cheaper to the Federal Government if they did.

Mr. TAYLOR of Tennessee. I will say to the gentleman that I personally know that a number of concerns have been endeavoring to secure permits to develop water power on the Tennessee River, both in Tennessee and Alabama, and have been denied such permits by the Federal Power Commission.

Mr. JAMES of Michigan. Will the gentleman yield?

Mr. TAYLOR of Tennessee. Yes.

Mr. JAMES of Michigan. The 5 per cent that is to be paid to Alabama and Tennessee does not apply if the President makes a lease.

Mr. TAYLOR of Tennessee. Certainly not.

Mr. BYRNS. And I may say to the gentleman that the gentleman from Indiana [Mr. WOOD] wholly overlooked the advantage to the United States in the benefits that accrue to navigation and flood control by the erection of Cove Creek Dam.

Mr. TAYLOR of Tennessee. Absolutely; and, especially, flood control.

Mr. RANSLEY. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Speaker, before I came to Congress some 10 years ago, I had thought that the salvation of this country depended upon the men of the South who, by their own admission, were disciples of Thomas Jefferson and stood solidly behind the principles enunciated by that great statesman. I had so expressed myself publicly on various occasions, even in New England, where that doctrine was not particularly well thought of.

I find I have been mistaken, and that the only consistent follower of Thomas Jefferson from the South during my service has been that great statesman, Finis Garrett. Finis Garrett, to my mind, typified my ideal of statesmanship more than any man with whom I have served during the last decade, and Finis Garrett would never have supported this proposition, and he did not support it while he was a Member of this House. [Applause.]

Mr. Speaker, the Jeffersonian Democrats from south of the Mason and Dixon line have crucified their patron saint and his principles upon a cross of gold. They have sold the heritage for which their forefathers shed their precious blood for a mess of pottage for patronage, for the sake of something out of the Public Treasury.

I want to ask ST. GEORGE TUCKER what his father would have done when he was in Congress. I want to ask CHARLIE CRISP what his father would have done when he was in Congress. I want to ask FRITZ LANHAM what his father would have done when he was in Congress; I want to ask BILLY BANKHEAD what his father would have done in the Congress if this proposition had come before him.

Mr. BANKHEAD. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. BANKHEAD. My father, since he has been brought into this discussion, if he were here, in my opinion would support the conference report, and if I were permitted, I could give many reasons.

Mr. UNDERHILL. The gentleman is better qualified to speak for his father than I am, but his father's principles, as enunciated by him during his honorable and valuable service in the House and Senate, were absolutely against such a policy as this.

Now, Mr. Speaker, it seems to me it is too bad when you men who are in a position to hold this heritage for which your fathers not only shed their precious blood but for which your fathers gave up every material possession of value, to force on the Federal Government one of the greatest assets that one of the greatest States potentially in this Union has in its possession. You do not know what you are doing. You are working against the interests of your own people and against the interests of those who have invested money in private enterprise of the same character in Alabama. You are duplicating their efforts at the expense of the Federal Government. And why? Simply because it is paid for by somebody else. The danger that is facing our Republic to-day is that your States and the smaller States of the Union are advocating to-day bureaucracy and Federal activities instead of State activities for which your fathers fought, bled, and died. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 10 minutes to the gentleman from New Jersey [Mr. FORT].

Mr. FORT. Mr. Speaker and Members of the House, this bill falls into that type of which we have entirely too many—what may, perhaps, be called symbolic legislation. The title "Muscle Shoals" has come to have in the public mind the meaning of a hazy and indefinite problem. Many Members of this House instead of discussing it as a problem are moved to vote for the legislation because of its name and with little or no examination of its merits. Unfortunately, this happens too often on questions to which a name has become attached in the public mind. The name becomes a symbol to the people, who know nothing of the details or provisions of the particular bill.

On symbolic legislation, such as this, we should think, therefore, rather seriously as to what it symbolizes as well as about its legislative form.

Of what then is this bill a symbol? In the form in which it is reported to this House by the conferees this bill symbolizes and purposes just one thing, and that is the entrance by the Government of the United States into what heretofore has been private business. Let us look at its provisions for a moment to see whether this is so.

Section 14 of the bill declares it "to be the policy of the Government of the United States to utilize the Muscle Shoals properties for the fixation of nitrogen for agricultural purposes in time of peace." That is the declared policy of the bill.

In order that that policy may be carried out we are conferring on a board of three directors, which the bill creates, wider and greater powers than I have ever seen conferred on any board under any bill since I have been a Member of this House.

We are conferring on the board by section 5 (b) the power to contract with other producers for the purchase of fertilizer. We are conferring upon the board by section 5 (e) the power to modernize the plant at Muscle Shoals. Recognizing that the plant which we now have there is worthless for carrying out the provisions of section 14, we give the board power to rebuild the entire plant.

By section 5 (g) we also authorize the board in its discretion to make any alterations, modifications, or improvements it may see fit to make. All of these provisions, of course, are directly for the purpose of putting the Government into the fertilizer business.

Then we are adding to the mere entrance into business provisions which permit an unfair competition in that business. We are conferring upon the Government of the United States the power to use any patent. We give the patentee no right of contract for royalty for his patents but force him to bring a suit to recover "reasonable compensation." Other manufacturers of fertilizer may spend millions in developing a process for their own use and the Government of the United States reserves the right to step in and take any such process at a price to be fixed, not by contract as must be the case with any other manufacturer of fertilizer who wishes to use the patent but for a price which the courts may fix. We are thus loading upon the fertilizer industry an unfair competition in business from their own Government.

Now, what powers are we giving this board? Look at the bill. We give them an unlimited power of eminent domain to take real estate. We give them an unlimited power to buy any personal property which they may think is necessary for the conduct of the business. We give them unlimited power to buy fertilizer or fertilizer ingredients absolutely without limit. If we have ever given such powers in any other piece of legislation, I am not aware of it.

What else do we do? We are conceding the right of States to tax the Federal Government. I once introduced a resolution for a general study of the question as to whether we should not permit the taxation of property used by the Government for nongovernmental purposes. That we are not doing here. We should perhaps do it in order that the Government may be on a fair competitive basis with private business, but we are here conceding the right of the States to tax the gross proceeds gained by the Government from the sale of power—permitting a State to levy a tax upon the gross, not the net, income of the Government.

Now, look at the provision in respect to the board which will run all of this. It will be found on page 5549 of the RECORD. The qualifications are entirely new. You and I can sit here merely by virtue of an oath to preserve and defend the Constitution of the United States, but you could not serve on this board of directors on any such oath—nor, indeed, need you take it. Let me read the qualification to you:

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

[Laughter.]

Those are the qualifications for membership on the board. A man must profess that, and I say to the gentlemen of this House in all solemnity that nobody will profess it who is neither a liar nor a socialist. Unless you believe in Government operation of business, you can not qualify for membership in the board. Not only that but you can not qualify unless you are willing to stultify yourself by asserting a belief that it will prove a self-sustaining and continuing success. There is not a man in this House who believes it will ever be a self-sustaining success. The Constitution prohibits any religious test as a qualification for public office. But apparently, those with whom socialism is a religion and the Government in business a creed will allow no scoffing disbeliever to serve in their sacred shrine. No business knowledge or experience needed—only faith in the sublime virtue of socialistic experiment. And to this board whose sole qualification is a belief in the Government operation of business, we are going to give broader powers than we ever gave to any board in the history of this Nation. And we are going to pay them only $50 a day, and they can not work more than 150 days the first year or 100 days the next.

To this board to whom we are going to pay $7,500 a year for the first year and $5,000 a year thereafter we are turning over the operation and control of this vast project which before it is completed will have cost the Government of the United States over $120,000,000. And their sole qualification is a belief in government in business. Of course, on top of the $120,000,000 original investment, there will be all these other countless powers to contract, without waiting for appropriations from Congress, in an unlimited way for anything that they, these learned professors, think will carry out the policy of the act. And if they do, we protect any man who enters into a contract with them by making the corporation liable to be sued either in the Court of Claims or in the other courts of the United States. If you pass this bill, you give up control, gentlemen of the Committee on Appropriations, and of the House, of how much this thing is going to cost. You give it up to a board of three men who may contract what they please.

The gentleman from Texas [Mr. WURZBACH] has attempted to justify this legislation by virtue of the Boulder Dam precedent. If we pass this bill somebody will be here within another year or two justifying yet further incursion into the realm of legitimate business by virtue of this precedent. A vicious precedent is a major catastrophe to the Government of the United States. The only way to prevent a vicious precedent is to avoid its creation. [Applause.]

Mr. WURZBACH. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. DAVENPORT].

Mr. DAVENPORT. Mr. Speaker and Members of the House, although I lean toward the passage of this bill, I am not an exuberant defender of certain provisions in it. It is true, as the gentleman from New Jersey [Mr. FORT] has just stated, that this bill has unfortunately become a political symbol. That happens sometimes when you have to do something about it, and it is a condition, and not a theory, as I see it, that confronts us.

This bill has been in the making for a long time, but during the later years, since it has become a political symbol, it has received less constructive attention, so it seems to me, than so great a problem deserves. There are rules and principles embodied in the bill which seem to me sound. There are features of it, however, which might with good advantage to the project and to the country be given more constructive attention, particularly by the board of directors of the project provided for in the bill.

The question of the economical manufacture of nitrates and fertilizers at Muscle Shoals has become a mooted one. There is a pretty widespread belief that the production of nitrates by chemistry rather than by the large use of electrical energy is much the more economical. This bill leaves the question open for 12 months to the adventure within the existing plants at Muscle Shoals of some daring producer who is willing to experiment, with the 50 per cent leeway of power in other fields, and perhaps throw light upon this mooted problem. If he is successful, then the original purpose of this project is conserved. If he is not successful, then the way is open for the use of electrical energy at Muscle Shoals for the industries and the domestic users of the region. The demonstrated superior economies of the chemical production of nitrates will make impossible the absurd exercise of the unusual powers in the bill over fertilizer production at Muscle Shoals. Perhaps this is, on the whole, a fair disposition of so controverted a matter.

Another valuable point in the agreement which has been arrived at is Government operation of the plant at the switchboard. This solution, so far as the mere operation of the power station is concerned, seems to have the right of way at Boulder Dam, on the St. Lawrence, and now at Muscle Shoals. There is nothing essentially uneconomic or unsound about this proposal, so it seems to me. At Muscle Shoals the Government of the United States is already there, is selling some electrical energy already through Federal engineers who are thoroughly capable men.

The business of operating a power station has become a simple, almost automatic operation. Furthermore, if a public authority is in a position to contract directly with the distributing agent at the switchboard, the control of rates in the interest of the consumer by contractual agreement at the switchboard is at least somewhat easier than it would be if a private corporation were licensed to operate the plant.

There is less possibility of litigation if a public authority may shut off the power if the terms of contractual agreement are not lived up to. At least the strong arm of contractual agreement operates more intimately upon private distributing systems acting as a sales agency for public power. The Federal Power Commission in this bill is given authority to determine reasonable rates, but I question seriously whether this authority alone is sufficient protection to accomplish the intended policy of the bill. The Federal Power Commission ought to be vested with the authority to establish whatever rules and regulations it finds necessary to determine reasonable charges. No such power is conferred by the present bill and no such power would seem to flow from the Federal water power act, because the regulatory and investigatory power of the commission under that act is limited to power projects licensed thereunder. The Federal Power Commission, without the help of strong contractual provisions, is left to determine reasonable charges by reference to valuations and returns under ordinary rules of law, reproduction cost, and similar handicaps. Under its own statute the Federal Power Commission exercises a very considerable power to control costs and valuations and returns. Whether this power may be carried over into other fields in which the Federal Power Commission is given jurisdiction is, I would think, at least doubtful. Therefore the opportunity to employ to the limit the principle of contractual agreement at the switchboard is of importance. That opportunity this bill provides.

There are two matters which I do not find thoroughly inquired into and worked out in the terms of this bill. In section 11 the board of directors is expressly authorized either from appropriations made by Congress or from funds secured from the sale of power to construct or authorize the construction of transmission lines within transmission distance in any direction from Dam No. 2. If there is any principle clearly determined in the field of the production of electrical energy, it is that the paralleling of existing transmission lines is economically wasteful and adds a heavy burden to the cost of electrical energy to the consumer. This would not apply, of course, to the building of short transmission lines for industries near the site, nor perhaps for consumers generally within a limited area; but no public authority should go into the business of paralleling existing distributing systems "within transmission distance in any direction" without the most searching inquiry into the cost of it and the effect of it upon the price of power to the consumer.

The policy of this bill is to distribute the surplus power generated at Muscle Shoals equitably among the States within transmission distance of Muscle Shoals. There is a very important and serious distinction between possible physical transmission distance from Muscle Shoals and economical transmission distance. It has been recently found in the study of the similar problem on the St. Lawrence River that the duplication of existing transmission lines would require an expenditure that would render the project of no advantage whatever to domestic consumers of power, to whom that project is particularly dedicated and to whom the surplus power at Muscle Shoals is also particularly dedicated by this act. The sound method, either on the St. Lawrence or at Muscle Shoals, is to contract if possible with existing utility systems under an agreed-upon formula of control. The board at Muscle Shoals should seek to negotiate with the utility companies a contract for the transmission and distribution of the power, which contract by its terms will insure among other things the payment of all operating expenses of the power plant, the interest, amortization and reserve charges, rates to consumers which will insure them the benefit of the ownership, control, and operation of the plant by a public authority, full and complete disclosure to the public authority of all factors of cost in transmission and distribution of the power, so that rates to consumers may be fixed initially in the contract and may be adjusted from time to time, on the basis of true cost data, that rates fixed in the contract shall be contractual in their legal nature, not subject to the usual rate litigation, and that such proposed terms shall be published in advance, and shall not be valid without the approval of the President of the United States.

In the event of inability of the board under this act to make such a contract, they, of course, should have authority to make other disposition of the power, as they do under this act. If the existing utilities are not willing to play fair, are not willing to act as a sales agency of the project for a fair return, then other steps may be taken. It would be well if these principles were more clearly defined in the bill itself. I recognize that we have come now to a place where amendment is impracticable owing to the probable intent of Congress to put this plan into operation and therefore to refuse to take other risks of amendment at this session. But it will be well for the board under this bill to remember before transmission lines are built or plans settled for marketing the surplus power that there should be on the part of the board an engineering and marketing inquiry entered upon in the region about Muscle Shoals, of far greater thoroughness than has yet been made. It should be especially determined how large the industrial use is likely to be at the site, or at Birmingham or Chattanooga or Nashville or Memphis within reasonable transmission distance of the plant.

I point this out because in the use of a great new block of electrical energy such as that at Muscle Shoals or on the St. Lawrence, or wherever there is a continuous flow of firm or primary power, what is known as the load factor is of chief consequence in determining whether the use of this new power is or is not to be an economic success. By the load factor I mean at Muscle Shoals the economical use of eighty to one hundred thousand, 24-hour, firm or primary horsepower which is ever rushing on its way to the sea. It is necessary to use a considerable portion of this primary power 24 hours a day or as nearly so as possible in order to make the project really useful and of so low a cost as to be to the advantage of the domestic consumer, who should be primarily considered in a great public project of this character and is so considered in the surplus power provisions of this bill. This means, in order to get low-cost power for the domestic consumer within economic transmission distance, that either at the site or in important industrial centers along existing transmission lines, there must be a lot of approximately 24-hour power sold and arranged for in the marketing of the power, to electrometallurgical, electrochemical industries, or the like, or else the remainder of the current for domestic purposes can not be sold at all in competition with the steam-produced electrical energy of existing utilities whose lines are already built.

It seems to me that these questions are not sufficiently considered in the terms of the bill. They should be considered as primary matters by the board of directors who should not proceed with the marketing of surplus power until a thorough inquiry by experts in the marketing and transmission field is made for the Government of the United States.

The value of the bill is that it has settled wisely some principles of importance, that the President of the United States and the board of directors of the project can control provisions which now give concern, and that the passing of the measure will lift a political millstone from the neck of the American Congress. [Applause.]

Mr. WURZBACH. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. FISHER].

Mr. FISHER. Mr. Speaker, I was much interested to hear the gentleman from Massachusetts [Mr. UNDERHILL] calling for the memory of grandfathers and fathers of former Members of the Congress, stating they would be shocked at the thought of the passage of this bill. I wonder if he thought Grover Cleveland would have had serious resentment at the thought of taking over the Cape Cod Canal, which was so near his summer home. [Applause.]

Then I remember another Massachusetts gentlemen, who was Secretary of War, Mr. Weeks, who came before the Committee on Military Affairs when I was a first-year member of that committee and was ready to turn Muscle Shoals and all the Tennessee River projects for dams over to Henry Ford without a real guaranty for fertilizer.

I wonder what the present Member from Massachusetts thinks of the socialism of that Secretary of War who wanted to have Muscle Shoals operated under the national defense act so that nitrates could be made into fertilizer in peace times and we might always have nitrate production in plants that were ready to be turned over to war purposes when needed.

Now, we hear sneers that it is an obsolete plant. I challenge any Member to-day to show where there is a cyanamide plant not being operated, even in Germany, where there is an excess of nitrates made by the synthetic process. Our own experts, men who have investigated the plant down there, say that the plant could be taken over and in 60 days could be operated for the benefit of the farmers of our country.

So much has been said on this floor about relief measures. We can not have permanent relief by voting forty or fifty million dollars, but we can relieve the farmers who are suffering by selling them cheap fertilizer which can be distributed to them all through the sections that are now drought areas, which will enable them to take care of themselves and not be dependent upon the Government. It would mean food for themselves, because they would have cheap fertilizer with which to produce the food which they needed for their families as well as feed for their cattle.

I was amazed at the suggestion made of the great expense in the development of Cove Creek. I have not heard the gentleman from New Jersey [Mr. FORT] protest against a canal going across New Jersey, passing through thickly populated sections, a canal which will cost millions of dollars.

The Government came into the property at Muscle Shoals and has built Wilson Dam. That dam gives about 80,000 primary horsepower. If they build Cove Creek Dam that will double the capacity and increase the value of Wilson Dam. Just think of the royalties there will go to the Government and will pay for a great part of the expenditures they may have. The building of Cove Creek Dam and that string of dams below it south will create industrial centers all through east Tennessee.

I was surprised to think that our progressive Representative from New Jersey [Mr. FORT], who is very intimate with the Executive, would have forgotten what the Executive said in Louisville and in Cincinnati about the need of development of our rivers. Congress has voted $5,000,000 for the development of the Tennessee River, and it is absolutely essential, if we are going to have 9 feet of water in the Tennessee River, to have the reservoir at Cove Creek. Cove Creek is not only of value as a reservoir for flood control and for the power it gives, but it is also valuable because there is storage there that will keep the barges on the river with the 9-foot depth. The barges can go from Knoxville down to the Ohio River and down to New Orleans. How could anybody object to so wonderful a development?

After many years of careful study of the plans which have been proposed to solve the problems of Muscle Shoals development, I believe that the conference report before the House to-day, if adopted, will bring about the best solution ever heretofore offered. It offers a liberal and constructive plan of development.

There will be quantity production of fixed nitrogen in an active giant plant No. 2, which has been idle for 12 years. Major Poyet, who has been in charge of the nitrate plants at Muscle Shoals, stated in a hearing before the Military Affairs Committee of the House in March, 1930, that if approximately $100,000 was spent on plant No. 2, in 60 days it would be ready for operation. If operated at full capacity there would be produced 2,500,000 tons of mixed fertilizers with the 40,000 tons of fixed nitrogen as a principal ingredient. Mr. Bell, president of the American Cyanamid Co., at the same hearing said the cyanamide process was the most economical to operate at Muscle Shoals because of the available power and natural resources near by. He further stated that the fertilizers made at cyanamide plants are able to meet favorably the competition throughout the world of other processes.

The President of the United States is given authority to lease the nitrate plants for fertilizer manufacture. This authority is for 12 months. If no lease is executed within that period and if he desired to make the lease provisions even more liberal, he could communicate with the Congress from December until March.

The stipulations required in the lease for the manufacture of fertilizers are better than in any previous plan offered to the Congress. It provides that there must be produced each year an amount prescribed by the board regardless of market demands; that within three years and six months, fertilizers or fertilizer ingredients containing not less than 10,000 tons of fixed nitrogen must be produced. A periodic increase is to be made in quantity as the fertilizer market demands may reasonably require. Within 12 years the increases shall reach the maximum production capacity if the reasonable demands of the market shall justify this increase. If there is in storage 2,500 tons of fixed nitrogen—representing more than $1,000,000—or fertilizer ingredients containing that amount of fixed nitrogen, the lessee is not required to continue the increases.

The method of annually figuring the costs with a limitation of 8 per cent profit is the same paragraph that was in the House bill. There is required an annual determination of the cost of the fertilizer and fertilizer ingredients. This is brought about by a production engineer representing the board, and another representing the lessee. If there is a disagreement the two engineers will select a third engineer who will hear and consider the contentions and decide the issues. A copy of the audit and decision is to be filed each year with the board.

The Senate joint resolution declared a policy of Government distribution of surplus power generated equitably among the States, counties, and municipalities within transmission distance. In the operation of the cyanamide plant No. 2 at full capacity there is need of 280,000 horsepower. The primary power at Wilson Dam is about 80,000 horsepower. There is the steam plant at Muscle Shoals with a capacity of 80,000 horsepower. When the Cove Creek Dam is constructed, it will increase the primary power at Wilson Dam, but it is not believed that with this increase to Wilson Dam to 160,000 horsepower there will be any surplus power to distribute.

If the lessee in the manufacturing of fertilizer uses up the greater part of the power, leaving no surplus for distribution, it will be the carrying out of the purpose of the original law. The author of the Senate joint resolution which provides for the distribution of surplus power to the advantage of States, counties, and municipalities would welcome the use of all the power if by that means a cheaper and better plant food could be manufactured and given wide distribution throughout our country. If, however, there is a surplus of power to be distributed which the lessee does not need for fertilizer manufacturing, there should be means of distributing this power as provided in the Senate Joint Resolution No. 49. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield 12 minutes to the gentleman from Arizona [Mr. DOUGLAS].

Mr. DOUGLAS of Arizona. Mr. Speaker and Members of the House, it is with a great deal of reluctance that I speak in opposition to the conference report before you. Yet I feel I would be derelict in my duty as one of your Members, were I not honestly and fairly to state my opinion with respect to the measure under consideration. In doing so may I say that I have great respect for the House Members of the Conference Committee, and that I am saying what I say as a fair difference of opinion between them and me on this subject.

It has been contended that the provisions of this conference report which authorize Government operation and distribution, are nullified or will be nullified by the provisions authorizing the President to execute a lease of the nitrate plants.

The correctness of such an affirmation depends entirely upon whether or not under the specific leasing provisions contained in the conference report a lease, as a matter of

fact, will be made. So for a moment I would like to give you my analysis of exactly what these leasing provisions mean. In the first place, there is an obscurity in the language so great that I must confess an inability to properly interpret it. Section 25, in the last proviso, gives the lessee a preferential right to purchase 15 per cent of the amount of power "used by the lessee in the production of fertilizer." Used when by the lessee? Used this year? Last year? In the year to come? Five years back? Is it 15 per cent of the amount of power which he has used during a period of seven years or what, as a matter of fact, does that language mean? If it means that he is to be given the right to purchase 15 per cent of the power used in fertilizer production and to apply it in the production of commodities off the reservation and that the 15 per cent is to be based upon the amount of power he uses throughout any one year then it follows, since the amount of fertilizer he will produce will fluctuate, that the amount of power to which he is entitled will also fluctuate. Who would undertake to lease without the definite knowledge that he would have the right to purchase the amount of power necessary to produce the things for the production of which he makes a capital investment.

Mr. WURZBACH. Will the gentleman yield?

Mr. DOUGLAS of Arizona. For a question.

Mr. WURZBACH. The gentleman does not contend that that limitation would apply to the secondary power that might be used under the terms of this language?

Mr. DOUGLAS of Arizona. It applies to all power.

Mr. WURZBACH. Oh, no.

Mr. DOUGLAS of Arizona. But even if it did not, the same argument holds good. There is no standard against which the 15 per cent is to be applied. Further than that, the language is very obscure with respect to what he can, as a matter of fact, produce outside of the reservation.

Mr. McSWAIN. Will the gentleman yield?

Mr. DOUGLAS of Arizona. Yes.

Mr. McSWAIN. If that were true, does it not leave it wide open for the President to make a liberal lease in order to induce a lessee to contract, and would he not construe that in the most liberal and broad manner?

Mr. DOUGLAS of Arizona. I will restate my language. It is very questionable as to whether the lessee outside of the reservation can use the power, the 15 per cent of the power. in the manufacture of anything directly or indirectly connected with his operation on the reservation. The obscurities cited are only a few of the many which time does not permit me to point out.

But, waiving all of these considerations with respect to the obscurity of the language, there is a more fundamental reason which will prevent the letting of the nitrate plants. Most, in fact all, of the chemical companies engaged in the production of fertilizer derive the largest part of their revenues not from the sale of fertilizer but from the sale of by-products.

The measure under consideration prohibits the manufacture or processing of by-products except those which are not ingredients of fertilizer. The question arises: How many by-products can be manufactured in nitrate plants No. 1 and No. 2 which are not ingredients of fertilizer? If the Haber process or a modification of it is used there will be not a single by-product which is not an ingredient of fertilizer, for every by-product produced by the Haber process contains nitrogen and almost every nitrogenous compound is an ingredient of fertilizer. If the cyanamide process is used there will be only one by-product which is not an ingredient of fertilizer and that is calcium carbide. To make calcium carbide into cyanamide and thence into cyanide it must be transported off the reservation where there must be a duplication of the investment made upon the reservation, if it is to be manufactured into anything other than carbide. So I say that under the provisions of this conference report the opportunity to derive revenues from by-products which will make a lease attractive is specifically prohibited. For that reason I conclude that it is extremely doubtful whether, as a matter of fact, any lease at all will be made under the provisions of the measure before us.

Mr. WURZBACH. Will the gentleman yield?

Mr. DOUGLAS of Arizona. For a question.

Mr. WURZBACH. The gentleman has stated that carbide would be a by-product which would not be an ingredient if made under the cyanamide process, which is the process that is intended to be used. If that is true then there is no limitation on the processing of that kind of a by-product, even with reference to the 15 per cent of power or any per cent as set out in subdivision C.

Mr. DOUGLAS of Arizona. But that is the only by-product there is, and if a lessee desires to convert carbide into cyanamid and then into cyanide he must do it off the reservation.

Mr. WURZBACH. He has the right to process any by-product that is not an ingredient of fertilizer, and that without any limitation as to power.

Mr. DOUGLAS of Arizona. No—for the reason that to process carbide into cyanide the lessee must first convert the carbide into cyanamid which is an ingredient of fertilizer. But if the gentleman were correct in his interpretation of the language the permission to manufacture only one by-product would not make the proposition sufficiently attractive to result in a letting of the properties.

Mr. WURZBACH. Is not that a product that can be processed in a hundred different ways and would not that be very profitable?

Mr. DOUGLAS of Arizona. Not without first processing into an ingredient of fertilizer.

So in my judgment it is altogether doubtful whether any lease, as a matter of fact, will be made under the provisions of the measure before you and, therefore, if you are to obtain a clear picture of exactly what you will soon vote upon, you must tear from this measure the leasing provisions and analyze the act without them.

Mr. FISHER. Will the gentleman yield?

Mr. DOUGLAS of Arizona. I have only about one minute left.

Mr. FISHER. Does not the gentleman believe that if the chemical alloys and by-products were developed to a great extent so that they could make almost anything, there would be criticism that they were not devoting the proper amount of energy and money to fertilizer production?

Mr. DOUGLAS of Arizona. Not under the provisions of the bill which the House passed last spring, which in effect provided that so long as the lessee maintained the fertilizer production he could do almost anything he choose by way of manufacturing by-products.

Mr. OLIVER of Alabama. Will the gentleman yield?

Mr. DOUGLAS of Arizona. Yes.

Mr. OLIVER of Alabama. The gentleman will concede that the gentlemen on this side of the aisle with whom the gentleman from Arizona has discussed this matter many times are deeply interested in this plant being operated in the interest of agriculture, and I am sure the gentleman from his contact with gentlemen on this side will concede that if we, whom it very directly affects, have concluded that this is a fair bill for the farmer and protects his rights, that such conclusion is entitled to some weight.

Mr. DOUGLAS of Arizona. I stated when I started that it is with some reluctance I undertake to oppose this measure. I do so because of what I consider it to be my duty as a Member of the House—to express my doubts, my mental reservations, with respect to the propriety of this act, regardless of with whom I may disagree. [Applause.]

Mr. O'CONNOR of Oklahoma. Will the gentleman yield for a brief question?

Mr. DOUGLAS of Arizona. Yes.

Mr. O'CONNOR of Oklahoma. I have been very much interested in the gentleman's argument, and as I understand the gentleman, we are here giving authority to make a lease, and at the same time we are so limiting it that nobody will take such a lease under this authority.

Mr. DOUGLAS of Arizona. That is it exactly.

So if there is to be a fair picture given of this measure, the leasing provisions must be torn out of it and you must analyze the bill without them.

Sufficient has been said here on the floor to make it clear that the measure is predicated upon the theory of Federal Government ownership and operation, a theory which I may point out to my friends on this side is completely and absolutely incompatible with the theory of State rights for which your party and mine has consistently stood. The right of a State to tax, to regulate and control nonnavigable waters, to exercise jurisdiction over rate structures can not be reconciled with an industrial enterprise undertaken by the Federal Government.

Under this bill the Government is directed to construct, to own, and to operate a new project, to operate existing properties, to sell power at the switchboard, to construct transmission lines, and under it in the sale of power to private utilities, the Federal Power Commission is set up as the body which shall have the authority to regulate rates with respect to intrastate power.

In conclusion, Mr. Speaker and Members of the House, I can only view this measure honesty and fairly as being one which is driving us one step farther toward a complete destruction of the States, toward pushing them into oblivion, toward depriving them of all the rights which should properly be vested in them, and more than this, toward destroying the principle of private initiative, individual effort, which has made this country great among the nations of the world. [Applause.] I thank you.

Mr. WURZBACH. Mr. Speaker, I yield five minutes to the gentleman from Mississippi [Mr. QUIN].

Mr. QUIN. Mr. Speaker and gentlemen, this is no new fight. You are now at the last stand. The people of the United States are now at Thermopylæ, and whether or not selfish, greedy, predatory wealth, organized capital, the great Power Trust, and the fertilizer organizations of this country will succeed in stopping the farmers and the masses of the American people is to be determined by you. Now is the time for you to say where you stand.

My distinguished friend who spoke from my own party against this bill, spoke and made an able fight against Boulder Dam. I want my friends from the far West to remember that I believe in the law of reciprocity. When you gave your Macedonian cry for help, PERCY QUIN and all who were with him came forward as one man and stood by you to give you Boulder Dam legislation [applause] and the gentleman who spoke here was endeavoring to defeat you. Is it possible at this late hour that the friends who reaped the benefit of that legislation will listen to the songs of those who tried to defeat you?

My friends, I call on you now in behalf of the poor people of the United States, in behalf of the farmers from one end of this Republic to the other, in behalf of the helpless women in the little farmhouses to raise them up out of the grasp of this great, monstrous giant that is levying tribute all the way from the humble hut to the great and finely furnished palace. They are to-day levying their tribute upon every hut and humble home in the United States This powerful trust is collecting tribute from every industry, both small and great.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. QUIN. No; I can not; I have not the time. I want to say to the gentleman from the great State of Washington that he has had my vote all these years for public lands for his State that belong to the Government and have not paid taxes, and yet we have taken money out of the Public Treasury in lieu of taxation. He ought not to begrudge us this legislation for the poor people of this country for the operation of a plant that the Government has put $150,000,000 into. I have voted for all the irrigation projects in the West. You needed our help and we always responded.

Sound? Of course it is sound. We have built the dam; here is the lease proposal, the best one we have ever had from our committee. Then you have the Norris bill as an alternative if the President can not find some one to take over the property and operate it for profit—the Government of the United States is to do it itself.

The question of national defense is involved here—the making of nitrate during the time of war and fertilizer during the time of peace. We want this Cove Creek Dam built to carry out the entire Tennessee Valley improvement plan and double the power at Wilson Dam. No one can say that we are proposing a new scheme. It is a question of whether or not the people of the United States are going to receive justice, or are we going to let this great power monopoly tap you on the shoulder and say, "You do what I want instead of what the people want"?

Is it possible that for years, after this long fight, this arduous struggle, the people of the United States are to have at this late hour their rights taken away from them by special greedy, avaricious, entrenched monopoly? [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

Mr. WURZBACH. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. MCREYNOLDS].

Mr. MCREYNOLDS. Mr. Speaker and gentlemen, the gentleman from Indiana and the gentleman from Massachusetts have criticized the provisions of the bill because it provides 5 per cent for Tennessee, and yet they supported the Reece bill during the last session of Congress, which provided for a recapture clause of Cove Creek Dam, thereby recognizing the rights of Tennessee.

It is very apparent that the gentlemen from Massachusetts do not want any disposition of this project, for apparent reasons, and here comes the gentleman from Washington trying to tell us something of what we should do in regard to our rights in Tennessee.

Mr. Speaker, I think this is the first time that we Members of the House from the South, who are more directly interested in the proper disposition of the Muscle Shoals project than any other section, come to you with a solid front asking for your favorable action on this conference report which disposes of the Muscle Shoals project. We do this because we feel that this bill comes nearer representing the rights of the people than any other that we have had an opportunity to pass.

We have stood here for some 10 years with the Power Trusts on one side and the Fertilizer Trusts on the other trying to protect and dispose of this project in the interest of the American people. Whenever any proposition was submitted that would in anywise affect the power companies they immediately spread their propaganda and waged war on such a bill. Whenever it was proposed to make fertilizer, the Fertilizer Trusts immediately waged their fight against such a proposition, and up to this time both have been successful to a great extent.

The act of 1916, which authorized the building of the Wilson Dam, provided that it should be used for the purpose of making nitrates for the Government in time of war and for fertilizer in time of peace.

Millions of dollars have been spent on this great project, and yet for many years the Government has been forced, under the conditions, to dispose of its power to the Alabama Power Co. at the rate of 2 mills per kilowatt-hour, which is said to be of a loss to the Government of about $4,000,000 per year. Under these conditions, is it not high time, from this standpoint alone, that some immediate and final action be taken?

You have had thoroughly explained to you by the conferees just what this bill now proposes. The greatest objection that has been made to this character of legislation is that it puts the Government in business. Of course, it does not put the Government in business, but it is true that it continues the Government in business. From this standpoint let us consider it very briefly. At the present time the Government is operating the dam at Muscle Shoals and selling to the Alabama Power Co., as before stated, whatever power it will take at the small sum of 2 mills per kilowatt-hour, and this company is selling a lot of this power as high as 10 cents per kilowatt-hour. What we propose to do now is to continue the operation of this plant

and to lease the nitrate plant owned by the Government at Muscle Shoals for the purpose of making fertilizer under the conditions as set forth in this bill, and to furnish to the lessee sufficient power from this great dam to operate these plants, and also a certain amount for the purpose of manufacturing by-products. We also further propose to sell to near-by cities and municipalities, giving them preference, and any surplus, if there be any, to power companies at the switchboard at a reasonable price. If this can not be procured, then the Government is authorized to build transmission lines. You can see from this that it does not place the Government in business more than it is now, unless it becomes necessary to build these transmission lines.

In my opinion, no transmission lines will ever be built by the Government, for two reasons: First, when the nitrate plants consume all the power that they desire and the local towns get what they wish, there will be no surplus; in the second place, even if there should be a surplus of power, whenever the Tennessee Power Co. and the Alabama Power Co. realize that the Government can and will build transmission lines for the sale of their power, these power companies will pay a reasonable price for the power.

I have had some friends in this House who stated that they did not like to vote for a proposition of this kind, because it was setting a precedent. This is true, that it is setting a precedent under these peculiar circumstances, but I doubt if another instance of this kind, surrounded as we are in this case, will ever arise, and if it does arise no one should object to setting this precedent. What is the situation? Here the Government has built this great dam and created this great power as a war-time measure. They have this surplus electricity, and at present they are in the hands of the Alabama Power Co. and have to accept just what that company may offer.

During last year the Tennessee Power Co. built transmission lines from Nashville, Tenn., to Muscle Shoals, and ran this line over Government reservation at Muscle Shoals, and instead of becoming a competitive bidder for this power, they attached on to the Alabama Power Co.'s lines outside of their meter, and whatever power they obtain is not direct from the Government but through the Alabama Power Co.

Where will you ever find in the history of this country the same conditions to exist as exist here? These power companies have not been fair. They have undertaken to tie up the Government in the disposition of this power at their own price, and I appeal to every Member of this House to say whether or not the Government is entitled to have a fair chance in the sale of this power.

As a general proposition I am opposed to the Government in business, but Muscle Shoals is an exception. As to Muscle Shoals being an exception, I trust you will bear with me and hear what the leading citizen of the Nation said on this subject:

> There are local instances where the Government must enter the business field as a by-product to some great major purpose such as improvement in navigation, flood control, irrigation, scientific research, or national defense. But they do not vitiate the general policy of private ownership to which we would adhere.

By whom was that statement made, when, and where? It was made by the Hon. Herbert Hoover in his candidacy for President on October 6, 1928, at Elizabethton, Tenn. To understand as to what project Mr. Hoover refers we should perhaps get the setting. Elizabethton, Tenn., is located in east Tennessee, a little town of something like 8,000 population; in the congressional district which the Hon. CARROLL REECE has the honor to represent, and in which district the disposition of Muscle Shoals played such a prominent part in Mr. REECE's defeat in last November election.

This speech was one for the South, for that campaign, and people came there by the thousands from Tennessee, north Alabama, and Georgia who were more interested in the disposition of Muscle Shoals than any other pending legislation. This statement being made by Mr. Hoover under these conditions, then are we not more than justified in concluding that his reference was to that of Muscle Shoals? However, we have the statement of Mr. Edward J. Meeman, the editor of the News-Sentinel, of Knoxville, that during the afternoon of that date, in answer to direct question by him, that Mr. Hoover said, "You may say that that means Muscle Shoals." The publication of the interview occasioned some little storm in the Republican committee headquarters, causing Mr. Hoover to issue a statement on October 9 confirming and clarifying his remarks to Mr. Meeman. In that statement Mr. Hoover is quoted as stating "That the Scripps-Howard editor had correctly quoted him," but further added:

> There is no question of Government ownership about Muscle Shoals, as the Government already owns both the power and the nitrate plants. The major purposes which were advanced for its construction were navigation, scientific research, and national defense. The Republican administration has recommended that it be dedicated to agriculture for research purposes and development of fertilizers in addition to its national-defense reserve. After these purposes are satisfied there is a by-product of surplus power. That by-product should be disposed of on such terms and conditions as will safeguard and protect all public interest.

As further evidence that Mr. Hoover's statement, herein quoted, meant Muscle Shoals, Mr. George F. Milton, editor of the Chattanooga News, of Chattanooga, Tenn., a friend of Mr. Hoover and who supported him very effectively with his paper in 1928, says that Mr. Hoover told him "that Government involvement in the building of Cove Creek Dam was in the same class with the Government interest in Muscle Shoals. It, too, is an exception to the general rule." From these statements of our President he will undoubtedly approve this bill.

The failure to dispose of Muscle Shoals prior to this time has retarded and prevented, to a great extent, the growth and prosperity of our section of the country. So we stand here to-day pleading with you to support this proposition, thereby giving us a chance for our progress. You people of the East have gotten your Cape Cod Canal, and you people of the West have gotten your Boulder Dam, so we people of the South, who are more vitally interested in the proposition that is now before you, appeal to you to come to our relief.

There has been spent by the Government on the survey of the Tennessee River and its tributaries nearly a million dollars, and they have discovered that some 4,000,000 horsepower of hydroelectric power could be developed along our streams. Applications for preliminary permits to build any of these dams involved above Muscle Shoals have been refused because Muscle Shoals was not disposed of. We have no chance for development of these great power dams until Muscle Shoals is disposed of.

Members of the Rivers and Harbors Committee have come on the floor of this House and have predicted that east Tennessee some day would become "the Ruhr district of America" on account of our wonderful natural resources, yet you understand that the greatness of our natural resources are of no benefit whatever unless developed, and under present conditions we are tied hand and foot to Muscle Shoals. We, therefore, beg of you to pass this bill and give us an opportunity to become one of the greatest industrial sections of this country.

The building of Cove Creek Dam, which is provided for in this bill, is the key to the development of the Tennessee River, in that it aids navigation and flood control; it increases the horsepower of all dams below it from 100 to 110 per cent, and, if I remember correctly, the Government will get the benefit of increase of horsepower at Muscle Shoals of 124 per cent. The building of Cove Creek Dam aids in the control of the floods of the Mississippi River and will save millions of dollars in damages caused by high water along the Tennessee River. I live at Chattanooga, Tenn., on the Tennessee River, and I note that Senator NORRIS says that the cost of building Cove Creek Dam alone will be worth that much to our thriving city. We have some floods there during high water, and the building of this dam will lower the high-water mark 15 per cent, and it is this excess that causes the damages in our city. During last session of Congress a project was recommended by the Chief Engineer of the War Department for the improvement of the navigation of the Tennessee River at a length of 652 miles from where it enters into the Ohio River to Knoxville, Tenn., at a depth

of 9 feet, which was approved by this Congress, and we hope some day to see this project fully completed.

The completion of this project lay to a great extent in the building of Cove Creek Dam. After this dam is built it will only take seven high dams from the Ohio River to Knoxville to give us 9 feet of water.

We know that the President of the United States favors the development of the great rivers of this country, as reported in his speech in the summer of 1929 at Louisville, Ky., at the celebration of the completion of the 52 navigation dams in the Ohio River. The dams to be built in the Tennessee River are practically all great power projects, which will mean much to the development of the hydroelectric power in this country. Without the disposition of Muscle Shoals we will continue to have to wait for our developments, as we have already waited for many years.

There was never a time in the history of the Southland when the farmers need relief more than they do at the present time, and the making of cheaper fertilizer at Muscle Shoals would be one great aid in their many struggles. Experts claim that the farmers of the country would save $50,000,000 per year in the operation of these nitrate plants at Muscle Shoals. I do not know whether this is true or not; however, the figures show that we are paying Chile each year a tax of about $12,830,000 on nitrates.

Let me appeal to every Member of the House to vote for this bill and give us the desired relief. If the Government is to continue in business at Muscle Shoals as it is now, let it serve the people of the United States, and especially the farmers, and not alone the Alabama Power Co. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Speaker and gentlemen, I do not think that I am allied with that crowd that controls the predatory wealth of this country. I am the son of one of those tenant farmers you heard so much about during the drought debate, and I come out of the solid South.

In 1928, from every stump, I told the people that if I came here I would cast no vote that even suggested that I am in favor of this Government entering into competition with private initiative in any industry or any business in the United States. [Applause.]

Mr. WURZBACH. Mr. Speaker, I yield to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Speaker, this bill does not provide for Government operation of the Muscle Shoals nitrate plants. It places in the hands of the President full and complete authority to lease for 50 years the fertilizer plants and also to fix the price of rental and the price of the power to be used in the operation of the plants. The power plant is now and has been and will continue to be operated for the benefit of the power companies unless this bill is enacted. This act would provide for its operation, not for the benefit of the power companies but for the benefit of the American farmers. This is the best farm-relief measure that has been considered by the Congress, as better and cheaper fertilizer is the greatest need of the American farmer.

The demand for fertilizer is increasing by leaps and bounds as the fertility of the soil is being exhausted by continued cropping. The price of fertilizer is also increasing. Muscle Shoals plants furnish the only relief. This nitrate plant at Muscle Shoals is one of the largest and best in the world. Germany and other European countries have utilized their war nitrogen plants for the benefit of agriculture and have been so successful that Germany no longer imports Chilean nitrates, but has become a large exporter of nitrogen and fertilizer. We should do the same without further delay.

The operation of these plants will not be local in its effect but will be nation wide. It has been proven many times before the committees of Congress that the price of fertilizer made at Muscle Shoals will control the price of all fertilizer used in this country. It will reduce the farmer's fertilizer bills about one-half of the present price.

We Members of the South have voted for all reclamation projects, the Hoover Dam, and for things in which New England has been specially interested, and we now appeal to all Members of the House from every section to support this measure, not because it is local but because it will be of interest to them and their constituents. The farmers from Maine to California, and all other sections of the country, will receive the benefits of the reduced price of fertilizer by means of the operation of the Muscle Shoals plants, and I hope and trust that this measure will receive practically a unanimous vote in the House.

In addition to the operation of the Muscle Shoals properties the waste of the power there will end. It will produce a large income to the Government and give employment to thousands of men, many of whom are now idle and unable to secure employment. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield five minutes to the gentleman from New Jersey [Mr. EATON].

Mr. EATON of New Jersey. Mr. Speaker, I am opposed to this report, and I am going to vote against it. I sincerely hope that the House will vote against it. These are my reasons: First of all, I believe that this report, without any conscious endeavor on the part of our Members, is a part of the great movement now setting in in this country to sovietize our Federal Government and pauperize our people.

I am opposed to it upon the ground that it is not what it purports to be. The Norris bill is like the human heart, deceitful above all things and desperately wicked; and the addition of the leasing program to the Norris bill is an attempt to extract some of the soviet poison so as to make it more palatable to American-minded people. The Norris bill is simply a hunk of sovietism disguised in a fertilizer bag.

I am opposed to this bill because it puts the United States Government into business on terms that are unfair to the taxpayers who support the Government.

I am opposed to it also upon the ground that it involves a new and dangerous principle of spending Government money without the authority of Congress, because the board in this new organization will have the privilege of spending money for transmission lines without coming to Congress for authority or for an appropriation.

I am opposed to the report because it taxes all of us to give to the deserving States of Tennessee and Alabama 10 per cent of the gross proceeds. If there were 5 per cent for New Jersey, possibly I might go along with it. But as it taxes New Jersey absolutely without representation for the benefit of Alabama and Tennessee, I must protest.

I have been all over the Tennessee River from the cove down to the mouth, and I consider the Tennessee River the greatest single undeveloped natural resource now in the possession of the South. I would be glad to see it developed completely, on American principles and by private initiative, and by private enterprise.

I am opposed to this report because it discriminates against private enterprise in favor of political units. It will give a 30-year sale of power to a municipality without any conditions, but will only sell it for 10 years to a private enterprise, with a cancellation clause.

I am opposed to the bill because it wastes 1 per cent of the fertilizer to send out free to the farmer to acquaint the farmer that such a thing exists as fertilizer. You might as well ship free coffins to undertakers at Government expense to let them know that there is such a thing as death.

I am opposed to it because it offers lease terms that in accordance with the eloquent address of our friend from Arizona [Mr. DOUGLAS] spell defeat to anyone foolish enough to agree to them. I don't believe that you will ever get a reputable firm to accept a lease on these terms.

I am opposed to it because it invades State rights by putting the Federal Power Commission in authority over local and State commissions that have the authority to regulate intrastate public utilities.

I am opposed to this bill because it is absolutely uneconomic, because it would build transmission lines where they now have four lines that are carrying but half a load.

For the foregoing reasons, and because this bill completely represents the failure of the political mind to handle an economic problem, I want to go on record as being opposed to it, and, much as I admire the gentlemen who have worked out this scheme with such toil and patience, I hope the House will vote it down. [Applause.]

Mr. WURZBACH. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. REECE].

Mr. REECE. Mr. Speaker, some of the principal features of the conference agreement were precipitated at the last meeting and a decision was reached by a majority of the conferees before opportunity was available for thorough study of the proposal. It was evident that the proposal was not consistent with the House plan nor in harmony with my views. But having worked so hard under unparalleled difficulties in an effort to obtain a solution of the problem, I felt there was a probability that a satisfactory lease might be had under these proposals and, through a successful lease operation, an acceptable solution of the problem might be found.

In view of the unusual situation which developed in the conference, this was the best that could be had. Wishing the House to have an opportunity to vote upon the Muscle Shoals measure without attaching any significance to my attitude, I decided to sign the conference report with the statement which has become of the record.

I felt that if the House compromise bill of December 16, 1930, which appeared to be universally acceptable had been permitted to become a report, it would have become a law and resulted in a most satisfactory solution of the whole problem, both from the standpoint of public interest and of the economic development of the South.

In a final effort to reach an agreement with the Senate conferees upon a basis that offered a probability of solving the problem after the far-reaching proposal of December 16, 1930, which I presented on part of House conferees, had been brushed aside, I suggested a proposal agreeable to a majority of House conferees which, if accepted by Senate conferees, would have resulted in a consistent report.

The principles of the proposal, presented at next to last meeting, were these:

First. That the Government operate the power plants primarily furnishing current for the fertilizer and chemical operations under terms of lease contract and selling the surplus current with preferences to municipalities, and so forth, as provided in Senate bill.

Second. That the President lease the nitrate plants primarily for production in quantity of fertilizer, fertilizer ingredients, and kindred chemical products at limited profit.

Third. That the power generated at Wilson Dam be impressed with priority use for operation of nitrate plants, and, consistent therewith, that authority to construct transmission lines be suspended for a period of time necessary to determine the amount of power needed for operation of nitrate plants and therefore the economic necessity for transmission lines.

Fourth. That, if a satisfactory lease is not executed within a year, the board proceed to operate primarily for production of nitrates to be used in fertilizer, with continuing authority to lease under the same or such other provisions as the Congress might authorize, thus obviating the necessity of the Government permanently engaging either in the fertilizer or the power-distribution business.

Fifth. That the Government construct Cove Creek Storage Dam as provided in the various proposals.

These were propounded as amendments to the Senate bill, not otherwise modifying any part of the Senate bill but thus making it fit the situation with every evil eliminated and every benefit preserved.

I felt that such a proposal would be acceptable to both Houses and would become a law. But the Senate conferees brushed it aside, as before, and at the next and last meeting submitted a slight modification of their former leasing proviso which had previously proved unacceptable to a majority of House conferees. But at this final meeting a majority of the House conferees departed from my judgment and accepted the Senate proposal as reported, signing the report in blank before leaving the conference room. After a day's consideration I decided to join my colleagues in submitting the proposal to the House for consideration. If it proves to be a satisfactory solution of the problem, I shall be happy, as no one could be more interested in a solution than I have been, nor have contributed more effort to a satisfactory determination of the matter of so much concern to my section of country.

Mr. RANSLEY. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. COCHRAN].

Mr. COCHRAN of Pennsylvania. Mr. Speaker, ladies and gentlemen of the House, on the 27th day of last May this House by a decisive vote condemned Government operation, and if to-day it maintains that same attitude it will as decisively defeat this conference report. I compliment the managers on the part of the Senate, but I can not compliment the managers on the part of the House. They have yielded to what we then condemned. The gentleman from Texas [Mr. WURZBACH] would have you believe that there is an alternative proposition here. There is nothing but the original Norris Government operation bill, thinly disguised with some words about a lease. I had intended to discuss the terms of this lease, but the gentleman from Arizona [Mr. DOUGLAS] has effectively shown that no lease could possibly be negotiated. While I entertain that belief, I will concede for the purpose of argument that the gentleman from Texas is right, but even at that, we have Government operation. This bill sets up the Muscle Shoals Corporation of the United States. It will function at the first meeting of its board of directors. It is charged in this legislation with the commencement in 1931, within the next 10 months, of the construction of Cove Creek Dam. Do you appreciate what the construction of Cove Creek Dam means? It means the expenditure of $40,000,000. There will be authorized by the terms of the compromise bill all money that may be necessary to carry out the purposes of this corporation.

The compromise bill authorizes the appropriation of the sum of $10,000,000 immediately, of which $2,000,000 shall be available for expenditure during the next 10 months. The construction of Cove Creek Dam means the acquisition of 60,000 acres of land for the flowage area of the dam. Just what that means is set out in section 16 of the bill. It authorizes this corporation at Cove Creek to negotiate and conclude contracts with States, counties, municipalities, and all State agencies, and with railroads, railroad corporations, common carriers, and all public utility commissions, and any other person, firm, or corporation, for the relocation of railroad tracks, highways, highway bridges, mills, ferries, electric light plants, and any and all other properties, enterprises, and projects whose removal may be necessary in order to carry out the provisions of this act. When said Cove Creek Dam and transportation facilities and powerhouse shall have been completed, the possession, use, and control thereof shall be entrusted to the corporation for use and operation in connection with the general Muscle Shoals project and to promote flood control and navigation in the Tennessee and in the Clinch Rivers.

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania [Mr. COCHRAN] has expired.

Mr. WURZBACH. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER of Alabama. Mr. Speaker, and ladies and gentlemen of the House, the pending bill, agreed on by conferees, is a compromise of the divergent views of the House and Senate, and, while it probably does not represent the full views of any single Member of this body, yet the keen interest felt by the Members from the agricultural States of the South in the passage of the bill, as reported, is based on their confident expectation that it will be of real service to agriculture. They have given long and serious study to it from that viewpoint, and are, I think, of one opinion, that the bill, in its present form, does promise more for agricul-

ture than any bill that has been considered by this Congress in reference to the solution of this problem. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. WURZBACH. Mr. Speaker, I yield one minute to the gentleman from Alabama [Mr. HILL].

Mr. HILL of Alabama. Mr. Speaker, with reference to the provision to pay to the States of Alabama and Tennessee 5 per cent of the gross proceeds from power generated at the dams, may I say that this provision follows the precedent set in the payment of money by the Federal Government to the public-land States of the West, in view of the fact that the public lands are not subject to taxation by those States.

This conference report is not all that I would have it. I take it that it is not all that any Member of this House would have it. It is a compromise, and I am sure that it does not fully meet the views of any of us. We know, however, that practically all great legislation is a compromise. For 10 years the Republican Party has had the control of the Government and has failed to make disposition of Muscle Shoals. For 10 years this party has delayed and dawdled with this great project until to-day this failure to make proper disposition of Muscle Shoals stands as an indictment against the party, a legislative crime and a national disgrace. I believe that if this conference report be enacted into law it will mean mass production of nitrates at Muscle Shoals for the defense of the country and for the benefit of agriculture. I believe that a sincere administration of this conference report, if it be enacted into law, will carry out the purposes for which Muscle Shoals was built and will mean real relief to the farmers of our country in the matter of the cost of their fertilizers.

Before the World War all of the great nations of the world were importing their nitrogen from Chile in the form of Chilean nitrate. To-day all of the great nations of the world with the notable exception of the United States and Russia are taking the nitrogen from the air and fixing it in mass production. They have freed themselves from any dependence upon Chile or any other foreign nation for their nitrogen, and they have done it by their respective governments aiding and helping their nitrogen industry. Last year while the United States was forced to import 239,500 tons of nitrogen and while she imported over 1,000,000 tons of Chilean nitrate from Chile, Great Britain, Belgium, Germany, France, Czechoslovakia, Italy, the Netherlands, Chile, Norway, and Poland entered into a world cartel or world monopoly to control the price of nitrogen throughout the world and to force the United States and particularly the farmers of the United States to pay whatever price for nitrogen this cartel might see fit to fix.

Mr. C. J. Brand, the secretary of the National Fertilizer Association of the United States, in a letter written to Members of Congress on January 3, 1931, tells of the formation of this cartel. In this letter Mr. Brand states:

> The cartel is empowered at intervals of from 6 to 10 months to fix prices. * * *

Under this cartel we find the Chilean Government paying this year approximately $2,500,000 to Germany and Great Britain to get them to reduce their output of nitrogen so that Chile can continue to charge the farmers of the South an exorbitant price for their nitrogen, and, of course, the farmers of the South are paying the $2,500,000.

The nations of Europe recognize that there are only two great forces that destroy national life—the one an invading army and the other the depletion of the soil. Strange as it may seem, by Divine Ordinance the element which is used to destroy life is the element which gives life. The nitrogen which makes the gunpowder also brings forth the products of the field. These nations recognizing this fact have made themselves independent of any other nation for their supply of nitrogen.

We hear much talk to-day and there are a number of bills pending in Congress to provide new and additional battleships, to modernize old battleships, and to greatly augment the strength of our Navy. There is not a battleship, a fort, an airplane, or a gun that is worth anything at all to us unless we have the nitrogen to make the ammunition to fire the gun. If we were to go to war to-day, we would have to send our ships over 3,000 miles to Chile to secure the nitrogen absolutely necessary to wage war. If we were unable to keep our lines of communication open with Chile or if Chile were to assume a neutral attitude and refuse to sell us nitrogen, we would stand helpless before the enemy.

Muscle Shoals was built that we might have nitrogen for our Army and Navy in time of war and for fertilizers for our farmers in time of peace. It stands idle to-day while we stand unprepared to defend our country against a foe. It stands idle while the farmers of the South are forced to pay an export tax of $12.53 for every ton of Chilean nitrate imported from Chile and to contribute thereby 25 per cent of the annual cost of the operation of the Chilean Government. It stands idle while the farmers of the South pay 20 cents a pound for their nitrogen when they should be able to buy it for not over 10 cents per pound. It stands idle while the farmers of the South must pay a fertilizer bill of 1.93 cents for every pound of cotton they produce. It stands idle while the farmers of the country pay out each year over $300,000,000 for their fertilizers when these same fertilizers should be bought for not over $150,000,000. It stands idle while Germany sends to Florida, gets phosphate rock, ships it from Florida to Germany across the Atlantic Ocean, then 150 miles up a canal, then carries it 100 miles over a small railroad, then crushes it, mixes it with nitrogen and potash and sends it back for the farmers of this country to pay for it whatever price the world nitrogen monopoly sees fit to fix.

I urge this House to adopt this conference report and put an end, in so far as it can, to this intolerable and un-American condition.

The SPEAKER pro tempore. The time of the gentleman from Alabama has expired.

Mr. WURZBACH. Mr. Speaker, I yield one minute to the gentleman from South Carolina [Mr. McSWAIN].

Mr. McSWAIN. Mr. Speaker, this report does not agree with my personal and individual method of solving the matter, but I realize that I can not have my way entirely, and in order to settle this matter I am willing to go the other man's way a little piece, and for that reason I am going to support it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from South Carolina has expired.

Mr. WURZBACH. Mr. Speaker, I yield one minute to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Speaker, I sincerely trust that the House will agree to the conference report and finally dispose of the Muscle Shoals controversy and put this great natural resource to work in the interest of the people.

For ten years I have seen this battle waged in Congress. The destinies of Muscle Shoals, in a way, were linked with those of the Boulder Dam project, in which I was greatly interested. The same powerful forces that were fighting my project were at the same time making common cause against this project. The Federal Trade Commission, in its official investigation of the power companies, exposed the great campaign that had been staged behind the scenes to defeat both the Boulder Dam project and Muscle Shoals. Several million dollars were expended, with agencies being set up in nearly every State in the Union, to carry on an active and intense propaganda, in an effort not only to mislead public opinion at large but to corrupt the free press of the country and to even enter the public schools to distort the teachings of college professors. The exposure of the insidious and deceptive propaganda resulted in a natural revulsion of public opinion and was one of the contributing causes to the final passage of the Boulder Dam legislation.

That project is now an accomplished fact. All the dire predictions, all the pessimistic forecasts indulged in against it by its enemies have been proven untrue. Even the power corporations, finding that they could not kill that project, have eagerly sought an opportunity to avail themselves and their customers of some of its benefits.

So, too, the dismal forecasts against this great Muscle Shoals project will be proven to be but fog, produced by prejudiced minds for the purpose of confusing Congress. From the beginning to the end of this long debate we have heard the recurring cry of socialism and the protest against the Government going into the business. I decline to be influenced by catch phrases and desire to know only what are the facts.

The phrase, "Keep the Government out of business," is but a half truth, taken from the slogan of the Chamber of Commerce of the United States, "Less government in business and more business in government." The last half of this slogan is to me as important as the first half.

Let us decide this question with the same business sense and business judgment that a private agency would use if it were responsible for the successful operation of these physical properties. We must start with the situation as it exists to-day, and that is that the United States Government has expended more than a hundred million dollars in the development of this great project, which to-day and for years past has been idling, although by it runs the great Tennessee River, capable of producing a great amount of energy that is badly needed and can be put to a beneficial use for the people of the South if not of the whole country.

Congress has become a byword in connection with this great project through its seeming incapacity and inability to take definite action to dispose of this controversy. But Congress is not to blame.

I have seen behind the scenes and know of the powerful forces that have struggled to keep Congress from making a right decision. On the one hand is the great Fertilizer Trust, seeking to get this property which belongs to the whole people for their special benefit. On the other hand are the 13 power corporations of the South, linked together in a combine, first, to prevent the Government from making the hydroelectric power of this project available to the cities and industries of the South and, secondly, to secure the properties for their own use at a mere fraction of its actual value. Between these two gigantic forces action in Congress has been stranded for 10 years.

I am not an extremist in denouncing the power corporations and fertilizer companies. One of the most conservative Members of the House, the gentleman from New York [Mr. SNELL] a man who at one time was himself engaged in the power business, has verified the fact that there is just grounds for criticizing these agencies. Speaking before the House on May 9, 1928, he said:

> I think I might say right here that I am gravely disappointed that the business interests of the country, representing the power companies and fertilizer companies, have not been more helpful in trying to solve this problem. I think they are deserving of criticism in that they have not come forward with some concrete, constructive suggestion.

The gentleman from New York then proceeded to explain his own resolution, House Joint Resolution 294. Much has been said in this present debate that the conference report will permit of the Government building transmission lines and that is denounced as un-American and as socialistic, putting the Government into business. But if we are confronted with powerful and selfish private interests who are undertaking to get valuable property belonging to the people at only a fraction of its value we must make certain that the Government agency which has charge of the disposal of this property shall be equipped with ample power to meet any situation that may confront it and defeat any effort to throttle competition or compel the Government to give away the people's property. The gentleman from New York, in section 5 of his bill, found it necessary and desirable to include this language with reference to transmission lines:

> In order that the President may be in a position to consider all bids for the sale of power, authority is hereby expressly granted for the construction or lease of transmission lines in any direction from said dam and steam plant either from appropriations made by Congress or from funds secured from the sale of power.

The foregoing language is nearly word for word the language used in the pending proposal, except "the board" is substituted for "the President." In defense of his proposal the gentleman from New York stated:

> Section 5 does provide that the Government may lease or build transmission lines, if it is not possible to get a reasonable bid for the power at the switchboard. That protects us so we can not be held up by the Alabama Power Co., which company now owns or controls all of the available transmission lines that lead to Muscle Shoals.

That exact situation exists to-day and unless we are to hogtie the Federal agency to whom we turn over these physical properties and condemn that agency in advance to failure, we must give to it the same power and same authority that the gentleman from New York was willing to give it in the Seventieth Congress. The gentleman from New York then took the same position as I do now, that we are confronted with a condition and not with a theory. He closed his remarks at that time with a statement:

> I am not in favor of any kind of Government ownership or operation, but the Government has this property and it is incumbent upon us as directors of this corporation to make some disposition of this property.

I am not prepared at this time to vote to have my Government take over the power business of the country, but I am determined that the power business shall not take over the Government of the country. If I must choose between the two, I will stand with my Government. When I am confronted with the arrogance and the cupidity of private corporations who are insisting that the natural resources of the country be turned over to them, whereby they can make profit out of the people by using the people's property, then I insist that we who are supposed to legislate in the interests of the people shall take some such action as is being proposed here to-day, and direct that the wishes and desires of both the power trust and the fertilizer trust be ignored and that the interest and welfare of the people only be considered.

Mr. Speaker, for 10 years we have debated the Muscle Shoals proposition, doing nothing. Now we have presented a proposition to turn it over to a business agency, the directors of which are to be appointed by the President, with the usual powers that are given to an agency that is going to operate a business property.

I certainly hope we may finally at the end of 10 years, stop being a "do-nothing Congress," and put this great natural resource to work and permit it to earn for the South those dividends and benefits which it ought to return to the South. [Applause.]

Mr. RANSLEY. Mr. Speaker, I yield one minute to the gentleman from Oklahoma [Mr. O'CONNOR].

Mr. O'CONNOR of Oklahoma. Mr. Speaker, I am opposed to the Government going into business, because the Government can not do business successfully. In the other end of this building, where sits "the greatest legislative body in that end of the Capitol," there is a restaurant operated by the Government at which I ate the other day, and I understand they lost $76,000 last year. If the Government can not run a restaurant or can not run a barber shop, how are they going to operate successfully an enterprise of this magnitude? [Laughter and applause.]

The trouble with this delayed proposition is, if we used more brains and less muscle, we would not have been on the shoals so long. If this is the best farm-relief measure that was ever passed, that is not saying much for it, because so far we have not done very much of anything in successful farm-relief legislation.

The SPEAKER pro tempore. The time of the gentleman from Oklahoma has expired.

Mr. WURZBACH. Mr. Speaker, I yield eight minutes to the gentleman from Michigan [Mr. JAMES].

Mr. JAMES of Michigan. Mr. Speaker, I am primarily interested in Muscle Shoals from the standpoint of national defense. I am not interested in "power." In fact, I have never been interested in "power." Any time I have made a statement regarding Muscle Shoals or made a report from the subcommittee or the whole committee, or spoken on this floor, I said I was in favor of the solution of Muscle Shoals from only one angle, namely, the angle of national defense

I am interested in fertilizer because I realize that to have a good plant in time of war it is necessary to have a going concern. Therefore I want to see the plant operated in time of peace for fertilizer.

Not only for fertilizer—because our plant will be a "going concern"—but because we promised the farmer in 1916 that we were going to give him fertilizer in time of peace. Let us fulfill our promise.

I was the chairman of every subcommittee that considered Muscle Shoals, except when I was ill last year. I was vice chairman of the joint congressional committee in 1926. Senator DENEEN was campaigning for Senator McKinley, and I conducted all the hearings and acted as chairman while we carried on the negotiations with the bidders that came before us. We could have leased Muscle Shoals years and years ago if we had been willing to accept a lease by which the Government would have no adequate protection. I had an opportunity to introduce the "Madden" bill. Mr. Madden did not introduce his bill either time until he and I had several discussions and agreed on the amendments that were necessary in order to have his bill come out of our committee. One was that in case we turned it over to some one and he "fell down" on his lease, all the power came back to the Government. However, we have never been able to get that kind of a lease. Neither do I think Congress will ever be able to secure a lease that will protect the interests of the United States.

This plant is not obsolete. I have been there three times. A year ago I spent three days looking over all the Muscle Shoals properties. I had no citizens take me around, but I did have Government men go with me. I repeat that plant is not obsolete. In all the years we have been trying to lease that plant nobody has tried to lease it for any other method except the cyanamide method. No one has ever made a real offer to use any other method. I sat across the table from representatives of the American Cyanamid Co. in 1926, in 1927, in 1928, and 1929, and the cyanamide method was the method they intended to use in case they secured a lease from us.

They talk about the buildings there being out of date and no good. As I say, I spent three days there and inspected every building thoroughly. The plant was built by one of the best concerns in the United States, J. G. White & Co. As I went through those buildings, it seemed to me as though the people who built those buildings during the war—the J. G. White Co.—built them as good as if they were expecting that when the war was over they would in 5 or 10 years get them back. There was not a single flaw in any building except in the power plant at No. 2, and that was only a slight flaw. There is not a single piece of machinery in either nitrate plant that was built by a shoddy concern. It was all built by the General Electric Co., the Westinghouse, Ingersoll Rand, and concerns of that kind. That plant is in such shape that inside of three or four weeks after a war might be declared we could take it over after spending $80,000 and manufacture nitrates with which to furnish ammunition for 1,400,000 men—which is a very large army in itself. That would mean that boats which would otherwise have to go to Chile and come back could be used to transport our soldiers. This is not as good a bill as I would like to see, but the best we can get at this time.

Mr. HILL of Alabama. Will the gentleman yield?

Mr. JAMES of Michigan. Yes; I yield to my colleague.

Mr. HILL of Alabama. Is it not a fact that before the World War every great nation in the world was dependent upon Chile for nitrates, and that to-day, with the exception of the United States and Russia, all of these great nations have their own nitrate plants and are independent of any foreign country whatever for their nitrates?

Mr. JAMES of Michigan. That is true. Under the conditions of this bill the President has less restrictions on him in making a lease than any committee of Congress ever had. I feel, therefore, that the President is going to be able to make a lease. If he leases it there is going to be no surplus power to sell to anyone for 50 years. There is only 88,000 primary horsepower at Dam No. 2. If we build the Cove Creek Dam that horsepower will be doubled. All that power will be needed—and more—to manufacture 40,000 tons of nitrate, which would mean 2,000,000 tons of 2-8-2 fertilizer. It will take all of the electrical output of Cove Creek Dam and of Dam No. 3 and the Wilson Dam, as well to manufacture 2,000,000 tons of 2-8-2 fertilizer.

We had Mr. Bell before us and time after time Mr. Bell said that in order to manufacture 2,000,000 tons of 2-8-2 fertilizer, which is the capacity of this plant, it would take 280,000 horsepower. You can not get 280,000 horsepower unless you build the Cove Creek Dam and Dam No. 3.

As I say, I am talking now simply about the national defense part of this property, and I am firmly convinced in my mind that the President can make a lease under the present bill. [Applause.] That means that as far as power is concerned it is out of the picture for 50 years, and for that length of time Muscle Shoals will be a national defense and a fertilizer proposition.

I sincerely hope, gentlemen, you will stand by the four House conferees. [Applause.]

The SPEAKER. The question is on agreeing to the conference report.

Mr. QUIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 216, nays 153, answered "present" 1, not voting 61, as follows:

[Roll No. 34]

YEAS—216

Abernethy	DeRouen	James, N. C.	Prall
Adkins	Dickinson	Jeffers	Quin
Allgood	Dominick	Johnson, Ill.	Ragon
Almon	Dorsey	Johnson, Okla.	Rainey, Henry T.
Andresen	Doughton	Johnson, Tex.	Ramspeck
Arnold	Dowell	Jones, Tex.	Rankin
Aswell	Doxey	Kading	Rayburn
Auf der Heide	Drane	Kelly	Reece
Ayres	Driver	Kemp	Reilly
Baird	Dyer	Kerr	Rutherford
Bankhead	Edwards	Ketcham	Sanders, Tex.
Barbour	Englebright	Korell	Sandlin
Black	Eslick	Kvale	Schafer, Wis.
Blanton	Evans, Mont.	LaGuardia	Schneider
Bloom	Fish	Lambertson	Sears
Box	Fisher	Lanham	Selvig
Boylan	Fitzgerald	Lankford, Ga.	Shaffer, Va.
Brand, Ga.	Fitzpatrick	Lea	Short, Mo.
Brand, Ohio	Frear	Leavitt	Simmons
Briggs	French	Lindsay	Simms
Browne	Fuller	Lozier	Sinclair
Browning	Fulmer	Ludlow	Sloan
Brunner	Gambrill	McClintock, Ohio	Smith, Idaho
Buchanan	Garber, Okla.	McCormack, Mass.	Smith, W. Va.
Buckbee	Garner	McDuffie	Somers, N. Y.
Burtness	Gasque	McLeod	Sparks
Busby	Gavagan	McMillan	Speaks
Butler	Gibson	McReynolds	Sproul, Kans.
Byrns	Glover	McSwain	Steagall
Campbell, Iowa	Goldsborough	Mansfield	Strong, Kans.
Canfield	Goodwin	Mapes	Summers, Wash.
Cannon	Granfield	Mead	Sumners, Tex.
Carter, Wyo.	Green	Menges	Swing
Cartwright	Greenwood	Michener	Tarver
Christgau	Gregory	Miller	Taylor, Tenn.
Christopherson	Griffin	Milligan	Thatcher
Clague	Guyer	Montet	Underwood
Clancy	Hall, N. Dak.	Mooney	Vincent, Mich.
Cochran, Mo.	Halsey	Moore, Ky.	Vinson, Ga.
Collier	Hardy	Morehead	Wainwright
Collins	Hare	Mouser	Walker
Condon	Hastings	Nelson, Mo.	Warren
Connery	Haugen	Nelson, Wis.	Welch, Calif.
Cooper, Tenn.	Hickey	Norton	Whitehead
Cooper, Wis.	Hill, Ala.	Oldfield	Whittington
Cox	Hill, Wash.	Oliver, Ala.	Williamson
Craddock	Hoch	Oliver, N. Y.	Wilson
Crail	Holaday	Owen	Wingo
Crisp	Hope	Parks	Woodruff
Cross	Howard	Parsons	Woodrum
Crosser	Huddleston	Patman	Wright
Cullen	Hull, Tenn.	Patterson	Wurzbach
Davenport	Hull, Wis.	Peavey	Yon
Davis	James, Mich.	Pittenger	Zihlman

NAYS—153

Ackerman	Bolton	Clark, Md.	Culkin
Allen	Bowman	Clarke, N. Y.	Dallinger
Andrew	Brigham	Cochran, Pa.	Darrow
Arentz	Britten	Cole	Dempsey
Bachmann	Brumm	Colton	Denison
Bacon	Cable	Connolly	De Priest
Beck	Campbell, Pa.	Cooke	Douglas, Ariz.
Beedy	Carter, Calif.	Cooper, Ohio	Doutrich
Beers	Chalmers	Coyle	Dunbar
Blackburn	Chindblom	Cramton	Eaton, Colo.
Bohn	Chiperfield	Crowther	Eaton, N. J.

Ellis	Hull, Morton D.	Merritt	Stafford
Erk	Hull, William E.	Moore, Ohio	Stalker
Estep	Irwin	Morgan	Stobbs
Esterly	Jenkins	Murphy	Strong, Pa.
Evans, Calif.	Johnson, Nebr.	Nelson, Me.	Sullivan, Pa.
Fenn	Johnson, Wash.	Niedringhaus	Swanson
Finley	Jonas, N. C.	Nolan	Taber
Fort	Kahn	O'Connor, Okla.	Temple
Foss	Kearns	Palmer	Thurston
Free	Kendall, Ky.	Palmisano	Tilson
Freeman	Kendall, Pa.	Parker	Treadway
Garber, Va.	Kinzer	Pratt, Ruth	Turpin
Gifford	Kopp	Pritchard	Underhill
Golder	Kurtz	Purnell	Vestal
Goss	Langley	Ramey, Frank M.	Wason
Hadley	Lankford, Va.	Ramseyer	Watres
Hale	Leech	Ransley	Welsh, Pa.
Hall, Ill.	Lehlbach	Reed, N. Y.	White
Hall, Ind.	Letts	Rich	Whitley
Hancock, N. Y.	Linthicum	Robinson	Wigglesworth
Hawley	Loofbourow	Rogers	Wolfenden
Hess	Luce	Sanders, N. Y.	Wolverton, N. J.
Hogg, Ind.	McCormick, Ill.	Seger	Wolverton, W. Va.
Hogg, W. Va.	McFadden	Seiberling	Wood
Hooper	McLaughlin	Shott, W. Va.	Wyant
Hopkins	Maas	Shreve	
Houston, Del.	Manlove	Snell	
Hudson	Martin	Snow	

ANSWERED "PRESENT"—1

McKeown

NOT VOTING—61

Aldrich	Graham	Magrady	Sproul, Ill.
Bacharach	Hall, Miss.	Michaelson	Stevenson
Bell	Hancock, N. C.	Montague	Stone
Bland	Hartley	Moore, Va.	Sullivan, N. Y.
Burdick	Hoffman	Newhall	Swick
Carley	Hudspeth	O'Connor, La.	Taylor, Colo.
Celler	Igoe	O'Connor, N. Y.	Thompson
Chase	Johnson, Ind.	Perkins	Timberlake
Clark, N. C.	Johnson, S. Dak.	Pou	Tinkham
Corning	Johnston, Mo.	Pratt, Harcourt J.	Tucker
Dickstein	Kennedy	Reid, Ill.	Watson
Douglass, Mass.	Kiefner	Romjue	Williams
Doyle	Knutson	Rowbottom	Yates
Drewry	Kunz	Sabath	
Elliott	Larsen	Sirovich	
Garrett	McClintic, Okla.	Spearing	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. McKeown (for) with Mr. Graham (against).
Mr. Clark of North Carolina (for) with Mr. Aldrich (against).
Mr. Johnson of South Dakota (for) with Mr. Igoe (against).
Mr. Drewry (for) with Mr. Johnson of Indiana (against).
Mr. Romjue (for) with Mr. Harcourt J. Pratt (against).
Mr. Kiefner (for) with Mr. Reid of Illinois (against).
Mr. Hall of Mississippi (for) with Mr. Magrady (against).
Mr. Williams of Texas (for) with Mr. Timberlake (against).
Mr. O'Connor of New York (for) with Mr. Sproul of Illinois (against).
Mr. Corning (for) with Mr. Burdick (against).
Mr. Celler (for) with Mr. Perkins (against).
Mr. Sullivan of New York (for) with Mr. Bacharach (against).
Mr. Carley (for) with Mr. Yates (against).
Mr. Tucker (for) with Mr. Elliott (against).
Mr. Moore of Virginia (for) with Mr. Chase (against).
Mr. Kennedy (for) with Mr. Hoffman (against).
Mr. Garrett (for) with Mr. Swick (against).
Mr. Larsen (for) with Mr. Watson (against).
Mr. Dickstein (for) with Mr. Tinkham (against).
Mr. Pou (for) with Mr. Michaelson (against).

Until further notice:

Mr. Knutson with Mr. Bland.
Mr. Johnston of Missouri with Mr. Stevenson.
Mr. Newhall with Mr. Sabath.
Mr. Stone with Mr. Hancock of North Carolina.
Mr. Thompson with Mr. McClintic of Oklahoma.
Mr. Douglass of Massachusetts with Mr. Bell.
Mr. Sirovich with Mr. Taylor of Colorado.
Mr. Spearing with Mr. Doyle.
Mr. Kunz with Mr. O'Connor of Louisiana.

Mr. McSWAIN. Mr. Speaker, I am requested to announce that the gentleman from Texas, Mr. GARRETT, is ill at his home and unable to be present. If present he would vote for the conference report.

Mr. McKEOWN. Mr. Speaker, I would like to know if the gentleman from Pennsylvania, Mr. GRAHAM, voted.

The SPEAKER. The gentleman did not vote.

Mr. McKEOWN. Then, Mr. Speaker, I withdraw my vote of "aye" and answer "present."

Mr. LANKFORD of Georgia. Mr. Speaker, my colleague the gentleman from Georgia, Mr. LARSEN, is ill and not able to be present. If present he would vote for the conference report.

Mr. CLARKE of New York. Mr. Speaker, I am requested by my colleague the gentleman from New York, Mr. HARCOURT J. PRATT, to say that if he were present he would vote "no."

Mr. CHINDBLOM. Mr. Speaker, the gentleman from Illinois, Mr. SPROUL, is absent on account of illness. If present, he would vote "no."

Mr. DOXEY. Mr. Speaker, my colleague the gentleman from Mississippi, Mr. HALL, is absent on account of illness. If present, he would vote for the conference report.

The result of the vote was announced as above recorded.

On motion of Mr. WURZBACH, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MUSCLE SHOALS

Mr. BANKHEAD. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days in which to extend their remarks on the question under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Alabama [Mr. BANKHEAD]?

There was no objection.

Mr. RICH. Mr. Speaker, ladies and gentlemen, I voted "no" in reference to Senate Joint Resolution 49, to provide for a national defense by the creation of a corporation for operation of Government properties at and near Muscle Shoals, in the State of Alabama, and for other purposes, for the reason that I am not in favor of putting the Government into business in competition with its citizens. The first law of our land should be to permit the citizens of this country to operate the business interests regardless of what they might be, and when I vote to put the Government into business in competition with its citizens by this bill I am only working against the principle of freedom of the American people.

It is true, however, that under certain conditions Government supervision of business is a fine thing in order that the public should receive protection from unscrupulous business interests. We have had examples in the past years of the Government in business, and it only requires me to cite the Government operation of the railroads and Government operation of the Shipping Board, which has cost this country millions and millions of dollars, to show that politics and business do not work together.

I was interested in listening to all the arguments pro and con for the operation of Muscle Shoals under this joint resolution, and I am convinced that it would be much better for this country to give this proposition to the State of Alabama and Tennessee free of charge rather than to go into the proposition of operating same on the basis which this joint resolution proposes. We will spend $240,000,000 in the proposition besides eventually losing money each year on the operation of same.

Why should the States of Alabama and Tennessee receive 5 per cent of the gross income if it were operated by the United States Government? There might be some merit if they were to receive 5 per cent of the net income and would have some ring of business if it had been stated thus. We have been informed by good authority that the nitrate plants that were built for the purpose of generating nitrates during the war, and, owing to the fact that there has been much progress made in the development of nitrates, these plants are antiquated. This is given on good authority. If that is the case, you can figure out for yourself that it would only be a source of great expenditure and would not alleviate the farm situation by giving them cheap nitrates, as we are led to believe.

Rather than place the Government in this particular business, which is wrong in principle, I hope that legislation is proposed by this Government to sell to the States of Alabama and Tennessee this proposition. And if an agreement can not be had wherein they will purchase it, I would prefer voting to give it to these States free of charge rather than to have enacted the legislation as proposed by the joint resolution.

Mr. GLOVER. Mr. Speaker, ladies, and gentlemen, we are to-day considering the conferees' report on Muscle Shoals, which has been in conference for several months on a disagreement between the Senate and the House on this very important legislation. I am glad to know that the conferees have now reached an agreement and I hope this conference report will be adopted by the unanimous vote of this House.

Muscle Shoals was acquired by the United States Government in 1916 and was to be used in time of war for national defense and in time of peace for the manufacture of nitrogen for fertilizer and to be an aid and benefit to agriculture. The passage of this bill, if it is signed by the President and becomes a law, is one of the best farm-relief measures that has been considered by this Congress, as better and cheaper fertilizer is the greatest need of the American farmer to-day. The demand for fertilizers is increasing as the soil is being exhausted by continued growing of our various crops.

The price of fertilizers has also increased until it is now almost prohibited. Muscle Shoals plant furnishes the only relief. The nitrogen plant at Muscle Shoals is one of the largest and best in the world. Germany and other European countries have used their war nitrogen plants for the benefit of the agriculture and have been so successful that Germany no longer imports Chilean nitrates but has become a large exporter of nitrogen and fertilizers. We should do the same without further delay. At least at this plant we should produce all of the nitrogen that is necessary to go into the making of fertilizers that will be needed in the United States.

The putting to use and operation of this plant will not be local in its effect, but will be nation-wide, and will be felt by the people engaged in agriculture throughout the United States.

It has been shown by testimony before the committee that the price of fertilizer made at Muscle Shoals will control the price of all fertilizer used in this country. It should reduce the price of fertilizer to the farmers at least one-third. We, the Members representing the Southern States, have voted for reclamation projects, the Hoover Dam, and for things which New England has been especially interested in, and we now appeal to all the Members of the House from every section to support this measure, not because it is local, but because it will be of great interest to them and their constituents. It will benefit the farmers from Maine to California by giving the reduced price in fertilizer.

By the operation of the Muscle Shoals properties as provided for in this bill it will do away with a waste of power and will put the same to use for the people of the United States. It will produce a large income to the Government and give work to thousands of men. So it serves a double purpose of being of great benefit to agriculture and also to aid to some extent the unemployment situation.

It is claimed by some in the arguments that this plant should not be Government owned and controlled. It is now and has been since the day of its purchase Government owned and Government controlled. It is not putting the Government in business at all.

The present President of the United States is quoted in the RECORD as stating in a speech he made in 1928 at Elizabethtown, Tenn., when he was a candidate for the Presidency, as follows:

> There are local instances where the Government must enter the business field as a by-product to some great major purpose, such as improvement in navigation, flood control, irrigation, scientific research, or national defense. But they do not vitiate the general policy of private ownership to which we would adhere.

Certainly such language as this coming from the President of the United States, he could not now by a sudden change of mind oppose the development and operation of Muscle Shoals, which is owned and controlled by the United States Government.

Let us first discuss this question of Muscle Shoals as a nitrogen plant for national defense. There is now no far-sighted nation who would depend upon another nation for its nitrogen in time of war, and each of them have provided themselves with nitrogen plants as a matter of national defense. Should the United States be without a nitrogen plant with all of its great wealth and the great territory it has that must be protected from the invasion of an enemy?

We hope the time will never come when we shall be plunged into another war, but we might be as suddenly as we were thrown into it in the last war. If that time should ever be, then we would have this great nitrogen plant in operation and it could be diverted to the use of the defense of the Nation at a moment's notice. Who can offer a reasonable argument against its being kept and used for that purpose as a matter of national defense? I answer, No one can make an argument that will stand the test of reason against it.

Not only will the operation of Muscle Shoals preserve this plant for national defense and have the manufacture of cheap fertilizer, but it will also aid in navigation and flood control, which is now one of the greatest questions that confronts our Government.

With the great and growing population that we have in the United States we must necessarily keep pace in the production of the necessary foods to feed them at the lowest possible cost of production. The farmers of the South are to-day up against this situation. They, with the high cost of fertilizer and the high expense that it is necessary for them to meet in making a cotton crop, can hardly sell the crop for more than the actual cost of production.

We frequently see in the press statements about an overproduction of foodstuffs in the United States. It is not an overproduction, it is an underconsumption rather than an overproduction. In other words, it is my contention that if everybody were properly fed as they would like to be, and properly clothed as they should be, then there would be no surplus to deal with. The trouble now is it is not properly distributed and the opportunities for making the necessary money for purchase of the necessities of life are not as they should be.

The unemployment situation in the United States now is in a deplorable condition. When we have 5,000,000 men out of employment who want work and can not find it, it is a horrible condition to think of. This condition is not brought about by one cause alone. There are many things that are contributed to the bringing of this about.

Of course, the drought situation has entered into this question to some extent in the South, but that is only local, and the unemployment situation is general throughout the United States. It is my opinion that after the Smoot-Hawley tariff bill was passed by this Congress, which is the highest protective tariff that was ever known in this Nation, business was disturbed in a way that I hope to never see it again.

If the President of the United States would send a message to Congress and request a repeal of the Smoot-Hawley tariff law and some amendments to the agricultural marketing act, and let us pass a tariff bill that is just and fair to all the consumers alike and not such as would favor special interests, then we could soon have confidence restored, business would become normal, and the dollar would have the purchasing power it should have.

B STREET NW., IN THE DISTRICT OF COLUMBIA

Mr. COOPER of Wisconsin presented a conference report on the joint resolution (H. J. Res. 404) to change the name of B Street NW., in the District of Columbia.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14246) entitled "An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes."

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 15593) entitled "An act making

appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes," and had agreed to the amendments of the House to the amendments of the Senate numbered 30, 32, 40, 44, 48, and 74 to said bill.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16738) entitled "An act 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, 1932, and for other purposes," and had agreed to the amendment of the House to the amendment of the Senate numbered 36 to said bill.

The message also announced that the Senate had agreed to the amendments of the House to the amendments of the Senate Nos. 130 and 131 to the bill (H. R. 15256) entitled "An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1932, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 14922) entitled "An act to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia traffic acts, etc.," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAPPER, Mr. KEAN, and Mr. KING to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the joint resolution (H. J. Res. 404) entitled "Joint resolution to change the name of B Street NW., in the District of Columbia."

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WASON presented a conference report on the independent offices appropriation bill (H. R. 16415) for printing under the rule.

PATRICK P. RILEY

Mr. JAMES of Michigan. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 506) for the relief of Patrick P. Riley, with a Senate amendment, and agree to the Senate amendment.

The Clerk reported the bill by title and read the Senate amendment, as follows:

Page 1, line 10, after "Act," insert "or to accrue by virtue of its passage."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was agreed to.

MINIMUM LEVELS FOR UPPER MISSISSIPPI RIVER RESERVOIR LAKES

Mr. PITTENGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the subject of the bill H. R. 15600.

The SPEAKER. Without objection, it is so ordered.

Mr. PITTENGER. Mr. Speaker, there is now pending before Congress and before the Committee on Rivers and Harbors a conservation measure of utmost importance to the people of Minnesota. This is a bill (H. R. 15600) introduced by my colleague, the Hon. HAROLD KNUTSON, of Wadena, Minn., on January 5, 1931.

The bill reads as follows:

A bill to regulate the discharge of water from certain reservoirs at the headwaters of the upper Mississippi River

Be it enacted, etc., That notwithstanding any other provision of law, the Secretary of War (1) shall not permit the discharge of water from the following-named reservoirs below the level herein fixed for each reservoir: Lake Winnibigoshish, plus 6 feet; Leech Lake, plus 1 foot; Pokegama Lake, plus 6 feet; Pine River Chain of Lakes, plus 11 feet; Sandy Lake, plus 7 feet; Gull Lake, plus 5 feet; and (2) shall not permit the water level of Pine River Chain of Lakes Reservoir to exceed plus 16 feet. The levels herein fixed shall be determined for each reservoir with reference to the zero of the United States gage maintained at such reservoir.

While the bill may require some amendments, there can be no question as to the attitude of those people in Minnesota who believe in a policy which will prevent the spoliation of the lake region in our State.

I hope to see this measure enacted into law.

I said that it was a conservation measure. So far as I know, this proposed legislation is the first definite attempt to recognize by law the recreational and other values of our lakes and streams and to announce that it is the settled policy of this Government to prevent their despoliation and to save the lakes from ruin and destruction.

In my congressional district, Lake Winnibigoshish and Lake Pokegama are directly affected by the provisions of this bill. Other lakes in the district represented by my colleague, HAROLD KNUTSON, are also affected by this bill.

Six reservoirs were constructed under an act of Congress passed in 1878, in the upper Mississippi region, and are known as Gull Lake, Pine River Chain of Lakes, Sandy Lake, Pokegama Lake, Leech Lake, and Lake Winnibigoshish.

By means of various dams, the waters in these regions can be stored up and discharged as suits the convenience of the War Department. These dams have been operated under regulations promulgated by the Secretary of War on February 21, 1889.

Under these regulations the storage of the waters and the discharge of the waters have been carried on without regard to the recreational or conservation values of these lakes. As a result, the interests of northern Minnesota have been disregarded in the operation of these dams and the waters utilized for other purposes.

There has been a consistent disregard of the need of any permanent low-water and high-water levels in these lakes.

When I was elected to Congress I found this problem, among many others, confronting me. In May, 1930, the people of Itasca County protested to me against the unlimited withdrawal of waters from Lake Winnibigoshish at that time because of the great damage to the fish in this lake. I was advised that thousands of pike had been trapped in the tributaries of Lake Winnibigoshish, due to a low state of water, with the gates of the dam wide open, making bad matters worse.

At that time I was able to enlist the cooperation of the War Department so that the gates of the dam were closed and the water levels of the lake raised.

Since that time I have personally visited this region and have had called to my attention, first hand, the destruction and waste that have been brought about in the upper Mississippi Lake regions.

I want to protest, Mr. Speaker, against this prevailing argument that the dams and lakes and rivers of this country must be used for navigation purposes and that their recreational and other values are to be thrown in the discard. That policy of our Government is wrong. It ought to be stopped.

I am not taking a position that opposes the utilization of our rivers and lakes for other purposes. I do not claim that the dams should be removed. In fact, I think they serve a highly important purpose. Without these dams there could be no permanent levels maintained and there would be no way to regulate the flow of the water. Both industrial and recreational values of our lakes and streams would suffer without construction and operation of proper dams.

Congressman KNUTSON's bill recognizes these facts. His bill, if enacted into law, would declare the policy of the Government to be economic utilization to the fullest extent, along with the protection of recreational and other values of these lakes and streams.

There will be vigorous opposition to this bill. There is no doubt about that. Some of the so-called conservationists of Minneapolis and St. Paul who cry loudly for protection of lakes and streams in other sections of Minnesota are gloriously silent in respect to their attitude on Congressman KNUTSON's bill. Some of them break the silence long enough to oppose the measure. It appears that the lake waters of northern Minnesota can be used in these cities for city purposes and for industrial and power purposes.

Consequently we may expect opposition from people who fear that they will not reap the full benefit of the present policy of ruining our lakes and streams in the northern section of the State.

On December 24, 1930, I discussed proposed legislation in connection with the principles embodied in the above bill, and I quote from the Duluth Herald of that date, as follows:

Plans for minimum water levels for the lakes in northern Minnesota will receive the active support of Congressman WILLIAM A. PITTENGER, according to announcement made by him to-day. He stated that he would actively support the program of legislation proposed by Congressman HAROLD KNUTSON in order that the present War Department regulations may be modified. Claiming that the present arrangement of withdrawing waters from Lake Winnibigoshish and other lakes is haphazard and in the interests of the power companies and other interests of Minneapolis and not necessary to the building of the 9-foot channel, Congressman PITTENGER expressed the hope that the War Department would see the fairness of the claims of the people of Itasca County and other sections who want to protect the lakes from despoliation.

In a statement issued by him this morning he made it clear that he was not opposed to the 9-foot channel. He said:

"I am in entire accord with the plans of Congressman KNUTSON to fix minimum water levels for Lake Winnibigoshish and other lakes in the upper Mississippi region. The present methods and regulations for withdrawing waters from these lakes are haphazard and work to the injury of this territory. While done, presumably, to aid navigation, the power companies and other industries of Minneapolis benefit by the system, to the injury of northern Minnesota. The people of this section have rights as well as other interests. This does not mean that I am opposed to the construction of the 9-foot channel. I have cooperated with persons interested on that project. They have assured me that their purpose is not to do damage to the lake levels. If that is true we ought to have their active support in the legislation proposed by Congressman KNUTSON. It may take years to construct the 9-foot channel. In the meantime let us have some protection. Reasonable plans can be worked out so that the rights of everyone will be recognized."

Every person who believes in saving for the public the recreational and other public values of our lakes and streams is interested in this bill. The principle sought to be established by Congressman KNUTSON is of nation-wide importance and affects every section of the United States where this problem is involved. Those who are interested in this sort of legislation have just two positions that they can take. First, they can take the position that the interests of navigation—whatever that phrase means—and the interests of industries and other organizations are paramount and the United States should continue to permit the use of these waters in total disregard of the damage that is done to their recreational values. I do not concur in this argument or follow those who take that position.

The other position requires that the recreational, fishing, and other uses of the reservoir lakes should be protected, in the interests of the public. I take this position. The passage of legislation embodying the principle of Congressman KNUTSON's bill is the solution to the question.

HUGE GOVERNMENT FLEET PASSES INTO PRIVATE HANDS

Mr. CHRISTOPHERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a statement by J. Caldwell Jenkins, vice president Merchant Fleet Corporation, relating to our merchant marine.

The SPEAKER. Without objection, it is so ordered.

The statement is as follows:

J. CALDWELL JENKINS, VICE PRESIDENT, MERCHANT FLEET CORPORATION, TELLS OF REDUCTION IN APPROPRIATIONS FROM $17,000,000 IN 1928 TO $2,000,000 IN 1932

No other organization at any time in the world's history has had so large a number of vessels under its control as has the Merchant Fleet Corporation, the operating body for the United States Shipping Board. At various times during and since the World War it has had under its jurisdiction, in vessels requisitioned, commandeered, chartered, purchased, seized, and under contract to build, 4,500 ships, of well over 17,000,000 gross tons. Eight years ago this number had been reduced to 1,700. Through sales for operation, for scrapping, and for reconstruction this number has been further reduced until to-day the board has less than 450 ships, including 153 in the corporation's active fleet. Negotiations are now under way for the disposal of many of these.

American foreign trade increased enormously following the war, with the establishment of regular trade routes—increases running from 50 per cent to as high as 380 per cent. For example, in 1914 there were five vessels under the American flag operating to far eastern terminals. To-day the Stars and Stripes fly over 140 ships in that service, and our far eastern trade has grown by 380 per cent.

Since 1924 the United States Shipping Board has been selling these ocean freight services, in which the board had used vessels built for war-time purposes, to private American companies.

At the Fourth Annual Conference on the Merchant Marine, held in Washington recently, J. Caldwell Jenkins, vice president of the Merchant Fleet Corporation, who has been active in the organization's affairs for several years, told of the Fleet Corporation's work. A part of Mr. Jenkins's talk follows:

"The liquidation of the property and functions of the Merchant Fleet Corporation that are of greatest significance to the American merchant marine does not consist in dismantling of ships or suspension of actual ship operation, but consists rather in the surrender to private steamship companies of activities which the Government has heretofore been carrying on. It has been unfortunate in the past that the word "liquidation" has been so universally applied to the work which the Shipping Board was trying to accomplish, because it had a demoralizing effect with those who attached to it the usually accepted meaning of going out of business. It lowered the morale of our personnel and left with the competitor the feeling that we were not going ahead with the things which now we really have accomplished.

"The main business of the Merchant Fleet Corporation until comparatively recently was, therefore, the operation of Government ships over some 38 trade routes as effectively and economically as possible, but from first to last the organization and methods followed by the board were those which it was felt would gradually facilitate the eventual transfer of the vessels and lines to private ship companies.

"Aside from recommending to Congress the passage of legislation which would aid shipping, the main purpose of the Shipping Board and Fleet Corporation were to help the merchant marine get on its feet, first, by establishing services around which there could be built up an active freight and passenger business, and, second, in so organizing its efforts along this line in the process there would be developed shipping companies and personnel experienced and competent to take over the lines when other conditions were such as to permit. In practice the measures taken to assure the development of competent ship operators have to an increasingly large extent been the means by which we have brought the lines themselves to their present state of development.

"The success which the Shipping Board has met with in recent years in the sale of lines is too well known to need detailed treatment. Out of an original number of 38 lines, 25 have been sold or are in process of sale. It will probably be remembered by some that the sale of our lines began as early as 1914, in which year that great pioneer in American shipping, Robert Dollar, bought vessels to establish the round-the-world service and the Grace Co. bought a line of 14 cargo ships.

"A recent arrangement and regrouping leaves the board with 13 lines of 9 operating units involving some 175 vessels. The very success of ship sales efforts in the past have, however, altered the nature of the liquidation problem for the future and made it incumbent upon the corporation to adopt new methods if the process is to be carried forward to completion.

"HIGH EFFICIENCY NECESSARY

"Naturally the more profitable lines were the first to be taken over. All the passenger lines have now been sold and all the lines operating from the Pacific coast. With those remaining the difficulties of getting out of the red figures into the black are greater than formerly, even with the Jones-White mail aid, and an unusually high level of operating efficiency is requisite if the lines are to be made to pay.

"Primarily to encourage greater efficiency and, secondly, because of the savings which it means to the Fleet Corporation itself, and also to stimulate the sale of established lines we have within the last year put into effect what is known as the lump-sum operating agreement. This new agreement and form of operation places the managing operator on a basis as near to ownership as can be without actual title transfer of the lines.

"Now I would like to say a few words in explanation of just what is meant by the lump-sum agreement between the managing agent and the Shipping Board for the operation of Government lines, because I believe that one of its main virtues is that it is the forerunner of liquidation or transfer to private capital.

"Up until about a year ago the established plan of operating Shipping Board vessels involved compensating the managing operator on the basis of a commission on gross freight and passenger revenue, usually 7½ per cent on all outward cargo and 3½ per cent on inward. Although the operator had charge of all details of operation, he had no financial incentive to keep down the cost thereof. A dollar spent which should not have been spent meant no monetary loss to him.

"The only thing that the operator was concerned with beyond his natural pride in the success of the venture was the commissions on cargo obtained, and even this as an incentive was not always adequate to encourage the operator to do his utmost to obtain traffic.

"Even as good as our ship operators are, the mind has not yet reached that degree of efficiency that it can entirely dominate the instincts of mankind, and so with operators, as with the rest of us, self-preservation was the first law of nature.

"The result was that the Merchant Fleet Corporation had to maintain practically a duplicate organization to oversee, check up, and visé almost everything that the operator did. Only a few years ago the Fleet Corporation had a pay roll of over $6,000,000 per annum to do this thing—an overhead that was greater than the total of the overhead of all the operators put together. This manifestly was no longer an ideal way of developing management

by private shipping companies, although it had been justified in the earlier days when the problem was one primarily of intensive training and development of American operators who could ultimately become owners.

"So that we set about to formulate some new agreement and operating plan that would put the operator on his own; that would let him conduct the business pretty much as he would do it if it were his own property, and at the same time protect the Government's aims and purposes in every possible respect. This new operating policy completely changed the underlying structure of our operation. It was a radical change which some said was a donation while others called it crucifixion, depending upon the viewpoint. You may be assured that it was well considered before we got started.

"LUMP-SUM AGREEMENT

"The lump-sum agreement abolishes cost-plus commissions, the only financial obligation of the Shipping Board being an agreement to pay a specific lump-sum amount for each of the stipulated number of voyages. The operator must make the voyages at his own expense and must maintain the vessels in a good state of repair within certain limitation. The operator retains all revenues, which, when added to the lump-sum payment, should enable him to cover his expense of operation and administration and earn a fair profit for himself; but if he does not, it is his own loss.

"We have based the lump-sum figure on the prospective gross revenue and operating costs of the lines, taking into consideration their past experience. If, however, the operations reach the point where the operator is making an excessive profit we have reserved the right in the contract to readjust his lump-sum figure accordingly. The result generally is, though, that he comes in and wants to buy before we have a chance to readjust. He is, however, still required to furnish stipulated reports of his operations, which are scrutinized by our experts in order to keep a check on the progress of the operation, and we make periodical inspections of the ships as to upkeep and to make certain that he is rendering specific service to the shippers. But we do not interfere with his business.

"Whatever may be the exact figures arrived at for the lump-sum payment, it always represents a financial saving to the Government. For instance, voyages that approximated under the former plan the total cost of $11,000 are reduced under the present plan to about $7,000 per voyage, representing a saving of $4,000, which is because of our ability to eliminate the large overhead which the Fleet Corporation has had in the past of around 15 per cent of the total cost of operation. We can do this because we no longer need to duplicate the work that the operator is doing for us. We no longer need to tell him whether he can take certain traffic and at what rate, nor do we have to supervise the stevedoring, the maintenance of the ship, the purchase of supplies, or the turn arounds.

"In short, it can be said that even those who were originally most skeptical concerning this agreement are now highly enthusiastic in the face of evident success. The plan is successful also because now the operator is concerned with the money that goes into the operation, for even every nickel that is spent recklessly comes out of his own pocket.

"From the standpoint of liquidation, therefore, the significance of the lump-sum agreement lies, first, in the great reductions which it makes possible in the overhead of the Fleet Corporation; and second, in the more realistic experience which it gives Shipping Board operators and the stimulus which it offers them to put their lines in such shape that they not only can buy them but will be eager to do so. It puts the whole shipping business more fully on private footing.

"In this respect one of the stimulating conditions of the agreement is that the board within its discretion gives the operator the preference in the future sale of the line. What could be sounder than that principle which recognizes that the operating organization which has successfully developed and established the steamship service can best be intrusted with its future management and permanence and to develop the line to a point where it will become a real competitor in the foreign trade. In conformity with this policy, in very recent sales of lines, we have sat across the table with the operator and worked out a sales price based upon the commercial value of the line on a permanent basis, so that the purchaser does not go forth with a millstone around his neck to begin with.

"With the several Government aids held out in support of American owners which will bring about the construction of new and modern vessels, with the growing efficiency on the part of American owners and the increasing patronage by American shippers, we need have no fear for the permanency of these American lines that have been and are being transferred to private hands. All they will need is the support of American shippers, but incidentally I am not one of those who believe that we can wave the American flag and expect that shippers will use American vessels unless they can obtain approximately the same service for the same price. Whenever we have reached that state of efficiency in personnel and in ships which enables us to furnish a service equal to the competitor we should point the finger of scorn at the shipper who does not utilize the American ship and keep it pointed at him until he does ship the American way.

"The transfer of our lines to private capital is merely a beginning. Recently the United States Lines, the show window of the American merchant marine, laid the keels for the first of two of the largest ships ever built in this country. The Dollar Line on the west coast has started building in a real way, and correspondingly the other lines which have been sold by the Government have taken up seriously their future building needs.

"It has been said that money talks. Sometimes the absence of it talks quite as forcibly. By reference to the annual appropriations of Congress for ship operation and expenses of the Merchant Fleet Corporation we find that as late as 1928 Congress appropriated $17,000,000 for ship operation. In 1929 it was $13,000,000, last year it was $10,000,000, and this year it is $6,000,000. For next year we have asked for $2,000,000. After all, that is your liquidation story."

VETO ON LEASED DISTRICT BILL

Mr. CARTWRIGHT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

Mr. CARTWRIGHT. Mr. Speaker, I have been informed that President Hoover has vetoed the Choctaw and Chickasaw leased district bill. I must say it is a hard lick and a sad day in American history when the President refuses to let the wards of this great Government refer a local bill to their own court for a report—not a judgment—just a report. Surely the President's advisers did not assume the attitude that if the facts were known the Government would have to pay a just debt. The Indians were merely asking for a finding of facts and a report to Congress.

Why President Hoover did not take the advice of Secretary Hurley, who was born and reared in the old Choctaw Nation and knows the exact situation, seems unexplainable. The following is a report as carried by the Associated Press yesterday and which is self-explanatory:

HOOVER VETOES INDIAN BILL FAVORED BY HURLEY

President Hoover and his Secretary of War, Patrick Hurley, of Oklahoma, may agree completely on matters of national defense, but yesterday they, unwittingly, were far apart on an Indian matter.

Just 18 years ago Secretary Hurley was national attorney for the Choctaw Indian Tribe and was instrumental in securing the introduction of legislation designed to allow payment to the Choctaws for certain land in Oklahoma. The Congress now in session finally got around to passing it. President Hoover yesterday vetoed the bill.

Mr. Speaker, these Indians have not had their day in court. Nothing is settled until it is settled right. This claim has not been settled. I have not quit this fight and will not until these Indians get a square deal.

ARCHIBALD JERARD WEAVER

Mr. SLOAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by including therein a speech I have prepared on the life and character of a former Member of this House, Archibald J. Weaver, a Member of the Forty-eighth and Forty-ninth Congresses.

The SPEAKER. Without objection, it is so ordered.

Mr. SLOAN. Mr. Speaker, on this day of fraternal memory, Members living pause in their hurried deliberations of a closing term to gather in solemn conclave, listen to the softened word of prayer, hearken to music, solemn, sad, and low, and are inspired by eloquent speech which tells of departed friendship, loyalty, and greatness, of those sentient beings who here sat in health, deliberated in concord, strove in debate, and criticized all in the monosyllabic yea or nay.

Knowing well most of those for whom this House mourns to-day, I am as one who attends the obsequies of friends and does not immediately depart; who after eulogy is pronounced, the last sad rite is performed, repairs to the grass-grown grave of another friend and places there a few deserved immortelles, that his proper resting place may be known and his worth recalled.

Those honored to-day passed from the distinction of membership here immediately to their place near the throne.

Archibald Jerard Weaver, a Member from the first district of Nebraska, in the Forty-eighth and Forty-ninth Congresses, served the two bienniums for which his constituents called him. He sought no further service here, although his was the word to say yea or nay.

I have long believed that once leaving service in honor here that suitable recognition of former Members' passing should be in our RECORD—the most complete parliamentary record of all time.

Congressman Weaver was of German parentage and first saw the light on April 15, 1843, at Dundaff, Susquehanna County, Pa. His parents had come to neighbor with that sturdy stock, prominent for two centuries, in the Keystone State.

In goods and lands his endowment was small, but in ancestral strains from either side there were rich legacies of brain, brawn, honor, and loyalty. His father died in 1845, leaving a future statesman and jurist, the youngest child of six. He early lightened his widowed mother's burden by making his own way and paying, by work, his expenses in public school and through Wyoming Seminary, of whose faculty upon graduation he became a member.

In this, as in all other stations of life, he improved and adorned it. Three years in the seminary faculty was but one means for discipline, culture, and refinement in preparation for the law.

Here he met Martha A. Myers, who, in 1867, the year of Nebraska's admission to the Union, became his wife. Mrs. Weaver's ancestry were of those whose men battled in the field of revolution and whose women defended the homes against the cruel red men, who made the name of Wyoming at once one of terror and heroism.

His ambition for excellence was such that he did not permit the responsibilities of matrimony nor his limited means to keep him from a full course in the law department of Harvard, which was then, as now, one of the world's greatest universities. He had studied law in the office of Henry Hoyt, afterwards Governor of Pennsylvania. He, with his family, in 1869 came to Falls City, the site of his home and the scene of his many agricultural, civic, professional, and political activities. Falls City had for many years one of the strongest bars in Nebraska.

He was attracted by the rich soil of southeastern Nebraska and invested therein to the extent of his means. The future richly justified his judgment.

His investments, transmitted to his widow and children, have increased in value many fold.

He left a rich heritage to his State in his children—most especially his son, Arthur J. Weaver, who has recently closed a term as Governor of Nebraska, a term which for devotion to duty, strong grasp of public affairs, and the love and affection of all who knew him leaves a record unsurpassed. This son was president of our latest constitutional convention held in 1920. The product of that convention, which was almost unanimously approved by the voters of the State, registered sound progress and a fair measure of conservatism and leaves Nebraska blessed in the character of our fundamental laws.

Hon. JOHN H. MOREHEAD, former governor, now sitting as distant successor in point of time to Congressman Weaver, said of him—

> He was a man of strong personal appearance, high intellectuality, sterling character, in whom his neighbors and the people of his district and State had implicit confidence and trust.

Governor MOREHEAD speaks of the fine family left by this comparatively young man as one of the outstanding Nebraska families not only in the State's notice but in the affection of all the people in his home city.

Congressman Weaver, being the type that he was, equipped mentally and physically as he was, in the formative period of a new State could not have been permitted to follow exclusively his personal interests and ambitions. He was early called to serve in two constitutional conventions, in 1871 and 1875, where his real measure was taken by the State. It apparently destined him to exalted advancements.

For four years he was prosecuting attorney for the first judicial district. Then he served four years as judge of the same district, which district included Fillmore, the county of my continued Nebraska residence. His grasp of public affairs, and his power of presentation, marked him as a fitting representative for the first district, which contained Omaha, the metropolis; Lincoln, the capital; and Beatrice, the State's third city. In each of these were men of high standing and ability. He was always a stanch Republican, standing for its fundamental doctrines, and defending them wherever propriety or good opportunity presented.

In Congress he readily attracted the notice of Republican leadership, and was given in committees opportunity for the exercise and demonstration of his powers.

I shall speak of but one important piece of legislation upon which he made his personal impress, to the extent that many of his colleagues and others in a position to know gave him primary credit for the Interstate Commerce Commission law. In this he took a decided part. True he was then in the minority, but when it came to crystalizing that legislation into law he was one of the House conferees. To name the membership makes it a mark of distinction to have been one.

The conferees of the House were Reagan, of Texas, one of the stalwart Democrats then in Congress; Crisp, of Georgia, afterwards Speaker of the House, and father of our distinguished colleague and Democratic leader, CHARLES F. CRISP. The Senate conferees were Cullom, of Illinois; Platt, of Connecticut, Republicans; and Harris, of Tennessee, Democrat.

In Congressman Weaver's work upon this measure, he demonstrated at once that he stood for wholesome progress, away from the system then of rebates, passes, and discriminations. And, on the other hand, he stood for that conservatism in transportation control which recognizes the public's and individual's right. In this legislation was included a measure and means for that right to be accorded to the poorest farmer or merchant up to the great mine, lumber, and wholesale corporations, whose goods were carried in interstate commerce.

Retiring voluntarily from Congress March 4, 1887, it appeared that the State was about to call him to the senatorship. In the long-drawn-out contest for the seat occupied by Charles H. Van Wyck, Congressman Weaver at one time lacked but one vote of being made the Republican nominee, which would have insured election.

Soon after the legislative contest, on the 18th of April, 1887, pneumonia asserted mastery of that strong frame, and death touched his great life. So he dwelt apart from the wife of his brief and brilliant career, until the 29th of March, 1922, when she joined him—

> In that land far away, 'mid the stars, we are told,
> Where they know not the sorrows of time—
> Where the pure waters wander through valleys of gold,
> And life is a treasure sublime;
> 'Tis the land of our God, 'tis the home of the soul,
> Where the ages of splendor eternally roll—
> Where the way-weary traveler reaches his goal
> On the evergreen mountains of life.

My personal acquaintance with Congressman Weaver was casual and contact infrequent, as those factors are usually numbered. My knowledge was from close reading of his work in Congress and in Nebraska contemporary history, which I then taught. Especially I learned of Judge Weaver from my preceptor, Hon. John Penrose Maule, then of Fairmont, Nebr., who for four years had served as district attorney in the first judicial district, over which Judge Weaver presided. Mr. Maule, like Weaver, was of Pennsylvania stock. In his precepts he talked of legal principles, but more of men and especially judges. Many men from the bench came in for his shaft of wit and sarcasm as well as commendation. But of Judge Weaver he never wearied expressing commendation. The sterling worth of the jurist had deeply impressed the younger lawyer to a point of idealization.

So I came to know Judge Weaver. I had just prior to that time been studying Edmund Burke, who in his matchless English and profound philosophy worded many of literature's best statements. These two passages from Burke seemed to have impressed Maule, as they do me now:

> The cold neutrality of an impartial judge, * * * a disposition to preserve and an ability to improve, taken together would be my standard of a statesman.

He seemed to meet the measure of the Socratic rule:

> Four things belong to a judge. To hear courteously, to answer wisely, to consider soberly, and to decide impartially.

Depth of study and opportunity for application in private, professional, and public life gave to Weaver in Congress and on the bench opportunities for that fine and unerring judgment only possible where the jurist or the statesman subscribes to the dominance of law and the subordination of men. This doctrine and rule of conduct may prevent and break many friendships. It may be an obstacle to advancement in wealth and power. It may remove even from vision, say naught of acquisition, the many prizes of earth dear to the ambitious man. But in the run of a lifetime and the chain of generations it is the best anchor of our Republic's hope.

Well has Hooker said:

> Of law there can be no less acknowledged than that her seat is the bosom of God, her voice the harmony of the world; all things do her homage, the very least as feeling her care, and the greatest as not exempted from her power; both angels and men and creatures of what condition soever, though each in different sort and manner, yet all with uniform consent admiring her as the mother of their peace and joy.

This is the law, and Archibald Jerard Weaver, Congressman and judge, was one of its distinguished disciples.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. SPROUL of Illinois, at the request of Mr. CHINDBLOM, for two days on account of illness.

To Mr. KENNEDY, indefinitely, on account of illness.

To Mr. HALL of Mississippi, indefinitely, on account of illness.

To Mr. CHASE, at the request of Mr. LEECH, indefinitely, on account of illness.

To Mr. MONTAGUE, for two days, on account of illness.

ORDER OF BUSINESS—PRIVATE CALENDAR

Mr. TILSON. Mr. Speaker, I ask unanimous consent that on Monday it may be in order to take a recess until 8 o'clock p. m., when bills on the Private Calendar, unobjected to, may be considered in the House as in Committee of the Whole, beginning where the last call left off.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that on Monday it may be in order to recess until 8 o'clock in the evening for the purpose of considering bills on the Private Calendar, unobjected to at the point where the last call left off. Is there objection?

Mr. BLANTON. Reserving the right to object, we are going to have an all-day session to-morrow and also on Monday; can not the gentleman from Connecticut make the night session on Wednesday?

Mr. TILSON. Oh, it will not do to go as late as Wednesday. Let us have Monday night to go on with the Private Calendar. Members are entitled to it.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, there are only a few of us who have to work on this calendar, and it is putting too great a burden on us. I object.

Mr. TILSON. I wish to call the attention of the House to the fact that one Member is ready to obstruct the consideration of bills for his own convenience. I do not think it is fair to others. I ask the gentleman to withdraw his objection so that we may go on with the business of the House.

Mr. BLANTON. I am here at all sessions, both day and night. I want to see how much business will be done to-morrow. Will the gentleman ask for a night session tomorrow night?

Mr. TILSON. I am not asking for to-morrow night, but for Monday night.

Mr. BLANTON. Well, for the present, Mr. Speaker, I object.

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. 458. An act for the relief of Catherine Panturis;

H. R. 504. An act for the relief of James Earl Brigman;

H. R. 2694. An act for the relief of the widow of Robert Graham Moss;

H. R. 3187. An act for the relief of Agnes Loupinas;

H. R. 7272. An act to provide for the paving of the Government road across Fort Sill (Okla.) Military Reservation;

H. R. 9803. An act to amend the fourth proviso to section 24 of the immigration act of 1917, as amended;

H. R. 14246. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1932, and for other purposes;

H. R. 15256. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1932, and for other purposes;

H. R. 15593. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes;

H. R. 16110. An act making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes; and

H. R. 17054. An act to increase the loan basis of adjusted-service certificates.

BILLS PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on the following dates present to the President for his approval bills of the House on the following titles:

On February 19, 1931:

H. R. 16654. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1932, and for other purposes.

On February 20, 1931:

H. R. 318. An act for the relief of William S. McWilliams;

H. R. 566. An act for the relief of Charles Smith;

H. R. 589. An act for the relief of Abram H. Johnson;

H. R. 780. An act for the relief of George Selby.

H. R. 783. An act for the relief of Mary Neaf;

H. R. 1526. An act for the relief of Thomas J. Hayden;

H. R. 2505. An act for the relief of William Parish;

H. R. 2550. An act for the relief of Joseph Pulitzer;

H. R. 2584. An act for the relief of Thomas F. Sutton;

H. R. 2729. An act for the relief of Anna E. Stratton;

H. R. 3368. An act for the relief of Joseph Marko;

H. R. 4269. An act for the relief of William L. Wiles;

H. R. 4731. An act for the relief of Frederick Rasmussen;

H. R. 4876. An act for the relief of Joseph Bratton;

H. R. 5470. An act for the relief of Mary L. Dickson;

H. R. 5926. An act for the relief of Lillian N. Lakin;

H. R. 6259. An act for the relief of Alma Rawson;

H. R. 8736. An act to authorize and direct a preliminary examination of the Hocking River for the distance it flows through Athens County, Ohio;

H. R. 9110. An act for the grading and classification of clerks in the Foreign Service of the United States of America, and providing compensation therefor;

H. R. 9215. An act for the relief of Jessie Axton;

H. R. 9326. An act to amend the act entitled "An act to carry into effect provisions of the convention between the United States and Great Britain to regulate the level of Lake of the Woods concluded on the 24th day of February, 1925," approved May 22, 1926, as amended;

H. R. 10017. An act to provide for a survey of the Mouse River, N. Dak., with a view to the prevention and control of its floods;

H. R. 10542. An act for the relief of John A. Arnold;

H. R. 10652. An act to authorize the Secretary of Commerce to purchase land and to construct buildings and facilities suitable for radio-research investigations;

H. R. 11268. An act for the relief of Mary C. Bolling;

H. R. 11820. An act to authorize issuance of a patent for certain lands to J. R. Murphy;

H. R. 12094. An act to provide for conveyance of certain lands in the State of Alabama to vocational or other educational uses or to dispose of the lands upon condition that they shall be used for such purposes;

H. R. 12284. An act to provide for the construction of vessels for the Coast Guard for rescue and assistance work on Lake Erie;

H. R. 14049. An act to provide for special assessments for the paving of roadways and the laying of curbs and gutters;

H. R. 15064. An act to reserve 440 acres of public-domain land for addition to the Temecula or Pechanga Reservation, Calif.;

H. R. 15267. An act to amend an act entitled "An act to authorize the cancellation under certain conditions of patents in fee simple to Indians for allotments held in trust by the United States;

H. R. 15877. An act to authorize exchanges of land with owners of private-owned holdings within the Craters of the Moon National Monument;

H. R. 16159. An act authorizing an appropriation of the sum of $15,000 to defray the expenses of the Pan American Commercial Conference, to be held in Washington, D. C., in 1931;

H. R. 16215. An act authorizing the sale of surplus power developed under the Grand Valley reclamation project, Colorado;

H. R. 16248. An act authorizing the Secretary of War to exchange with the Rosslyn Connecting Railroad Co. lands on the Virginia shore of the Potomac River near the west end of the Arlington Memorial Bridge;

H. R. 16913. An act to amend the act entitled "An act to extend the provisions of certain laws to the Territory of Hawaii," approved March 10, 1924; and

H. R. 17054. An act to increase the loan basis of adjusted-service certificates.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Saturday, February 21, 1931, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SNELL: Committee on Rules. H. Res. 365. A resolution providing for the consideration of S. 4750 an act to authorize alterations and repairs to certain naval vessels; without amendment (Rept. No. 2765). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 366. A resolution providing for the consideration of H. R. 16836, a bill to amend the act entitled "An act defining butter, also imposing a tax upon and regulating the manufacture, sale, importation, and exportation of oleomargarine," approved August 2, 1886, as amended; without amendment (Rept. No. 2766). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 367. A resolution providing for the consideration of S. 5139, an act to extend the provisions of certain laws relating to vocational education and civilian rehabilitation to Porto Rico; without amendment (Rept. No. 2767). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 353. A resolution for the consideration of S. 550, entitled "A bill to regulate the distribution and promotion of commissioned officers of the line of the Navy, and for other purposes"; without amendment (Rept. 2768). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 368. A resolution providing for the consideration of H. R. 10560, a bill to amend section 22 of the Federal reserve act; without amendment (Rept. No. 2769). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 369. A resolution providing for the consideration of S. 255, an act for the promotion of the health and welfare of mothers and infants, and for other purposes; without amendment (Rept. No. 2770). Referred to the House Calendar.

Mr. SNELL: Committee on Rules. H. Res. 370. A resolution providing for the consideration of H. J. Res. 500, a joint resolution further restricting for a period of two years immigration into the United States; without amendment (Rept. No. 2771). Referred to the House Calendar.

Mr. McSWAIN: Committee on Military Affairs. H. R. 7505. A bill to authorize the construction of a sea wall at Fort Randolph, Panama Canal; without amendment (Rept. No. 2779). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 10884. A bill to authorize the acquisition of a right of way for sewer line in connection with the Fort Bragg Military Reservation, N. C.; without amendment (Rept. No. 2780). Referred to the Committee of the Whole House on the state of the Union.

Mrs. KAHN: Committee on Military Affairs. H. R. 10253. A bill to amend the act of December 5, 1928, entitled "An act to authorize the city of Fort Thomas, Ky., to widen, improve, reconstruct, and resurface Fort Thomas Avenue and to assess the cost thereof against the United States according to front feet of military reservation abutting thereon, and authorizing an appropriation therefor"; without amendment (Rept. No. 2781). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 10370. A bill to authorize the acquisition for military purposes of land in Virginia for use as an addition to Langley Field; without amendment (Rept. No. 2782). Referred to the Committee of the Whole House on the state of the Union.

Mrs. KAHN: Committee on Military Affairs. H. R. 11102. A bill to authorize the Secretary of War to acquire the timber rights on Gigling Field Artillery Target Range in California; without amendment (Rept. No. 2783). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 15768. A bill to authorize the Secretary of War to acquire 75 acres of land, more or less, in the vicinity of and for use in connection with the present military reservation at Fort Ringgold, Tex., and for other purposes; with amendment (Rept. No. 2784). Referred to the Committee of the Whole House on the state of the Union.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 15770. A bill to authorize an appropriation for the preservation and repair of historical fortifications at Fort Niagara, N. Y., and for other purposes; with amendment (Rept. No. 2785). Referred to the Committee of the Whole House on the state of the Union.

Mrs. KAHN: Committee on Military Affairs. H. R. 17142. A bill to authorize the erection of a moving-picture theater at Fort Snelling, Minn.; without amendment (Rept. No. 2786). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 17166. A bill to amend the second deficiency act, fiscal year 1930; without amendment (Rept. No. 2787). Referred to the Committee of the Whole House on the state of the Union.

Mr. WURZBACH: Committee on Military Affairs. S. 5920. An act authorizing the attendance of the Army Band at the annual encampment of the Grand Army of the Republic, to be held at Des Moines, Iowa; without amendment (Rept. No. 2788). Referred to the Committee of the Whole House on the state of the Union.

Mr. PARKER: Committee on Interstate and Foreign Commerce. A report pursuant to H. Res. 114 on common carriers in connection with holding companies, capital interests, control, etc.; without amendment (Rept. No. 2789). Referred to the House Calendar and ordered to be printed with illustrations.

Mr. McSWAIN: Committee on Military Affairs. H. R. 8158. A bill to authorize the exchange of certain land at Detroit, Mich., in connection with the easterly boundary line of the Fort Wayne Military Reservation; with amend-

ment (Rept. No. 2796). Referred to the Committee of the Whole House on the state of the Union.

Mr. CABLE: Committee on Immigration and Naturalization. H. R. 16296. A bill to provide for exclusion and expulsion of alien communists; without amendment (Rept. No. 2797). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAPES: Committee on Interstate and Foreign Commerce. H. R. 16915. A bill authorizing the purchase of the State laboratory at Hamilton, Mont., constructed for the prevention, eradication, and cure of spotted fever; with amendment (Rept. No. 2798). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of Washington: Committee on Immigration and Naturalization. H. R. 17152. A bill to expedite the deportation of certain aliens, and for other purposes; without amendment (Rept. No. 2799). Referred to the Committee of the Whole House on the state of the Union.

Mr. IRWIN: Committee on Claims. H. R. 17168. A bill to provide for the settlement of claims against the United States on account of property damage, personal injury, or death; with amendment (Rept. No. 2800). Referred to the Committee of the Whole House on the state of the Union.

Mr. FREE: Committee on Immigration and Naturalization. H. J. Res. 507. A joint resolution regulating for a period of two years the migration of certain peoples into the United States; without amendment (Rept. No. 2801). Referred to the Committee of the Whole House on the state of the Union.

Mr. SPROUL of Kansas: Committee on Mines and Mining. H. R. 4811. A bill to authorize the Bureau of Mines to manufacture 1 gram of radium; without amendment (Rept. No. 2802). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 16858. A bill to confer jurisdiction on the Court of Claims to hear and determine certain claims of the Eastern Emmigrant and Western Cherokee Indians of Oklahoma and North Carolina; with amendment (Rept. No. 2805). Referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE: Committee on World War Veterans' Legislation. H. R. 17121. A bill to authorize the sale of interest in lands devised to the United States under the will of Sophie Chanquet; without amendment (Rept. No. 2806). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 17151. A bill to authorize per capita payments to the Indians of the Cheyenne River Reservation, S. Dak.; with amendment (Rept. No. 2807). Referred to the Committee of the Whole House on the state of the Union.

Mr. REID of Illinois: Committee on the District of Columbia. S. 4325. A bill to amend subchapter 5 of chapter 18 of the Code of Law for the District of Columbia by adding thereto a new section to be designated section 648–a; without amendment (Rept. No. 2808). Referred to the House Calendar.

Mr. ZIHLMAN: Committee on the District of Columbia. S. 6077. An act providing for the closing of barber shops on Sunday in the District of Columbia; without amendment (Rept. No. 2809). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. S. 293. An act for the relief of Margaret Crotty; with amendment (Rept. No. 2772). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 1536. An act for the relief of Blanch Broomfield; without amendment (Rept. No. 2773). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 1876. An act for the relief of the Columbia Casualty Co.; without amendment (Rept. No. 2774). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 2296. An act for the relief of Nellie McMullen; with amendment (Rept. No. 2775). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 4382. An act for the relief of Anna Marie Sanford, widow of William Richard Sanford, deceased; without amendment (Rept. No. 2776). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 5197. An act for the relief of the David Gordon Building & Construction Co.; without amendment (Rept. No. 2777). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 5789. An act for the relief of the United States Hammered Piston Ring Co.; without amendment (Rept. No. 2778). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. S. 5481. An act to authorize the presentation of a medal of honor, posthumously, to the late Henry Clay Drexler and to the late George Robert Cholister, boatswain's mate, first class, United States Navy; without amendment (Rept. No. 2790). Referred to the Committee of the Whole House.

Mr. BRITTEN: Committee on Naval Affairs. S. 5514. An act to authorize the posthumous award of a distinguished-flying cross to Eugene B. Ely; without amendment (Rept. No. 2791). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 6113. An act for the relief of James M. Griffin, disbursing agent, United States Coast and Geodetic Survey, and for other purposes; without amendment (Rept. No. 2792). Referred to the Committee of the Whole House.

Mr. FITZGERALD: Committee on Claims. H. R. 1596. A bill for the relief of James E. Fraser; with amendment (Rept. No. 2793). Referred to the Committee of the Whole House.

Mrs. KAHN: Committee on Military Affairs. H. R. 11606. A bill for the relief of Edwin L. Menzer; with amendment (Rept. No. 2794). Referred to the Committee of the Whole House.

Mr. ALLGOOD: Committee on War Claims. H. R. 13107. A bill for the relief of Grover Cleveland Ballard; without amendment (Rept. No. 2795). 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. COCHRAN of Pennsylvania: A bill (H. R. 17196) granting the consent of Congress to the Commonwealth of Pennsylvania to construct, maintain, and operate a free highway bridge across the Allegheny River at or near President, Venango County, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. SHOTT of West Virginia: A bill (H. R. 17197) authorizing A. A. Lilly, his heirs, legal representatives, and assigns to construct, maintain, and operate a bridge across the Big Sandy River at or near where it enters into the Ohio River, and between the cities of Kenova, W. Va., and Catlettsburg, Ky.; to the Committee on Interstate and Foreign Commerce.

By Mr. SINCLAIR: A bill (H. R. 17198) granting the consent of Congress to the State of North Dakota to construct, maintain, and operate a free highway bridge across the Missouri River at or near Elbowoods, N. Dak.; to the Committee on Interstate and Foreign Commerce.

By Mr. GOSS: A bill (H. R. 17199) regulating the use of appropriations for the military and nonmilitary activities of the War Department; to the Committee on Military Affairs.

By Mr. JAMES of Michigan (by request of the War Department): A bill (H. R. 17200) to declare the Missionary Ridge Crest Road in the Chickamauga and Chattanooga National Military Park to be an approach road to the said park; to the Committee on Military Affairs.

By Mr. JOHNSON of Washington: A bill (H. R. 17201) to establish a uniform retirement system for interstate rail-

road employees and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McFADDEN: A bill (H. R. 17202) to authorize an investigation of certain fiscal policies of the Government of Cuba, and for other purposes; to the Committee on Rules.

By Mrs. OWEN: A bill (H. R. 17203) for the relief of certain medical officers of the United States Public Health Service; to the Committee on Interstate and Foreign Commerce.

By Mr. ANDRESEN: A bill (H. R. 17204) to authorize the designation of depositories for public documents, and for other purposes; to the Committee on Printing.

By Mr. IRWIN: A bill (H. R. 17205) to authorize construction and to authorize appropriation for construction at Scott Field, Ill.; to the Committee on Military Affairs.

By Mr. JEFFERS: A bill (H. R. 17206) to authorize the Secretary of War to lend War Department equipment for use at the Alabama Department Convention of the American Legion at Talladega, Ala., during the month of July, 1931; to the Committee on Military Affairs.

By Mr. LOZIER: A bill (H. R. 17207) providing for the establishment of the Gen. John J. Pershing National Military Park, near Laclede, Linn County, Mo.; to the Committee on Military Affairs.

By Mr. FRENCH: Joint resolution (H. J. Res. 512) providing for the appointment of a joint committee of the Senate and House of Representatives to investigate promotion, pay, allowances, and allied subjects affecting the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service; to the Committee on Rules.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the State Legislature of the State of North Dakota, memorializing the Congress of the United States to refrain from enacting any laws imposing a tariff or embargo on petroleum products or its refined products; to the Committee on Ways and Means.

Memorial of the State Legislature of the State of Oregon, memorializing the Congress of the United States to prevent the immigration of all foreign peoples whose economic status is such as to warrant their classification as possible competitors with American labor in American industries; to the Committee on Immigration and Naturalization.

By Mr. ENGLEBRIGHT: Memorial of the Legislature of the State of California, memorializing Congress for reimbursement of money spent on river protection in Palo Verde Valley; to the Committee on Irrigation and Reclamation.

Also, memorial of the California Legislature, relative to urging the Navy Department of the United States to cease its survey for and action in reducing the Navy of the United States during the present depression in business and commerce and requesting a reinstatement of sailors and enlisted men who have been surveyed out; to the Committee on Naval Affairs.

Also, memorial of the California Legislature, relative to urging the Post Office Department of the United States to cease its survey for and action in reducing the personnel of the Postal Service of the United States during the present depression in business and commerce and requesting a reinstatement of men who have been surveyed out; to the Committee on the Post Office and Post Roads.

Also, memorial of the California Legislature, memorializing Congress to amend the World War veterans act by providing for the cash payment of the surrender value of adjusted-service certificates; to the Committee on Ways and Means.

Also, memorial of the California Legislature, memorializing Congress to enact legislation which will place a tariff upon oil; to the Committee on Ways and Means.

By Mr. GARNER: Memorial of the Legislature of the State of Texas, memorializing Congress to enact adequate tariff on crude oil and refined products; to the Committee on Ways and Means.

By Mr. SMITH of West Virginia: Memorial of the Legislature of the State of West Virginia, memorializing Congress to enact legislation to aid in the treatment of crippled children; to the Committee on Education.

By Mr. KORELL: Memorial of the Oregon Legislature, memorializing Congress to exclude immigration of peoples whose economic status will place them in competition with domestic laborers; to the Committee on Immigration and Naturalization.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ARNOLD: A bill (H. R. 17208) granting an increase of pension to Nancy P. Conrad; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 17209) granting a pension to Susan E. Shelton; to the Committee on Invalid Pensions.

By Mr. BACHARACH: A bill (H. R. 17210) granting an increase of pension to Leonie E. Fisher; to the Committee on Pensions.

By Mr. CHASE: A bill (H. R. 17211) granting an increase of pension to Clara P. Rickard; to the Committee on Invalid Pensions.

By Mr. CRADDOCK: A bill (H. R. 17212) granting a pension to Esther V. Bennett; to the Committee on Invalid Pensions.

By Mr. FITZPATRICK: A bill (H. R. 17213) for the relief of Leonora Simons; to the Committee on Claims.

By Mr. HASTINGS: A bill (H. R. 17214) for the relief of W. A. Peters; to the Committee on Claims.

By Mr. IRWIN: A bill (H. R. 17215) granting a pension to Thomas Wright; to the Committee on Pensions.

By Mr. JEFFERS: A bill (H. R. 17216) for the relief of Lieut. Francis H. A. McKeon; to the Committee on Claims.

By Mr. KADING: A bill (H. R. 17217) granting an increase of pension to Frances Bryant; to the Committee on Invalid Pensions.

By Mr. MOUSER: A bill (H. R. 17218) granting an increase of pension to Katherine D. Gebhardt; to the Committee on Invalid Pensions.

By Mrs. OWEN: A bill (H. R. 17219) granting a pension to Charlotte R. Somerville; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 17220) granting a pension to Sarah J. Coffman; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 17221) granting an increase of pension to Lottie L. Day; to the Committee on Invalid Pensions.

By Mr. SANDERS of New York: A bill (H. R. 17222) granting an increase of pension to Kate S. Beach; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 17223) granting an increase of pension to Mary L. Beers; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 17224) granting an increase of pension to Elizabeth Guy; to the Committee on Invalid Pensions.

By Mr. WOLVERTON of West Virginia: A bill (H. R. 17225) granting an increase of pension to Julia A. Zinn; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

10000. By Mr. AYRES: Petition of citizens of Wichita, Kans., in behalf of House Joint Resolution No. 356, providing for an amendment to the United States Constitution excluding unnaturalized aliens from the count of the population for reapportionment of congressional districts among the States; to the Committee on the Judiciary.

10001. By Mr. BACHARACH: Petition of citizens of Bridgeton, N. J., urging the passage of the Sparks-Capper House Joint Resolution No. 356, providing for an amendment to the United States Constitution excluding the approximately 7,500,000 unnaturalized aliens from the count of the population of the Nation for apportionment of congressional districts among the States; to the Committee on the Judiciary.

10002. By Mr. BACHMANN: Petition of Mrs. Frank W. Blake and other members of the Women's Bible Class, Thomson Methodist Episcopal Church, Wheeling, W. Va., urging that action be taken on the proposed Sparks-Capper stop alien representation amendment (H. J. Res. 356) providing for an amendment to the United States Constitution excluding the approximately 7,500,000 unnaturalized aliens from the count of the population of the Nation for apportionment of congressional districts among the States; to the Committee on the Judiciary.

10003. By Mr. BEERS: Petition of members of American Legion Auxiliary, Mansbarger-Brumbaugh Post, No. 288, favoring immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10004. By Mr. BLACKBURN: Resolution of the Kentucky Poultry Improvement Association, adopted at the meeting of its board of directors in Lexington, January 27, 1931, and transmitted through its secretary, Strauter Harney, urging immediate consideration for the upward revision of the tariff schedule on dried eggs; to the Committee on Ways and Means.

10005. By Mr. BOHN: Petition of the board of supervisors of Alger County, Mich., requesting the Emergency Unemployment Commission of the Federal Government to provide funds for road work and such other work as the Government has in its national forests and purchase units in the upper peninsula; to the Committee on the Judiciary.

10006. By Mr. BOYLAN: Resolution unanimously adopted at a meeting held in Albany, N. Y., January 23, 1931, by the New York State Guernsey Breeders' Association (Inc.), opposing the ruling of the Commissioner of Internal Revenue in relation to the substance used to color oleomargarine; to the Committee on Agriculture.

10007. Also, letter from the National Council of Jewish Women, of New York City, opposing House Joint Resolution 500; to the Committee on Immigration and Naturalization.

10008. By Mr. BRUNNER: Petition of Edward A. Crellin, 34-20 Ninety-ninth Street, Corona, Long Island, and 25 additional residents of the second Queensborough district, N. Y., favoring House bill 7884, known as the dog exemption bill, urging early and favorable vote on some; to the Committee on the District of Columbia.

10009. By Mr. BROWNE: Petition of Willow Hill Cheese Factory, Clintonville; Dairy Queen Cheese Factory, Bear Creek; Town Line Cheese Factory, Clintonville; Maple Leaf Cheese Factory, Bear Creek; Silver Star Cheese Factory, Embarrass; and Twin Butter & Cheese Co., Clintonville; all of the State of Wisconsin, favoring prohibiting the use of butter substitutes in hospitals and other State institutions and in favor of a stringent law governing the moisture content of processed cheese; to the Committee on Agriculture.

10010. By Mr. CAMPBELL of Iowa: Petition of 76 citizens of Sioux City, Iowa, and 36 citizens of Auburn, Iowa, and vicinity, urging immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10011. By Mr. CLARKE of New York: Petition of 31 citizens of Hartwick, N. Y., urging support of Sparks-Capper amendment, alien representation bill; to the Committee on the Judiciary.

10012. By Mr. COOPER of Wisconsin: Memorial of Wisconsin Dairymen's Association, urging passage of the so-called Brigham oleomargarine bill; to the Committee on Agriculture.

10013. By Mr. CROWTHER: Petition of citizens of Schenectady, N. Y., urging support of the Sparks-Capper stop-alien representation amendment (H. J. Res. 356); to the Committee on the Judiciary.

10014. Also, petition of citizens of Schenectady, N. Y., urging support of the Sparks-Capper amendment (H. J. Res. 356); to the Committee on the Judiciary.

10015. Also, petition of citizens of Scotia, N. Y., urging support of the Sparks-Capper stop-alien representation amendment (H. J. Res. 356) providing for an amendment to the United States Constitution excluding the approximately 7,500,000 unnaturalized aliens from the count of the population of the Nation for apportionment of congressional districts among the States; to the Committee on the Judiciary.

10016. By Mr. DAVENPORT: Petition of Dominick Donato and others of Utica, N. Y., for the immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10017. Also, petitions of Utica Somerset Woman's Christian Temperance Union, Utica; Norway (Herkimer County) Woman's Christian Temperance Union; Clinton Woman's Christian Temperance Union; Ilion Woman's Christian Temperance Union; Rome Woman's Christian Temperance Union; Poland Woman's Christian Temperance Union; and Little Falls Woman's Christian Temperance Union, all of the State of New York, favoring the passage of the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10018. Also, petition of Mohawk (N. Y.) Woman's Christian Temperance Union, favoring the passage of the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10019. By Mr. DAVIS: Petition to amend the Constitution of the United States; to the Committee on the Judiciary.

10020. By Mr. EVANS of California: Petition of W. Lee Davis and approximately 33 others, urging the passage of House Joint Resolution 356; to the Committee on the Judiciary.

10021. By Mr. FITZGERALD: Petition of Twin City Council, No. 307, Junior Order United American Mechanics, West Carrollton, Ohio, by C. W. Grushon, recording secretary, praying for early passage of House Joint Resolution 473, for further restriction of immigration; to the Committee on Immigration and Naturalization.

10022. By Mr. FITZPATRICK: Petition of James Blondheim, of 612 Saint Lawrence Avenue, Bronx, New York City, and 38 other residents of New York, urging the immediate cash payment of the World War veterans' adjusted-service certificates; to the Committee on Ways and Means.

10023. Also, resolution adopted by the council of the third district, United States Naval Reserve Officers' Association, urging the passage of House bill 15006, authorizing the promotion of one grade upon retirement to officers of the Army, Navy, Marine Corps, and Coast Guard in recognition of war service; to the Committee on Military Affairs.

10024. By Mr. GOODWIN: Petition of John McCoy, 3243 Knox Avenue north, Minneapolis, Minn., and 38 other ex-service men, in behalf of the immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10025. Also, petition of Gust Backlund and 36 other citizens of Minneapolis, Minn., urging Congress to pass legislation providing for the immediate cash payment of adjusted-service compensation certificates to the veterans of the World War; to the Committee on Ways and Means.

10026. Also, petition of William C. Schultz and 13 other World War veterans, and 45 residents and citizens of Minneapolis with no military service, urging Congress to pass a law providing for immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10027. By Mr. HALL of North Dakota: Petition of the Corrinne Farmers' Union, Local No. 33, of Courtenay, N. Dak., urging a tax of 10 cents a pound on yellow oleomargarine; to the Committee on Agriculture.

10028. Also, petition of Farmers' Union, Local No. 6, of Green Township, Barnes County, N. Dak., protesting against

the importation of Canadian wheat for the purpose of milling in transit; to the Committee on Ways and Means.

10029. By Mr. HANCOCK of New York: Petition of F. H. Ebeling, and other residents of Syracuse, N. Y., favoring the Sparks-Capper amendment; to the Committee on the Judiciary.

10030. By Mr. HICKEY: Petition of Mr. and Mrs. E. K. Van Winkle, and other residents of Mishawaka, Ind., urging passage of the Sparks-Capper amendment; to the Committee on the Judiciary.

10031. By Mr. HILL of Washington: Petition of Church of the Brethren, Wenatchee, Wash., urging passage of the Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10032. By Mr. HULL of Wisconsin: Petition of citizens of Monroe County, Wis., favoring cash payment of adjusted-compensation certificates; to the Committee on Ways and Means.

10033. Also, petition of the Woman's Christian Temperance Union, of Abbotsford, Wis., favoring the Hudson motion picture bill; to the Committee on Interstate and Foreign Commerce.

10034. Also, resolution of the National Farmers' Union, of Mauston, Wis., favoring a higher tax on oleomargine and protesting against the recent ruling of the Commissioner of Internal Revenue as to the use of palm oil in oleomargarine; to the Committee on Agriculture.

10035. By Mr. KADING: Petition signed by citizens of Thiensville, Wis., urging legislation for placing a tax of 10 cents per pound on yellow oleomargarine; to the Committee on Agriculture.

10036. Also, communication from the secretary of the Christian Mothers Society, consisting of 400 members of Port Washington, Wis., protesting against the enactment of the Gillett bill providing an amendment to the tariff act and Criminal Code so that literature and other material for use in contraception or artificial birth control could be imported into the United States; to the Committee on the Judiciary.

10037. Also, petition signed by citizens of Palmyra, Sullivan, and Eagle, Wis., urging the passage and enactment of the Sparks-Capper bill amending the United States Constitution to eliminate all unnaturalized aliens in connection with apportionment of congressional districts; to the Committee on the Judiciary.

10038. Also, petition of citizens of Jefferson, Wis., urging the passage and enactment of the Sparks-Capper bill amending the United States Constitution, providing for the elimination of unnaturalized aliens in connection with apportionment of congressional districts; to the Committee on the Judiciary.

10039. By Mr. MOORE of Virginia: Petition of Mrs. Jessie T. Dean, Mrs. S. V. Hildebrand, Mrs. Theodore B. Manny, and others, urging support of the Sparks-Capper amendment (H. J. Res. 356); to the Committee on the Judiciary.

10040. Also, petition of Law Enforcement League of Prince William County, Va., by L. Ledman, secretary, and J. J. Murphy, president, urging support of the proposed Sparks-Capper amendment (H. J. Res. 356); to the Committee on the Judiciary.

10041. By Mr. RICH: Petition of the Men's Bible Class of the Methodist Episcopal Church of Williamsport, Pa., favoring House Joint Resolution 356, known as the Sparks-Capper bill; to the Committee on the Judiciary.

10042. Also, petition of citizens of Lock Haven, Pa., favoring the payment of adjusted-compensation certificates; to the Committee on Ways and Means.

10043. Also, petition of citizens of Lock Haven, Pa., requesting immediate cash payment of face value of adjusted-compensation certificates created by section 702, World War adjusted compensation act of 1924; to the Committee on Ways and Means.

10044. By Mr. REED of New York: Petition of Gerry Woman's Christian Temperance Union, Almond Woman's Christian Temperance Union, and Little Valley Woman's Christian Temperance Union indorsing House bill 9986; to the Committee on Interstate and Foreign Commerce.

10045. By Mr. ROBINSON: Petition of E. C. Wetherbee, secretary of the Marshall County Holstein Association, Marshalltown, Iowa, urging the passage of House bill 15934, placing a tax on oleomargarine colored to resemble butter; to the Committee on Agriculture.

10046. By Mr. SELVIG: Petition of Halstad Creamery Co., of Halstad, Minn., urging enactment of Brigham bill, H. R. 15934, restoring 10-cent tax on all colored oleomargarine, and also favoring House bill 3868, making it mandatory to use dairy products in all Government institutions; to the Committee on Agriculture.

10047. Also, petition of Minnesota State Grange, favoring enactment of Brigham bill, H. R. 15934; to the Committee on Agriculture.

10048. Also, petition of Winger (Minn.) Farmers' Creamery Co., urging enactment of the Brigham bill, H. R. 15934, proposing a tax on oils used in the manufacture of butter substitutes; to the Committee on Agriculture.

10049. Also, petition of directors of Farmers' Cooperative Creamery Association of Newfolden, Minn., urging passage of Brigham bill, H. R. 15934, and any legislation that will favor the dairy industry in the Northwest; to the Committee on Agriculture.

10050. Also, petition of Karlstad (Minn.) Cooperative Creamery Association, urging enactment of the Brigham bill, H. R. 15934, at this session of Congress; to the Committee on Agriculture.

10051. By Mr. SNOW: Petition of Thomas A. Donaher, of Madawaska, Me., and 37 others, urging the immediate cash payment at full face value of adjusted-compensation certificates; to the Committee on Ways and Means.

10052. By Mr. SPARKS: Petition of the Methodist Episcopal Ladies' Aid of Logan, Kans., for Federal supervision of motion pictures as provided in the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10053. Also, petition of the Woman's Missionary Association, of Harlan, Kans., for the Federal supervision of the motion pictures as provided in the Grant-Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10054. Also, petition of Woman's Christian Temperance Union, of Webber, Kans., for Federal supervision of motion pictures as provided in the Grant-Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10055. Also, petition of the Farm and Home Institute, of Sharon Springs, Kans., for the Federal supervision of motion pictures as provided in the Grant-Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10056. By Mr. SWANSON: Petition of Mrs. W. G. Reynolds and others, of Council Bluffs, Iowa, favoring the exclusion of aliens in the apportionment of the House of Representatives; to the Committee on the Judiciary.

10057. By Mr. TARVER: Petition of veterans of the World War, of Chattooga County, Ga., asking the payment in full of adjusted-service certificates; to the Committee on Ways and Means.

10058. By Mr. THATCHER: Petition supporting House Joint Resolution 356, providing for an amendment to the United States Constitution excluding the approximately 7,500,000 unnaturalized aliens from the count of the population of the Nation for apportionment of congressional districts among the States; to the Committee on the Judiciary.

10059. By Mr. VINCENT of Michigan: Petition of advisory board of the First Baptist Church, of Owosso, Mich., in regard to the Grant M. Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10060. By Mr. WASON: Petition of Rev. W. R. Pierce and 10 other residents of Haverhill, N. H., favoring the proposed Sparks-Capper stop-alien representation amendment (H. J. Res. 356); to the Committee on the Judiciary.

10061. By Mr. WHITLEY: Petition of citizens of Washington, D. C., requesting favorable action on House bill 7884; to the Committee on the District of Columbia.

10062. By Mr. WOLVERTON of West Virginia: Petition of Weston Council, No. 59, Junior Order of American Mechanics, by William Herron, D. F. Kelley, and W. L. Givens, committee, of Weston, W. Va., urging Congress to take action on legislation now pending to restrict immigration; to the Committee on Immigration and Naturalization.

10063. By Mr. WYANT: Petition of members of the Long Run Presbyterian Church, Westmoreland County, Pa., urging support of Sparks-Capper amendment to eliminate approximately 7,000,000 unnaturalized aliens and count only citizens in proposed congressional reapportionment; to the Committee on the Judiciary.

SENATE

SATURDAY, FEBRUARY 21, 1931

(Legislative day of Tuesday, February 17, 1931

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

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Fletcher	Keyes	Schall
Barkley	Frazier	King	Sheppard
Bingham	George	La Follette	Shipstead
Black	Gillett	McGill	Shortridge
Blaine	Glenn	McKellar	Smith
Borah	Goff	McNary	Smoot
Bratton	Goldsborough	Morrison	Steiwer
Brock	Gould	Morrow	Stephens
Brookhardt	Hale	Moses	Swanson
Broussard	Harris	Norbeck	Thomas, Idaho
Bulkley	Harrison	Norris	Thomas, Okla.
Capper	Hastings	Nye	Trammell
Caraway	Hatfield	Oddie	Tydings
Carey	Hawes	Partridge	Vandenberg
Connally	Hayden	Patterson	Wagner
Copeland	Hebert	Phipps	Walcott
Couzens	Heflin	Pittman	Walsh, Mass.
Cutting	Howell	Ransdell	Waterman
Dale	Johnson	Reed	Watson
Davis	Jones	Robinson, Ark.	Wheeler
Fess	Kendrick	Robinson, Ind.	Williamson

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

NOTICE OF ADDRESS ON WASHINGTON AND HIS CONTEMPORARIES

Mr. BARKLEY. Mr. President, I ask unanimous consent that on Monday, following the reading of Washington's Farewell Address, I may deliver a brief address on Washington and his contemporaries.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the request is granted.

TABLET TO NANCY HART (S. DOC. NO. 290)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation, fiscal year 1931, to remain available until expended, for the War Department, for a tablet to Nancy Hart, amounting to $650, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

FOURTH PAN AMERICAN COMMERCIAL CONFERENCE (S. DOC. NO. 291)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation for the Department of State, fiscal year 1931, to remain available until June 30, 1932, amounting to $15,000, to enable the Pan American Union to meet the expenses of the Pan American Commercial Conference to be held in Washington, D. C., in 1931, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CONSTRUCTION OF FACILITIES ON GOVERNMENT ISLAND, ALAMEDA, CALIF. (S. DOC. NO. 292)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of Agriculture, fiscal year 1931, to remain available until expended, amounting to $800,000, for the construction of facilities for the Bureau of Public Roads and Forest Service of the Department of Agriculture, and the Coast Guard of the Treasury Department, on Government Island, Alameda, Calif., which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

OMAHA, NEBR., FEDERAL BUILDING AND BINGHAM CANYON, UTAH, POST OFFICE (S. DOC. NO. 289)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting a draft of proposed legislation pertaining to an existing appropriation for the Treasury Department for sites and construction, public buildings act, of May 25, 1926, as amended—Omaha, Nebr., Federal office building (estimated total cost $740,000), and Bingham Canyon, Utah, post office, etc. (estimated total cost $75,000), which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

PRINTING AND BINDING, COURT OF CUSTOMS AND PATENT APPEALS (S. DOC. NO. 293)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of Justice, fiscal year 1931, amounting to $2,900, for printing and binding for the United States Court of Customs and Patent Appeals, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

JUDGMENTS RENDERED BY THE COURT OF CLAIMS (S. DOC. NO. 294)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, in compliance with law, records of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury and requiring an appropriation for their payment—under the Navy Department, $36,145, which, with the accompanying papers, was referred to the Committee on Appropriations and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a telegram from C. W. Taintor, of Wellton, Ariz., stating "Please make orderly arrest for fair judicial consideration of those United States citizens responsible for shooting Nicaraguan marines evacuating Nicaragua now," which was referred to the Committee on Naval Affairs.

Mr. MORROW presented petitions of sundry citizens of the State of New Jersey, praying for the passage of legislation for the exemption of dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

He also presented resolutions adopted by the Board of Chosen Freeholders of Salem County, N. J., favoring the passage of House bill 10887 and Senate bill 1498, providing for the granting of a franchise to the Delaware-New Jersey Bridge Co. for the building of a bridge across Delaware River between Delaware and New Jersey by the use of private capital, which were referred to the Committee on Commerce.

He also presented petitions numerously signed by sundry citizens of the State of New Jersey, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a memorial from the Rosary Society of Saint Teresa's Church, Summit, N. J., remonstrating against the passage of the so-called birth control bill, being the bill (S. 4582) to amend section 305 (a) of the tariff act of 1922, as amended, and sections 211, 245, and 312 of the Criminal Code, as amended, which was referred to the Committee on the Judiciary.

He also presented the petition of Cora L. Hartsborn, chairman of the Short Hills (N. J.) committee of the New