By Mr. MORGAN: A bill (H. R. 10580) granting an increase of pension to Lemial S. Darr; to the Committee on Pensions.

Also, a bill (H. R. 10581) to reimburse James F. Williams for physical disabilities sustained while carrying the United States mail; to the Committee on Claims.

By Mr. PATTERSON: A bill (H. R. 10582) to remove charge of desertion from the record of Henry Kohlmeyer; to the Committee on Military Affairs.

By Mr. ROBSION of Kentucky: A bill (H. R. 10583) granting an increase of pension to Loueasy Kerby; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 10584) granting an increase of pension to Minnie E. Harris; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 10585) granting a pension to John English; to the Committee on Invalid Pensions.

By Mr. SWANK: A bill (H. R. 10586) for the relief of John E. Lamar; to the Committee on Military Affairs.

By Mr. THOMPSON: A bill (H. R. 10587) granting a pension to Oscar Doster; to the Committee on Invalid Pensions.

By Mr. TILSON: A bill (H. R. 10588) granting an increase of pension to Margaret Harwood; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 10589) granting an increase of pension to Emily L. Parker; to the Committee on Invalid Pensions.

By Mr. UNDERWOOD: A bill (H. R. 10590) granting an increase of pension to Martha Frances Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10591) granting an increase of pension to Margaret R. F. Newell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10592) granting an increase of pension to Susanna Countryman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10593) granting an increase of pension to Eunice Higgins; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 10594) granting a pension to Lydia Robinson; 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:

1375. By Mr. BACHMANN: Petition of Mr. Ernest K. Hoge and other citizens of Ohio County, W. Va., for the passage of House bill 11; to the Committee on Interstate and Foreign Commerce.

1376. Also, petition of Mrs. Fannie E. Hood and other citizens of Marion and Hancock Counties, W. Va., against compulsory Sunday observance; to the Committee on the District of Columbia.

1377. Also, petition of Thoss Beven and other citizens of Ohio County, W. Va., to restore to Eugene V. Debs his full rights as a citizen of the United States; to the Committee on the Judiciary.

1378. By Mr. BLOOM: Petition of Red Oak Social Club, of Flatlands Bay, N. Y., opposed to closing the ways leading from Flatlands to Rockaway Inlet and the ocean; to the Committee on Rivers and Harbors.

1379. By Mr. BURTON: Petition of the Cleveland Association of Credit Men, Cleveland, Ohio, favoring the adoption of proposed legislation for increasing the salaries of Federal judges; to the Committee on the Judiciary.

1380. Also, petition of the Minister's Union of Cleveland, Ohio, protesting against the weakening of the Volstead act and asking for the strengthening thereof and for more determined enforcement of all laws; to the Committee on the Judiciary.

1381. By Mr. EVANS: Petition of Chamber of Commerce of Bozeman, Mont., favoring the enlargement of Yellowstone Park; to the Committee on the Public Lands.

1382. By Mr. FENN: Petition of the Bridgeport Chapter of the Connecticut Branch of the Polish Welfare Council of America, protesting against the passage of House bill 102, a bill providing for the registration of aliens, and for other purposes; to the Committee on Immigration and Naturalization.

1383. By Mr. GALLIVAN: Petition of Mr. Joseph F. Conley, secretary Boston District Council, International Longshoremen's Association, 151 Hamilton Street, Cambridge, Mass., recommending early and favorable consideration of House bill 9498; to the Committee on the Judiciary.

1384. By Mr. GREEN of Iowa: Petition of H. Christensen and others in opposition to House bills 7179 and 7822, commonly known as the compulsory Sunday observance bills for the District of Columbia; to the Committee on the District of Columbia.

1385. By Mr. HOOPER: Petition of Martha Twichell and 11 other residents of Eaton Rapids, Mich., protesting against the passage of compulsory Sunday observance legislation in the District of Columbia; to the Committee on the District of Columbia.

1386. By Mr. KNUTSON: Petition of Wm. J. Kleve, of Freeport, Minn., and others, expressing opposition to the Curtis-Reed bill; to the Committee on Education.

1387. By Mr. LEAVITT: Resolution of Butte Exchange Club of Butte, Mont., favoring continuance of the provisions of the Sheppard-Towner maternity act; to the Committee on Interstate and Foreign Commerce.

1388. By Mr. MANLOVE: Petition of 104 citizens of Carthage, Jasper County, Mo., against compulsory Sunday observance; to the Committee on the District of Columbia.

1389. By Mr. MORROW: Petition of Men's Bible Class, Methodist Episcopal Church, Albuquerque, N. Mex., protesting against modification of the Volstead Act; to the Committee on the Judiciary.

1390. By Mr. O'CONNOR of New York: Petition of Hon. Alfred E. Smith, Governor of the State of New York, urging the building of the all-American canal; to the Committee on Rivers and Harbors.

1391. By Mr. O'CONNELL of New York: Petition of the National Committee of One Hundred, to retard the extermination of American game birds and to oppose wasteful killing, favoring the passage of Senate bill 3580 and House bill 10433; to the Committee on Agriculture.

1392. Also, petition of Albert Corbett, of Salem, N. Y., and Louis F. Dow, of Ballston Spa, N. Y., favoring increases of pensions to the Civil War veterans; to the Committee on Invalid Pensions.

1393. Also, petition of the U. Grant Border's Sons, of New York City, favoring the passage of House bill 6400; to the Committee on Interstate and Foreign Commerce.

1394. Also, petition of the Morgan County farmers and business men of Martinsville, Ind., favoring the passage of the Dickinson export corporation bill; to the Committee on Agriculture.

1395. By Mr. SMITH: Petition of 172 women of southern Idaho, urging the strictest enforcement of the prohibition law; to the Committee on the Judiciary.

1396. By Mr. TILSON: Petition of E. A. Ross and other officeholders and citizens of Lowndes County, Miss., indorsing House bill 8132; to the Committee on Pensions.

1397. Also, petition of Arcemus Carter, warrant officer, United States Army, Atlanta, Ga., favoring passage of House bill 9512; to the Committee on Military Affairs.

1398. By Mr. WURZBACH: Petition of Mr. Mack Johnson and other citizens of San Antonio, Tex., protesting against the passage of House bills 7179 and 7822 (compulsory Sunday observance bills); to the Committee on the District of Columbia.

1399. By Mr. YATES: Petition of the Licensed Tugmen's Protective Association of America, room 329, Bush Temple, Chicago, Ill., urging passage of House bill 9498, introduced by Mr. GRAHAM, of Pennsylvania, providing compensation for longshoremen and harbor workers injured while working aboard ship; to the Committee on the Judiciary.

1400. Also, petition of Chicago Post Office Clerks' Union, No. 1, National Federation of Post Office Clerks, urging the passage of the Lehlbach-Stanfield retirement bill; to the Committee on the Civil Service.

1401. Also, petition of citizens of Brookport, Ill., by Mr. Ellis Croach, requesting the passage of House bill 8132 and Senate bill 3301, for Spanish-American War veterans; to the Committee on Pensions.

SENATE

TUESDAY, *March 23, 1926*

(*Legislative day of Saturday, March 20, 1926*)

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

Mr. JONES of Washington. 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	Capper	Ferris	Harreld
Bayard	Caraway	Fess	Harris
Bingham	Copeland	Fletcher	Harrison
Blease	Couzens	Frazier	Howell
Borah	Curtis	George	Johnson
Bratton	Dale	Gillett	Jones, Wash.
Brookhart	Deneen	Glass	Kendrick
Broussard	Edge	Goff	Keyes
Bruce	Edwards	Gooding	King
Butler	Ernst	Greene	La Follette
Cameron	Fernald	Hale	Lenroot

McKellar	Nye	Sackett	Trammell
McKinley	Oddie	Sheppard	Tyson
McLean	Overman	Shipstead	Wadsworth
McNary	Pepper	Shortridge	Walsh
Mayfield	Phipps	Simmons	Warren
Means	Pine	Smith	Watson
Metcalf	Pittman	Smoot	Weller
Moses	Ransdell	Stanfield	Williams
Neely	Reed, Pa.	Stephens	Willis
Norris	Robinson, Ark.	Swanson	

Mr. CARAWAY. I desire to announce that the junior Senator from Alabama [Mr. HEFLIN] has been called home on account of a death in his family.

Mr. WALSH. I wish to announce that the Senator from Rhode Island [Mr. GERRY] and the Senator from Missouri [Mr. REED] are detained from the Senate by illness.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 7255. An act to regulate the sale of kosher meat in the District of Columbia;

H. R. 9398. An act to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910; and

H. R. 10204. An act providing an additional wing to the District Jail.

PETITIONS

Mr. PEPPER presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of the bill (H. R. 3858) to establish in the Bureau of Foreign and Domestic Commerce a foreign commerce service, which was referred to the Committee on Commerce.

He also presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of the bill (H. R. 10200) providing suitable housing for agencies of the United States Government located in foreign lands, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

Mr. FERNALD, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 201) authorizing the removal of the gates and piers in West Executive Avenue between the grounds of the White House and the State, War, and Navy Building (Rept. No. 439);

A bill (S. 1415) authorizing and directing the Secretary of the Treasury to immediately reconvey to Charles Murray, sr., and Sarah A. Murray, his wife, of De Funiak Springs, Fla., the title to lots 820, 821, and 822 in the town of De Funiak Springs, Fla., according to the map of Lake De Funiak drawn by W. J. Vankirk (Rept. No. 440); and

A bill (S. 3287) relating to the purchase of quarantine stations from the State of Texas (Rept. No. 441).

Mr. FERNALD also, from the Committee on Public Buildings and Grounds, to which were referred the following bills, reported them severally without amendment:

A bill (H. R. 6244) to authorize the Secretary of the Treasury to exchange the present Federal building and site in the city of Rutland, Vt., for the so-called memorial building and site in said city;

A bill (H. R. 6260) to convey to the city of Baltimore, Md., certain Government property;

A bill (H. R. 7178) authorizing the sale of certain abandoned tracts of land and buildings; and

A bill (H. R. 9455) to dedicate as a public thoroughfare a narrow strip of land owned by the United States in Bardstown, Ky.

Mr. ASHURST, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1914) directing the resurvey of certain lands, reported it without amendment and submitted a report (No. 442) thereon.

Mr. ODDIE, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 674) granting certain lands to the city of Kaysville, Utah, to protect the watershed of the water-supply system of said city, reported it with amendments and submitted a report (No. 443) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 2839) for the relief of Capt. James A. Merritt, United States Army, retired, reported it without amendment and submitted a report (No. 444) thereon.

Mr. STANFIELD, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 5242) to repeal the act approved January 27, 1922, providing for change of entry, and for other purposes, reported it with an amendment and submitted a report (No. 445) thereon.

BILL RECOMMITTED—HARRY E. BOVAY

On motion of Mr. BINGHAM, the bill (H. R. 9007) granting the consent of Congress to Harry E. Bovay to construct, maintain, and operate bridges across the Mississippi and Ohio Rivers at Cairo, Ill., was ordered recommitted to the Committee on Commerce.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. SMOOT:

A bill (S. 3666) to authorize the President to appoint John Archibald McAlister, jr., a lieutenant colonel, Dental Corps, United States Army; to the Committee on Military Affairs.

By Mr. FERNALD:

A bill (S. 3667) granting an increase of pension to Caroline Sanborn (with accompanying papers); to the Committee on Pensions.

By Mr. McKELLAR:

A bill (S. 3668) granting a pension to Robert C. Kistler (with accompanying papers); to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 3669) for the relief of Royal W. Robertson; to the Committee on Finance.

A bill (S. 3670) granting a pension to Bessie P. Gardener; to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 3671) for the relief of James M. E. Brown; to the Committee on Claims.

A bill (S. 3672) for the relief of Frederick Bremer; and

A bill (S. 3673) for the relief of Charles H. Stafford, deceased; to the Committee on Military Affairs.

By Mr. McKINLEY:

A bill (S. 3674) granting an increase of pension to Mary A. Brush (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3675) to define, regulate, and license real-estate brokers and real-estate salesmen; to create a real estate commission in the District of Columbia; and to provide a penalty for a violation of the provisions thereof; to the Committee on the District of Columbia.

A bill (S. 3676) to amend the packers and stockyards act, 1921; and

A bill (S. 3677) to amend the packers and stockyards act, 1921; to the Committee on Agriculture and Forestry.

By Mr. PEPPER:

A bill (S. 3678) to increase the annual rates of compensation of the Capitol police; to the Committee on Appropriations.

By Mr. STEPHENS:

A bill (S. 3679) to amend an act entitled "An act to prevent the extermination of fur-bearing animals in Alaska," etc.; to the Committee on Commerce.

By Mr. WILLIS:

A bill (S. 3680) granting an increase of pension to Clarinda Shanlbarger (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A joint resolution (S. J. Res. 78) for the amendment of the plant quarantine act of August 20, 1912, to allow the States to quarantine against the shipment therein or through of plants, plant products, and other articles found to be diseased or infested when not covered by a quarantine established by the Secretary of Agriculture, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. FRAZIER:

A joint resolution (S. J. Res. 79) to authorize and empower the President of the United States to have a route surveyed for a great eastern freight railroad electrically propelled between Lake Erie through the northern part of Pennsylvania and New Jersey to the New Jersey shore of New York lower bay and provided with the most improved terminal facilities, and for other purposes; to the Committee on Interstate Commerce.

By Mr. WATSON:

A joint resolution (S. J. Res. 80) authorizing the Secretary of War to loan to the Uniform Rank, Knights of Pythias, tents and other equipment for use at its national encampment to be held at Chicago, Ill., beginning August 8, 1926; to the Committee on Military Affairs.

INVESTIGATION OF DISTRICT OF COLUMBIA AFFAIRS

Mr. KING submitted the following concurrent resolution (S. Con. Res. 5), which was referred to the Committee on the District of Columbia:

Resolved by the Senate (the House of Representatives concurring), That a joint committee, to consist of the Committees on the District of Columbia of the Senate and House of Representatives, or any subcommittees thereof, is hereby authorized and directed to make a comprehensive investigation of the administration of the affairs of the District of Columbia and the expenditures of public moneys therein, such investigation to include the operation of zoning laws; expenditures for the maintenance, improvement, and paving of streets; water supply; traffic regulations and administration; the revenue laws; the valuation of property for taxation; whether persons are establishing a nominal residence in the District of Columbia for the purpose of evading inheritance taxes on personal and intangible property and the extent of such practice; the police department, including the women's bureau; Gallinger Hospital; House of Detention; St. Elizabeths Hospital; National Training School for Girls; National Training School for Boys; the juvenile court; whether minors are arrested without warrant, separated from their parents, detained without authority, or committed to institutions without proper hearings; whether persons charged with insanity or other disability are committed to institutions in the District of Columbia by any agency of the Government, without proper process for the protection of their rights; and to report its findings to Congress, with recommendations for legislation to correct abuses and to secure better administration of the affairs of the District of Columbia.

Said committee is authorized to send for persons and papers, administer oaths, to sit during the sessions or during any recess of the Sixty-ninth Congress, and to employ such clerical assistance as may be necessary.

ASSISTANTS TO THE SECRETARY OF LABOR

Mr. REED of Pennsylvania. Mr. President, I ask unanimous consent to make a rather unusual request. I ask leave to report from the Committee on Immigration the bill (S. 3662) creating the offices of assistants to the Secretary of Labor, and I ask unanimous consent for its immediate consideration. It will not take two minutes.

I ought to explain that the bill merely authorizes the Secretary of Labor to designate two of his force as assistants to the Secretary. If this is done it will permit them to sign the name of the Secretary to a vast number of documents which go through as a matter of routine and which at present are absorbing a large part of the time of the Secretary and the Assistant Secretary.

It is necessary to have this action taken now in order that the same provision may be put in the appropriation bill which is coming up as soon as the pending bill is out of the way. It will not increase the appropriation in any respect, and will be paid out of the appropriation for enforcing the immigration laws. This bill has been approved by the Bureau of the Budget and by the President as not being inconsistent with his policy.

The VICE PRESIDENT. The bill will be read.

The legislative clerk read the bill, as follows:

Be it enacted, etc., That hereafter there shall be in the Department of Labor not more than two assistants to the Secretary, who shall be appointed by the President and shall perform such duties as may be prescribed by the Secretary of Labor or required by law.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HOUSE BILLS REFERRED

The following bills were severally read twice by title and referred to the Committee on the District of Columbia:

H. R. 7255. An act to regulate the sale of kosher meat in the District of Columbia;

H. R. 9398. An act to amend an act regulating the height of buildings in the District of Columbia, approved June 1, 1910; and

H. R. 10204. An act providing an additional wing to the District jail.

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on March 22, 1926, the President had approved and signed the following acts:

S. 122. An act granting the consent of Congress to the Iowa Power & Light Co. to construct, maintain, and operate a dam in the Des Moines River; and

S. 3173. An act granting the consent of Congress to the State roads commission of Maryland, acting for and on behalf of the State of Maryland, to reconstruct the present highway bridge across the Susquehanna River between Havre de Grace in Harford County and Perryville in Cecil County.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House disagreed to the amendments of the Senate to the bill (H. R. 8917) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. ANTHONY, Mr. BARBOUR, Mr. CLAGUE, Mr. JOHNSON of Kentucky, and Mr. HARRISON were appointed managers on the part of the House at the conference.

LONG-AND-SHORT-HAUL CLAUSE OF THE INTERSTATE COMMERCE ACT

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 575) to amend section 4 of the interstate commerce act.

Mr. DENEEN. Mr. President, in the debate upon Senate bill 575, proposing an amendment to section 4 of the interstate commerce act, a studied effort has been made to create the impression that Chicago and the State of Illinois are interested in preventing the full development and uses of the waterway systems of the country.

I am sure that those who have labored so hard to create this impression have given little consideration to the geographical location and the commercial interests of Chicago and Illinois. No other city located in the interior of the continent has so great an interest in waterway transportation as Chicago.

Chicago is located at the southwestern point of the American Mediterranean, the greatest body of fresh water within any continent. All the waters of the Ohio River flow by our State on their way to the sea; the Cumberland and the Tennessee Rivers discharge their waters against our State; the Mississippi River flows by our State for 500 miles and forms its western boundary; the Missouri River releases its waters against our State. I may add that Illinois is on the floor of the continent and half of its waters touch our State on their way to the sea. It is obvious therefore that the people of our State favor water transportation.

When the Territory of Illinois was admitted to the Union as a State in 1818 it requested Congress to extend its northern boundary 61 miles so that it might have a harbor on the Great Lakes and that the waterway, running through the heart of the continent for 3,300 miles from the Gulf of St. Lawrence through the St. Lawrence River, the Great Lakes, the Chicago, the Des Plaines, the Illinois, and the Mississippi Rivers to the Gulf of Mexico, should be unvexed by a divided jurisdiction. And for more than 100 years our State has persistently advocated the removal of the obstacles to the completion of this greatest interior waterway within any continent.

The State of Illinois in 1889 conferred authority on the sanitary district of Chicago to complete the most expensive and difficult part of the channel between Lake Michigan and the Mississippi River, and the work has been accomplished at the expense of approximately $100,000,000 to the people of the Chicago metropolitan district.

Nearly 20 years ago the people of our State amended our constitution to permit the general assembly to appropriate $20,000,000 to complete the channel from the southern terminus of the sanitary district canal to Ottawa, Ill., from which city the Federal Government has maintained navigation to the Mississippi River. The money is being expended and the work will be accomplished within three years.

In contrast with these large appropriations by Chicago and the State of Illinois it is estimated that it will cost the Federal Government less than $1,000,000 to complete the 9-foot channel from Ottawa, where its jurisdiction begins, through the Illinois River to Grafton on the Mississippi River.

The city of Chicago and the State of Illinois have submitted ample evidence of their interest in the development of waterway transportation. Notwithstanding these great expenditures by the people of our State and its agencies, its representatives have favored appropriations by the Congress for the development of the Mississippi system; we favored the appropriation of $60,000,000 for the 9-foot channel in the Ohio River from Pittsburgh, Pa., to Cairo in our State; of $20,000,000 for the 6-foot channel in the Mississippi River from St. Louis to St. Paul; of $12,000,000 for a 6-foot channel from the mouth of the Missouri River to Kansas City and beyond.

When Chicago was attacked because of the flow of the waters from Lake Michigan through the Chicago River to the Mississippi River and the claim was made that the level of the Great Lakes had been reduced thereby about 3 feet, Chicago joined in an investigation to ascertain the reasons for the lowering of the level of the Great Lakes. It was found that five-sixths of the reduction in the level was due to the uses of water by agencies of other States and the climatic cycle, and that one-sixth was due to the diversion of waters through the Chicago River. Chicago promptly agreed to pay the expenses of the construction of controlling works in the Great Lakes to compensate for that part of the reduction for which it is responsible.

The people of our State are united in asking for legislation at this session of Congress which will enable the construction of a 9-foot channel from Chicago to the Gulf of Mexico. They are likewise united in urging a waterway to the Atlantic Ocean through the Great Lakes as soon as may be. The people of our State were united also in favoring the building of the Panama Canal and paid their full measure of the cost of its construction. The people of our State believe in the commercial utilization of the Panama Canal as a part of a comprehensive and coordinated rail-and-water transportation system that is national in its scope and benefits.

RAILWAY TRANSPORTATION

The people of Illinois are fortunate, too, in their railway facilities. I shall refer only to Chicago, because of the attacks which have been made upon our metropolis. Our city is fortunate in its natural location from the standpoint of railway construction. When the railroads were first built, they followed parallels of latitude, and because of our situation at the southwestern point of the Great Lakes they crossed our State as they traversed the continent from sea to sea. When it was sought to connect the climates it was found that the shortest line between the Great Lakes and the Gulf of Mexico passed through our State. Then the railroads radiated out in every direction from our city. Because we are the greatest interior waterway center in North America, because we are the greatest railway center in North America and the world, Chicago is the pivot around which swings the commerce of a continent.

It is obvious, therefore, that Chicago and the State of Illinois are greatly interested in railway transportation and in the coordination of rail and water transportation into a comprehensive national system.

Our favorable situation for rail and water service caused the people of our State long ago to favor the policy which was enacted into law by the Congress in 1920, in section 500 of the transportation act, namely—

> to promote, encourage, and develop water transportation, service, and facilities in connection with the commerce of the United States, and to foster and preserve in full vigor both rail and water transportation.

SENATE BILL 575

This leads me to a brief discussion of the principle of the Gooding bill itself. The Gooding bill forbids the charging of a less rate for a longer haul than a shorter haul, and it is aimed at the transcontinental railroads and at the industries and business of the people of the Middle West.

One would think from listening to the debates and reading the speeches that have been made that the long-and-short-haul rates were a new and strange device, perpetrated by one section of the country upon another to the disadvantage of the latter, and that they were the result of deep-laid schemes, manipulations, and conspiracies on the part of the designing persons.

The history of the long-and-short-haul rate answers and refutes such contentions. The principle of the long-and-short-haul rate has been applied in this country from the beginning of railroad construction. It is the rule in both Canada and England. Its principle has been sustained by the members of the Interstate Commerce Commission since its organization, with few exceptions. It has been upheld by the Supreme Court of the United States. It has been applied in all sections of the country, so that it is neither new nor strange nor the result of schemes, manipulations, nor conspiracies. The reasons which sustain the principle lie upon the surface and are inherent in our national railway transportation system.

Mr. President, the logic of the Gooding bill leads to the mileage rate of service, irrespective of any other factors. If its principle is true, the railroad that has the advantage of shorter distance between shipping points should charge less than competitors having longer lines.

Mr. GOODING. Mr. President, I am sure the Senator from Illinois does not want to be in error as to that matter. My bill provides only that there shall be no violations of the fourth section as between rail and water transportation. It does not touch circuitous lines at all.

Mr. DENEEN. I think I will make quite plain what I have in mind as I proceed.

Mr. GOODING. I am sure the Senator does not want to be mistaken. My bill is perfectly clear.

Mr. DENEEN. I think the question which has been raised will be answered as I proceed.

A few examples will suffice to illustrate the point I am making:

The Michigan Central Railway is almost on a direct line from Chicago to Detroit. The Grand Trunk Railway follows a circuitous route between Chicago and Detroit. To meet the rates of the Michigan Central, the Grand Trunk Railway is permitted to make a higher charge for freight to certain local points in Michigan than to Detroit. If the Grand Trunk were not permitted to make a lesser charge for the long haul than for the shorter, the Michigan Central Railway would have all the freight and the Grand Trunk Railway would be limited to its local traffic. This would not help the intermediate stations on the Grand Trunk, but would injure greatly the railroad itself and would eliminate the benefits of the competition it affords between Chicago and Detroit.

Mr. GOODING. Mr. President, I am sure the Senator does not want to continue making such statements as that, because he is mistaken. Evidently he has not studied the bill at all. It does not have anything to do with circuitous routes or anything of the kind. It does not change a single rate on any railroad; it permits such rates as the present law authorizes and to which the Senator has referred.

Mr. DENEEN. I am discussing the principle involved and endeavoring to illustrate it. The statement which I have made as to the Michigan Central and the Grand Trunk Railroad was submitted to men who are familiar with the matter, and I have made it after investigation.

Again, there are five railroads between Chicago and St. Louis: The Chicago & Eastern Illinois, the Chicago & Alton, the Illinois Central, the Wabash, and the Chicago, Burlington & Quincy Railway. There is more than 50 miles difference between the longest and the shortest route. If, therefore, freight rates were regulated on the principle of the mileage basis, the shortest road would soon have all the business, to the disadvantage of the other roads. This would destroy competition of the railroads between Chicago and St. Louis.

The Baltimore & Ohio line between Chicago and Washington is 43 miles shorter than the Pennsylvania line between Chicago and Washington. If the mileage principle were applied and rates were fixed upon service measured by distance alone, the Baltimore & Ohio would soon acquire all the business between Chicago and Washington.

The principle of the long-and-short haul enables the railways to utilize to the fullest extent their plants and equipment; it insures competition and eliminates waste in operation, and, in the end, reduces charges for service to intermediate points.

THE LONG-AND-SHORT HAUL AND WATERWAY TRANSPORTATION

Mr. President, it has been stated in the debate that if the transcontinental railways were permitted to apply the long-and-short-haul principle, they would soon reduce their rates to such an extent as to destroy the commercial value of the Panama Canal.

In reply to such statements, I call attention to section 4 of the interstate commerce act, which provides that the commission, in special cases, after investigation, may authorize a charge less for longer than for shorter distances, but that the commission shall not permit the establishment of any charge to or from the more distant point "that is not reasonably compensatory for the service performed," and that no authorization shall be granted by the commission "on account of merely potential water competition not actually in existence." The words "reasonably compensatory" have been defined by the Interstate Commerce Commission as follows:

> That a rate properly so described means (1) cover and more than cover the extra or additional expense incurred in handling the traffic to which it applies; (2) being no lower than necessary to meet existing competition; (3) not be so low as to threaten the extinction of legitimate competition by water carriers; and (4) not impose an undue burden on other traffic or jeopardize the appropriate rate on the value of the carrier property generally, as contemplated in section 15-a of this act. (Transcontinental cases, 1922, 74 I. C. C. 48.)

Congress has also declared in section 500 of the transportation act that its policy is to preserve both rail transportation and water transportation in full vigor, and the commission must administer the law with this policy in view.

Whatever discrimination there may have been in the rates by railroads in earlier days to affect waterway transportation, it is plain that the law forbids such discrimination now and that the Interstate Commerce Commission has faithfully followed the law. The law amply protects the intermountain country from discrimination in rates under sections 1, 2, 3, and 4 of the interstate commerce act, and while the debate on this bill was in progress the Interstate Commerce Commission decided, on March 1, 1926, against the application to reduce rates on 47 commodities from the Chicago district to the Pacific coast on the facts submitted to the commission. These facts related to the competition of water transportation for the commodities named through the Panama Canal.

The assertions of fear that the transcontinental railroads intend to destroy commerce through the Panama Canal are fanciful. The facts do not warrant such assertions. In the first place, half of the traffic through the Panama Canal is freight which originates at tidewater on the Atlantic Ocean and is not affected by railway rates. The cost of transportation from the Atlantic seaboard through the canal to the Pacific coast cities is 25 to 40 cents per 100 pounds on iron and steel, obviously greatly below any charge that the railroads could offer Chicago; and in the case decided on March 1 the request was for an 80 cents per 100 pounds charge on iron and steel for the long haul to the Pacific Ocean from the Chicago district.

It is plain that the policy of the country is not against waterway transportation, but demands it. The Middle West is demanding access to the Gulf of Mexico from the Great Lakes; access to the Atlantic Ocean through the Great Lakes; the early completion and coordination of the Mississippi River system and its branches, the Ohio, the Tennessee, the Cumberland, the Illinois, the Mississippi, and the Missouri Rivers; also those great projects along the Atlantic coast; the intercoastal canals in the Gulf of Mexico and on the Pacific Ocean. The railways can no longer destroy waterway transportation.

THE ATTACK ON CHICAGO

Mr. President, throughout the debate an effort has been made to create a prejudice against Chicago. It is charged that the population of Chicago is too large and should be reduced. It is asserted that the Atlantic seaboard has natural advantages over the Middle West, and that the products to supply the markets of the Pacific coast should be manufactured there. The Panama Canal is called a natural advantage. I deny that the Panama Canal is a natural advantage. It is an artificial advantage. Its construction was paid for by the whole Nation. Neither the Atlantic nor the Pacific Ocean cost the United States 1 cent. The Panama Canal was built primarily for national defense and secondarily to benefit the commerce of the whole Nation. It was never meant to be used to injure or destroy the business of the Middle West.

On the contrary, Chicago has great natural advantages. The minerals of northern Minnesota and of northern Michigan meet the coal of Illinois at Chicago. They enjoy the advantages of cheap transportation. They have created vast industries there. The geographical location of Chicago gives it unequal advantages in transportation by water and by rail. If the Panama Canal had been built by private enterprise, the interest on the principal and its repayment would have required tolls so high that it could not have competed successfully with the railways. The artificial advantages which it has should not be used to eliminate competition by the railroads where competition is economical and not discriminatory.

Should the Gooding bill be enacted into law, it would tend to divert freight from the Chicago district through the Great Lakes to Port Arthur, 100 miles from Duluth, and thence via the Canadian transcontinental railroads to Vancouver in British Columbia, and thence down the Pacific coast. The Dominion of Canada authorizes cheaper rates for the long haul than for the short haul to the Pacific Ocean.

The objections to the Gooding bill are that it is against the uniform experience in the United States and elsewhere, as stated; that it would in the end raise the short-haul rates rather than lower them; that it would create rather than overcome waste in the operation of our transportation systems; that it would injure other parts of the country without helping the intermountain region; that it is against progress and goes back to the thumb rule in industry and business; and that it will lead, if carried to its logical conclusion, to an equal charge per mile which will destroy railway competition.

The Congress has safeguarded the regions the transcontinental lines traverse by providing that the intermediate rates should not be raised to enable the railroads to lower the through rates. The through rates must be "reasonably compensatory," and the long-haul competitive freight should enable the railroads to utilize their equipment and plants to the fullest capacity.

The Congress has provided also that freight rates shall not be so low as to affect injuriously the competing water-borne traffic. On the contrary, the water-borne traffic through the Panama Canal is not regulated by any governmental agency. If the railways can not meet water-borne rates within the restrictions of the law, business will be taken from them; but within the law they may compete for it. If the policy of the country is to continue to foster and preserve in full vigor both rail and water transportation as prescribed in section 500 of the transportation act, we must have a body of trained experts employed at all times to meet by rules the facts as they arise. In this way the Nation will be able to maintain the equilibrium between railway and water transportation.

Mr. GOODING. Mr. President, I send to the desk Senate bill 575, and ask that it may be read. I make that request because of the remarkable statement made by the Senator from Illinois [Mr. DENEEN]—which, to my mind, is one of the most remarkable that has ever been made on the floor of the Senate by any Senator—that this bill in any way, or any long and short haul bill, would interfere with the railroads coming into Chicago where one route was longer than the other or that the violations of the fourth section would exist on such a road.

The VICE PRESIDENT. The bill will be read as requested.

The legislative clerk read the bill (S. 575) to amend section 4 of the interstate commerce act, as follows:

Be it enacted, etc., That section 4 of the interstate commerce act, as amended, is hereby amended by adding thereto a new paragraph, as follows:

"(3) No common carrier shall be authorized to charge less for a longer than for a shorter distance for the transportation of passengers or of a like kind of property, over the same line or route in the same direction, the shorter being included within the longer distance, on account of water competition either actual or potential or direct or indirect: *Provided*, That such authorizations, on account of water competition, as may be lawfully in effect on December 7, 1925, shall not be required to be changed except upon the further order of the commission: *And provided further*, That the provisions of this paragraph shall not apply to rates on import and export traffic, including traffic coming from or destined to a possession or dependency of the United States."

Mr. GOODING. Mr. President, the amendment of 1920 to the fourth section especially provides that on circuitous roads violations may be permitted. It is rather astonishing that the Senator from Illinois [Mr. DENEEN] should make the statement he has made, when there is nothing in this bill that will interfere in any way, even to the extent of the crossing of a "t" or the dotting of an "i," with any railroad rate that is now in existence if it becomes a law. It only provides that after the 7th of December, 1926, the Interstate Commerce Commission shall not be permitted to allow the railroads to charge less for a longer haul than for a shorter haul of the same class of freight moving in the same direction to meet water transportation. It is a very simple bill; and surely the Senator from Illinois has not read it, or he would not have made the statement that he has just made in his remarks.

That is the trouble in discussing this bill. So many Senators apparently have not given the attention they should, and they do not understand it.

Mr. SIMMONS. Mr. President——

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

Mr. GOODING. I yield to the Senator.

Mr. SIMMONS. Either the Senator from Idaho has misunderstood the argument of the Senator from Illinois, or I have misunderstood him. I did not understand the Senator from Illinois as saying that the bill of the Senator from Idaho would interfere with the competition of railroads as between themselves. I understood him as contending that the Senator's bill left that matter as it is now provided in the law; that in the case of two railroads of different lengths running between the same points the railroad having the longer route might still, under the Senator's bill, apply for fourth-section relief; but that while the Senator's bill permitted that part of the law to remain intact, he proposed to deny fourth-section relief to the railroads where there was water competition.

I understand that to be the position of the Senator from Illinois. He did not contend that the Senator's bill would in any way infringe upon the present right of competing railroads to obtain relief because one is shorter than the other.

Mr. GOODING. I understood the Senator from Illinois to say, mentioning the Michigan Central and other roads deliver-

ing freight at Chicago, that one is longer than the other, and that if my bill should pass it would give all the freight to the shorter one.

Mr. DENEEN. Oh, no!

Mr. SIMMONS. Not at all. The Senator from Illinois did not make that contention; and the point the Senator from Illinois raised is one that has been constantly in my mind in considering the Senator's bill. The Senator proposes to deny these departures only in case of water competition.

Mr. GOODING. That is all.

Mr. SIMMONS. But he does not propose to deny these departures in case of rail competition.

Mr. GOODING. The Senator is correct.

Mr. SIMMONS. That is the point the Senator from Illinois made; and I have been wondering how the Senator differentiates those two conditions. If it is proper that railroads, when they compete, shall have the benefit of this departure where one route is longer than the other, for the purpose of enabling them to meet that rail competition, why should the railroads be denied the benefit of these departures when it is necessary for them to meet a more destructive and a more disadvantageous competition by water?

Mr. PITTMAN. Mr. President——

Mr. GOODING. I yield to the Senator from Nevada.

Mr. PITTMAN. I think that is the whole fundamental proposition.

Mr. SIMMONS. I think that is the point in the case.

Mr. PITTMAN. And, if the Senator will pardon me, let us see if there is no distinction.

The ordinary expense of one railroad and another railroad are quite similar. Both of them have intermediate traffic. Water transportation rarely has any intermediate traffic. Railroads can carry anything. Water can carry only a few things. When I say "a few things," I mean economically. No one will ship by water where speed is the essence of the matter. As was said by the Interstate Commerce Commission in its recent decision, there are so few things that boats can carry economically that they are at a disadvantage in competing with the railroads. Again, they are at a disadvantage, so the Interstate Commerce Commission says in its recent decision, because they have no intermediate traffic.

In other words, the railroads, in asking a departure from the fourth section to meet competition at San Francisco from Chicago, could find out of the 10,000 articles only 47 that the boats could carry—just 47 out of 10,000 that the boats could compete with. What were they going to do? Two railroads are competing, one of them possibly 100 miles longer than the other. It may cost the one that is 100 miles longer than the other a few cents a hundred to compete, but they are so near together that it is not necessary to lower the rate of the longer road very much to do that, and it makes very little difference in the price of the intermediate freight. But take the exact case that we have now, that has just been decided. It is not necessary to go any further. The railroads running from Chicago ask for a lower rate to the coast than the rate for the short intermediate haul, on what? On only 47 articles. Why? Because there were only 47 articles they could think of that the boats could carry that would be in competition with the railroads. There are 10,000 articles that the railroads can carry.

That is the situation of the matter. The impossibility of a boat competing with a railroad is shown by the fact that the railroads can make up on 9,953 articles the loss they sustain on 47. The boat has nothing on which to make up what it loses. Do you not see the point? You can not drive a single railroad out of business with this long-and-short-haul legislation. It has never been possible to drive them out. Why? Because the comparative cost is about the same; there is so little difference between them; but the difference in comparative cost between a boat and a railroad is enormous on those things that the boat can carry.

A railroad can carry 47 articles for nothing if it has over 9,000 articles on which to make up the loss. It is perfectly evident that there can not be real competition between railroads and boats. Whenever you try to bring about competition between railroads and boats artificially, the boats go. That has been the history of this whole fight, has it not? They are bound to go. If there were no distinction between them, the Senator from North Carolina would be right; but there is the fundamental distinction that there are only 47 articles that the boats can afford to carry through the Panama Canal, while there are 10,000 articles that the railroads can carry.

Do they ask, mind you, to lower the rates on the 10,000 articles? Oh, no! They pick out the 47 articles that the boats can carry, and they ask to have a cost rate on those 47 articles that will give them half of the business. That is what they ask. If they are given a rate that gives them half of the business on those 47 articles, do you not know that it is bound to take the balance of the traffic?

Ninety per cent of this trade, half of which they ask, is steel going from Pittsburgh through Baltimore to San Francisco and Los Angeles. They ask a rate on steel that will give them half of that 90 per cent of steel. Is it possible to give them a rate that will induce the shippers of Pittsburgh to ship half of it without shipping all of it? Is not that what the president of the Northern Pacific said? He said: "If they will give us that rate, we can carry it all."

The proposition is here, and the Interstate Commerce Commission in its decision passed on it. We can not have competition between boat lines and railroads, because the rails will put the boats out of business every time, for the reason that there are only 47 articles that boats can carry, and there are 10,000 articles that rails can carry. There is no intermediate business to speak of for boats, and there is intermediate business all along for railroads. Even after the boats carry the 47 articles to the coast points, the railroads distribute them to the interior from those points.

It must be apparent to any intelligent man who studies this question that the sole object of this proposal is to keep down boat transportation.

Why, suppose the railroads are given half of the Panama trade; what does it mean to them? What would be the result, as the president of the Northern Pacific road says? He says that they would get $15,000,000 gross out of half the trade of the Panama Canal. What would $15,000,000 gross mean when the total traffic of the western roads is $500,000,000? Does it not show to you the absurdity of the whole proposition? That is $15,000,000 gross, at what price? At out-of-pocket cost. What would be the net profit out of that $15,000,000? Mind you, there is bound to be a net profit out of the $500,000,000, because the railroads are guaranteed 5½ per cent. Nobody claims that they are guaranteed any per cent of profit out of this out-of-pocket cost. They get a gross return of $15,000,000 at out-of-pocket cost as against $500,000,000 at a profit. What do the Interstate Commerce Commission say in their last decision? They say, "You have not shown that you would not lose more than you would gain if we granted you this rate, and you got half the traffic of the Panama Canal." If that be the case, what is the object of the railroads? They can have but one object, and that is the object of destroying water competition.

That has been the object since the beginning of time. In 1887, when the first fourth section was enacted, it was for the purpose of preventing the railroads from destroying water competition in this country. The waterways of this country were full of boats at that time—everybody knows it—and the railroads have run them off. The fourth section was passed, and a proviso was slipped in it.

What is the fourth section? Senators say that it is a hard-and-fast rule; but it is not a hard-and-fast rule. It allows the Interstate Commerce Commission to permit a railroad to charge as much for a thousand miles as it does for 3,000 miles. Is that a hard-and-fast rule? A clause was inserted there that in special cases a departure from it might be allowed. What did they have in mind in referring to special cases? Drought and other great catastrophes. How did the Interstate Commerce Commission interpret that proposition?

They made it the rule that every time a man asked for the exception they would give it to him. There has been nothing in the act about competition. It was in special cases that the commission might allow a departure. The act was changed in 1910 and again in 1920, and the Senator from Iowa [Mr. CUMMINS], at the time it was amended in 1920, said:

> We have added to it a provision that the more distant charge must be reasonably compensatory—

And he stated on the floor that when he said "reasonably compensatory" it meant that it had to return its fair proportion of the burden of the road. He said more than that, that it not only had to pay the actual cost but it had to pay something toward dividends and something toward the interest on the indebtedness.

What did the Interstate Commerce Commission do? They interpreted it as meaning exactly what the act had meant before and held that there was no change. Under that ruling they kept the boats off the Mississippi River, and they never came back, because there was a threat. Up to 1918 they had the long-and-short haul on the coast, and they had it there to stop the transportation through the Panama Canal. We would

never have had any of it there if that ruling had remained in effect, but when the war came on and all the ships came off the Pacific coast the railroads wanted to raise their rates to the coast. The Interstate Commerce Commission dissolved that ruling, and every railroad raised its rates the very minute the ruling was dissolved. When 6,000,000 tons of shipping are passing through the Panama Canal the railroads are seeking to change their rates, for the purpose of keeping the 6,000,000 tons from going through the canal. It is of more interest to the Senators from the coast than it is to us in the interior, and yet we of the interior are benefited by every bit of water transportation in this country, because water transportation is the cheapest in the world, and we can not reduce the cost of transportation at one place without affecting it everywhere. I am perfectly astounded that those who live on the great rivers of this country, who have a program now to make them the great highways of the world, who are urging this Government to spend hundreds of millions of dollars for the benefit of transportation so that they may cheapen the transportation of their products, are now arguing here that there shall be no restriction on competition between railroads and water.

I want to say this in conclusion: That Senators will find, just as surely as they live, that when the Government starts in to improve the Ohio, the Missouri, and the Mississippi Rivers, when the representatives of the States to be affected come before the Congress of the United States and ask that the people be taxed hundreds of millions of dollars; when Senators rise here and argue that a rate may be put in against the 47 articles that they may carry, so as to estop them, they are going to be met with opposition, based on principle, and the speeches they have made to-day will be thrown in their faces, and there will be enough patriotic men here to say that the Congress can not appropriate money that will not accomplish anything, that they can not appropriate money for the purpose of a "pork barrel," to be spent in the various communities of this country, without bringing about transportation.

Mr. GOODING. Mr. President, I desire to clear up a question that was raised by the Senator from Illinois [Mr. DENEEN]. I want to read into the RECORD the amendment made in 1920 to the fourth section, so that we will have this matter of circuitous roads clear, so that there will not be any idea that this bill would in any way interfere with the present situation of the railroads. I want to make that clear, because there is propaganda going on all the time, emanating from the railroads, to the effect that it would interfere with them. Many Senators have been disturbed and have come to me about what is going to happen in their States if this bill passes. The amendment to the fourth section, adopted in 1920, is as follows:

> But in exercising the authority conferred upon it in this proviso the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed; and if a circuitous rail line or route is, because of such circuity, granted authority to meet the charges of a more direct line or route to or from intermediate points on its line, the authority shall not include intermediate points as to which the haul of the petitioning line or route is no longer than that of the direct line or route between the competitive points; and no such authorization shall be granted on account of merely potential water competition not actually in existence.

It seems to me that should clear the atmosphere. I did not misunderstand the Senator from Illinois—I clearly understood him and I am sure the RECORD will bear me out that he said if my bill passed, where there are two or three or more railroads entering Chicago, the shorter line would have the bulk of the freight. The Senator is entirely mistaken in that matter.

Just before we adjourned last evening the junior Senator from Ohio [Mr. FESS] made the statement that he understood me to say that no part of the country suffered from violations, except the interior territory of the West. The Senator is entirely mistaken. I did say that there were no violations on the transcontinental railroads westbound to meet the Panama Canal traffic, but I did say that the country was full of violations as far as the West was concerned and as far as the South was concerned.

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

Mr. GOODING. I will yield; but permit me to state that I did say further that there were no violations east of Chicago to meet water transportation, with the exception of some violations put on recently in regard to coal.

Mr. FESS. Will the Senator indicate the attitude of the various Senators representing the particular districts where fourth-section relief is being granted?

Mr. GOODING. I will let Senators from those districts indicate their own position. If the Senator from Ohio knows of any violations east of Chicago, with the exception of those that have been mentioned in regard to coal, I would like to have him put it into the RECORD. There are hundreds of circuitous violations, but there are none to meet water transportation that destroy industries in the interior. That is my information from the Interstate Commerce Commission. If the Senator has information as to any specific violations, will he put them into the RECORD?

Mr. FESS. We will have the vote to-morrow.

Mr. GOODING. The Senator is talking about a vote——

Mr. FESS. I want to know the attitude of Senators who represent the sections where fourth-section relief is being granted.

Mr. GOODING. I do not know how Senators who represent communities like the coast cities will vote, but I do not believe any of them will vote against this bill. That is my opinion.

Mr. FESS. The Senator is very optimistic.

Mr. GOODING. Yes, I am; and I want to discuss that optimism of mine, to which the Senator has referred, before I get through with my remarks.

Mr. FESS. I will enjoy it.

Mr. GOODING. So will the Senate. I want to call the attention of the Senate now to some violations eastbound, as against the Panama Canal, and I would especially like to have the Senator from California [Mr. SHORTRIDGE] remain in the Chamber just a few minutes, if he will, while I call his attention to them. I want to call his attention to beans, if you please. The rate on beans is 70 cents per hundred from ports in California over the Southern Pacific to Galveston, and by boat from Galveston to New York, but from interior points in California and in Arizona the rate is $1.05 per hundred.

Mr. SHORTRIDGE. To what points?

Mr. GOODING. I am talking about the rate on beans over the Southern Pacific by rail to Galveston and by boat to New York from California ports. The rate on canned goods is 70 cents per hundred, but from interior points in California and Arizona the rate is $1.05 per hundred. But that is not all; I will go a little further. On dried fruit from San Francisco the rate is 80 cents per hundred, but from the interior points in California and Arizona the rate is $1.25 per hundred.

Rice! I am advised that some day they may grow rice in Arizona, for they have the climate and the water, and rice can be grown in southern California.

Mr. SHORTRIDGE. California is the second rice-producing State in the Union.

Mr. GOODING. Of course, California as well as Idaho is in the West, and I think that next to Idaho, California is the greatest State in the Union.

The rate on rice is 70 cents from San Francisco over the Southern Pacific to Galveston, and by boat to New York, but from interior points it is 92 cents a hundred.

Now I want to call attention to some on the northern line.

Mr. SHORTRIDGE. Touching the last item the Senator mentioned, will he have the goodness to state that again?

Mr. GOODING. On rice?

Mr. SHORTRIDGE. Yes.

Mr. GOODING. Seventy cents a hundred.

Mr. SHORTRIDGE. From where to where?

Mr. GOODING. From San Francisco to Galveston over the Southern Pacific, and from Galveston by boat to New York. The rate from the interior, however, and from Arizona is 92 cents a hundred.

Here is information as to something on the northern line, on the Southern Pacific. But I will first take canned goods. From San Francisco to Dunnigan, Calif., a distance of 102 miles, the rate on canned goods is 31½ cents a hundred. A car earns $189, and the rate per car mile is $1.85 a hundred. In other words, for every mile a car is hauled from San Francisco to Dunnigan, a distance of 102 miles, it pays the railroad $1.85 for each mile.

Mr. SHORTRIDGE. What is the conclusion to be drawn from that fact?

Mr. GOODING. If the Senator will wait until I get through with this table I will give him the conclusion. The conclusion is that there is a rank discrimination against the people of Dunnigan.

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

Mr. GOODING. Wait until I get through with this table. To Raygold, Oreg., 425 miles from San Francisco, the rate on canned goods is $1.03 a hundred, and the car earns $619. The rate per car-mile is $1.45.

To Goldhill, Oreg., 431 miles, the rate is $1.04, and the car earns $624. The car-mile rate is $1.45 a hundred.

To Portland, a distance from San Francisco of 745 miles, the rate on canned goods is 28½ cents a hundred, and the car earns per mile 22.9 cents.

I want to ask the Senators from California if they can go back home and look their people in the face and justify the unreasonable rates the Southern Pacific charges, and then justify the rate when it hauls the freight on to Portland for about one-eighth the rate per car-mile that the good citizens of Dunnigan, Calif., pay. We can not build citizenship on such a discrimination as that.

Let me give the figures on automobiles.

Mr. SHORTRIDGE. The Senator put a direct question to me, and I reply that I shall be able to return to California and look the people in the face.

Mr. GOODING. Maybe the Senator will.

Mr. SHORTRIDGE. And I am sure my colleague [Mr. JOHNSON] will be able to do so likewise.

Mr. GOODING. But the Senator will have a hard time when he goes back there if he tells the people that he voted against giving them this relief. The point I am making is that every American citizen is entitled to a square deal, and I do not care whether he lives in the interior or in a great city. When we discriminate against a great body of citizens like this Government has permitted the Interstate Commerce Commission to do with relation to the interior, we are destroying its citizenship.

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

Mr. GOODING. Wait until I get through with these tables and then I will yield. The Senator will have plenty of time to question me when I finish with these tables. Let me finish with reference to the Southern Pacific and then I will yield to the Senator.

On automobiles from San Francisco to Medford, a distance of 415 miles, the rate is $1.905 per hundred pounds; a car earns $190.50 and each automobile pays a freight of $63.50. To Grants Pass, 447 miles from San Francisco, the rate is $2 per hundred pounds, and a car of 10,000 pounds, which we estimate for automobiles, earns $200. Each automobile from San Francisco to Grants Pass pays $66.66.

Mr. SHORTRIDGE. What is the origin of the figures the Senator is giving?

Mr. GOODING. The Interstate Commerce Commission. I am not presenting anything here that is not furnished to me from the Interstate Commerce Commission. I will try to be correct as I proceed and not make any misstatements. I am sure the Senator wants the story, and that is why I want to get through. I know the Senator is just as conscientious and just as sincere in representing his people here as I am in representing mine, but how any Senator can justify building up a great city like San Francisco or any other coast city at the expense of the interior of his own State I can not understand, and I do not think any Senator will do it on the Pacific coast.

Mr. SHORTRIDGE. I understand the Senator does not want to be interrupted now?

Mr. GOODING. Let me finish the Southern Pacific story. To Roseburg, a distance from San Francisco of 564 miles, the rate is $1.73, a car earns $173.50, and each automobile pays $57.50. To Portland, 746 miles, the rate is 72 cents per hundred, a car earns $72, and the rate for each automobile is $24.

Let me tell the Senator something about this great railroad, the Southern Pacific. If it needed the revenue, it would not be right even then to charge such rates, but no railroad in America is more prosperous or has been more prosperous than the Southern Pacific. For the period of five years from 1910 to 1914, inclusive, the Southern Pacific paid in dividends $82,679,267. At the end of that time in 1914 the Southern Pacific had a surplus of $107,355,058 in its treasury. During the five-year period from 1920 to 1924, inclusive, the Southern Pacific paid in dividends $101,115,039, and in 1924 it had increased its surplus in the treasury to $210,382,595. The Southern Pacific paid $18,435,000 more in dividends in that time, and increased its surplus $103,000,000; in other words, the Southern Pacific during those years paid 6 per cent dividends, and if it had paid out the average accumulated surplus over the five years from 1910 to 1914, inclusive, it would have paid 12 per cent. Last year on maintenance of way and improvements the Southern Pacific spent $63,979,747, about ten times the amount of its average expenditure for that period. I hope Senators thoroughly understand the situation. I shall not take the time of the Senate to read all of these increases, however.

Mr. President, I offer a table showing the amount of money spent on the Southern Pacific for maintenance of way and equipment and ask that it be printed at this point in my remarks. This table speaks for itself.

The PRESIDING OFFICER. Is there objection? There being none, the table is ordered printed.

Southern Pacific Co.—Expenditures for maintenance of way and equipment

[Interstate Commerce Commission, Bureau of Statistics]

Year ended—	Maintenance of way and structures	Maintenance of equipment	Total maintenance
June 30—			
1910	$11,646,960	$11,988,424	$23,635,384
1911	11,350,368	11,066,396	22,416,764
1912	10,123,485	11,201,494	21,324,979
1913	10,151,846	13,163,050	23,314,896
1914	10,734,460	13,043,383	23,777,843
1915	10,069,225	14,311,991	24,381,216
1916	12,568,902	16,484,202	29,053,104
Dec. 31—			
1916	12,299,124	17,897,681	30,196,805
1917	12,426,717	17,968,019	30,394,736
1918	18,753,853	28,171,099	46,924,952
1919	25,248,202	33,062,767	58,310,969
1920	30,062,550	43,648,699	73,711,249
1921	27,467,714	34,434,874	61,902,588
1922	24,026,925	34,538,250	58,565,175
1923	27,149,922	35,761,930	62,911,852
1924	26,265,197	33,436,936	59,702,133
1925	28,132,332	35,847,415	63,979,747

Mr. GOODING. Let me refer for a moment to the Santa Fe. If the Santa Fe Railroad had paid out the accumulated surplus in its treasury since 1920 over the average amount in its treasury for the period from 1910 to 1924, inclusive, it would have paid 18 per cent dividends on its common stock and 15 per cent on its preferred stock. Of course we understand why the great railroads are keeping their money in their treasuries and have no intention of paying it out if they can find a way to keep from turning it over to the Government and dividing one-half among the leaner and poorer railroads.

Mr. WALSH. Mr. President, will the Senator from Idaho yield to me to ask the Senator from California a question?

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from Idaho yield to the Senator from Montana?

Mr. GOODING. I yield.

Mr. WALSH. I was very deeply interested in what the Senator from California would say as to his contiguous interior neighborhood States when attention is called to the fact that they pay from five to ten times as much for carrying goods the shorter distances to San Francisco as people pay from Portland for carrying the greater distance.

Mr. SHORTRIDGE. At an appropriate time and in a few words I shall make reply, if I deem it necessary, to his suggestion and gratify the Senator from Montana. For the moment I remark that it is quite indifferent to a citizen of Sacramento or of Dunnigan or of Chico what price is paid for freight by a citizen of Portland, provided the California citizen's rate is reasonable and just. The question with him is, Are the rates he pays reasonable and just?

Mr. WALSH. That is the point. If the rate of 22 cents from San Francisco to Portland is reasonably compensatory—and it must of course be reasonably compensatory, or it could not be enforced and would not be in existence—how can a rate of $1.85 to Dunnigan be a reasonable rate?

Mr. SHORTRIDGE. That would seem to be somewhat anomalous, but is not when the whole problem of rates is considered. But I do not desire now to even enter into a discussion of the whole subject matter. In point of truth, the Senator from Idaho and apparently the Senator from Montana are assuming that I have reached a final conclusion in respect to the matter.

Mr. WALSH. Not at all.

Mr. SHORTRIDGE. The argumentum ad hominem addressed to me by the Senator from Idaho seemed to proceed upon the theory that I was hostile to all the views he was expressing.

Mr. GOODING. I hope that the Senator did not get that idea at all.

Mr. WALSH. In view of the facts given by the Senator from Idaho, I assumed as a matter of course the Senator from California had an open mind on the matter.

Mr. WILLIAMS. Mr. President, may I ask the Senator from Idaho to yield to me a moment?

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

Mr. GOODING. Certainly.

Mr. WILLIAMS. I send to the desk and ask to have read a letter received by me, written on the 18th of March, 1926, from the General Freight Service Association of St. Louis.

At the conclusion of the reading of the letter I shall ask the Senator from Idaho to permit me to say a word.

Mr. GOODING. I hope Senators will pay attention to the reading of the letter.

Mr. FESS. We have all received a copy of it.

Mr. GOODING. No; only the members of the committee received it. The Members of the Senate generally did not get it.

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

The Chief Clerk read as follows:

GENERAL FREIGHT SERVICE ASSOCIATION (INC.),
TRANSPORTATION AND TRAFFIC SPECIALISTS,
St. Louis, Mo., March 18, 1926.

The Gooding bill (S. 575) to amend section 4 of the interstate commerce act

Hon. GEO. H. WILLIAMS,
Senator, Washington, D. C.

MY DEAR SENATOR: Our association officials are all former railway general officers and are now engaged in the business of looking after the interests of shippers and have been so engaged for the past five years. We feel, therefore, that our opinions are entitled to consideration on such questions as are included in the subject supra.

The principle that a common carrier should not charge more for a shorter haul than it does for the longer haul, which entirely includes the shorter haul, is based upon the fact that it is and should be repugnant to all sense of fairness and justice for any common carrier to give a community a greater service at the same or lesser cost than it gives to another community intermediate. To accord anyone a greater service at the same or less cost than to another is simply one of the forms of undue discrimination which all fair-minded American citizens consider to be unfair and unjustified. It is beyond disputing that the longer haul is a greater service than the shorter haul, and in enacting the fourth section of the interstate commerce act, Congress simply amplified other sections of that law by specifically naming this kind of discrimination as being unlawful. Remember that there has been a long-and-short-haul prohibition ever since the interstate commerce act was first enacted in 1887. In fact, the interstate commerce act originally was intended primarily to remove various sorts of discriminations that had previously been practiced by the carriers in the conduct of their business.

All changes in the act from time to time were in the direction of strengthening the prohibition against the making of a lesser rate for the longer haul. The Gooding bill is another move in this direction and is to remove the possibilities now existing for the defeat of the primary purposes intended by the framers of the long-and-short-haul clause, and if not passed it will surely continue to come up until this danger of defeating the intent of the act is finally removed.

Regardless of the many aspects of this long-and-short-haul question, there can be no sound reason why a common carrier, which has the obligation to treat all shippers alike, can or should be permitted to haul freight past one man's door for another man located beyond at a lesser charge than it collects from the first man. This principle is true regardless of opinions that business policy on the part of the carrier might influence it to make a lower charge for the greater haul, because its selfish business policy must certainly give way before its paramount obligation to accord equal treatment to all.

The development of our great country and the guananty of its continued development is absolutely dependent upon transportation arteries through which our commerce must flow or we stagnate. Adequate transportation facilities are paramount and no arguments are advanced in regard to the proper compensation to be paid to our carriers. The law amply provides for this feature. No one is averse to paying for service rendered, but all should agree that these service charges should be fair and equitable to all concerned.

Communities are entitled to the natural advantages of their locations, and if, as shipping or consuming points, they are located on or can be reached by water transportation, this is a natural advantage of which they can not be deprived; and if such water transportation provides lower transportation costs, why should they be given an artificial advantage by having the rail rates set in competition with such water rates?

Under the broad proviso in section 4 that in special cases, after investigation, the carriers may secure authority from the Interstate Commerce Commission to charge less for the longer than for the shorter haul, but in exercising this authority the commission shall not permit the establishment of any charge to or from the more distant point that is not reasonably compensatory for the service performed. This can be openly interpreted to mean that the very thing can be done which the Gooding bill will eliminate. If any charge so authorized by the commission is "reasonably compensatory" for the service performed, then why should the intermediate points be stung with charges which are thus prima facia "unreasonably compensatory" if we are to measure the value of the charge by the compensation to be received by the carrier for service performed?

Granting the intelligence and fairness of the commission, it still is an open channel left to their minds to administer, and the latitude is too broad for such administration unless that provision is so changed that if the carriers, in order to meet, compete, or stifle the water competition, are compelled to accord all points intermediate rates which are reasonably compensatory by using as the yardstick the reasonableness of compensation for the longer haul.

The interstate commerce act was enacted to safeguard the public against undue practice and discriminations by the carriers, and in its enforcement, which is the real test of any law, does it not in a big measure open the gates for discrimination legally authorized against interior points in favor of those places where water competition is the only cause for such application by the carriers for a reduction in their rates?

The country west of the Mississippi and Missouri Rivers out to the coast territory should be developed just as well as the coast countries, and anything which is done for these coastwise communities detrimental to the interior will in itself stifle that spirit of development, and surely, except in most exceptional cases, capital will not be induced to aid in the development of the interior.

Why are the railroads so strongly opposed to the Gooding bill?

Because it will remove the authority which can now be obtained to set up preferential-rate basis to the localities enjoying cheap water-transportation rates.

If such communities have those natural rights, is it fair to the rest of the country to do two wrong things—give them preferentially lower rail rates on the one hand and at the same time permit the carriers for their own selfish gains to stifle the water-carrying routes?

What is the idea of permitting them to set up such preferential rates for the longer hauls?

Can not those communities blessed with their natural rights and reached by water transportation exist if the rail rates are maintained in equitable ratio to the interior or shorter distances from sources of supply unless given the two-fold advantage of both water and rail lower transportation charges?

If the rates of the carriers as a whole are insufficient to produce the proper and adequate revenues, does not the law empower the commission in proper manner to take care of this situation? And should not the entire structure be measured to ascertain what, if any, increases are needed?

Does not business in general, and particularly competitive business, have enough burdens without adding a discriminatory transportation burden on business unfortunately located at interior points where it can be booted and probably destroyed if the coast localities are given these preferential rate adjustments simply to permit the rail routes to meet the water-route competition?

If the traffic to be moved costs the carriers that certain amount which has previously been considered in making the rates which are in themselves compensatory and sufficiently so to justify the rate scales, then how can a lower and preferential basis worked out "to meet water competition" be classed as "reasonably compensatory," unless this term is used by looking at the revenues through averages produced by means of higher rate levels assessed against the interior or short-haul destinations? Would that not be preferential and discriminatory as these terms were originally intended by the framers of the interstate commerce act and to all fair-minded concepts of equity and justice?

If the rates to those longer distances must be set at figures to meet the water-route competition, and such rates are prescribed by the commission as "reasonably compensatory," then why should not all communities intermediate be entitled to a scaling down to keep within the fair measure of costs for one community as against those more distant from it?

It has been said in recent debates in the Senate that the traffic moving via the Panama Canal now is but 1 per cent of the transcontinental business of this country.

Without the figures of tonnage totals moved, this percentage, as small as it is, can not be visualized; but treating it in the abstract, if this is true, then should the coast cities be benefited either actually or potentially by specially low rates on the 99 per cent of business now moving by rail?

Mind you this, that we are not advancing any statements that the Interstate Commerce Commission in administering the law as it exists would do these things, but the possibility is with us, and there is nothing in the law now which would prohibit them from so administering the law.

And for this exigent reason the Congress should enact legislation to control the policy and still leave the powers of administration to the commission. This very thing will be accomplished by the enactment into law of the Gooding bill and its sister bill in the House—the Hoch bill (H. R. 3857).

We earnestly solicit your support in favor of the Gooding bill.

Will be glad to hear from you.

Yours very truly,

W. E. MCGARRY,
Vice President and General Manager.

(Copy to Senators JAMES E. WATSON, FRANK R. GOODING, JAMES COUZENS, ROBERT B. HOWELL, W. B. PINE, ELLISON D. SMITH, KEY

PITTMAN, BURTON K. WHEELER, ALBERT B. CUMMINS, BERT M. FERNALD, SIMEON D. FESS, FREDERIC M. SACKETT, GUY D. GOFF, OSCAR W. UNDERWOOD, WILLIAM CABELL BRUCE, C. C. DILL, EARL B. MAYFIELD.)

Mr. WILLIAMS. Mr. President——

Mr. GOODING. I yield to the Senator from Missouri.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Idaho yield the floor?

Mr. GOODING. No; I merely yield to the Senator from Missouri for a statement.

Mr. WILLIAMS. The letter which has just been read in the hearing of the Senate was addressed to me.

Mr. BRUCE. Mr. President, I rise to a point of order.

The PRESIDING OFFICER. The Senator from Maryland will state it.

Mr. BRUCE. Is the Senator from Idaho [Mr. GOODING] yielding to an interruption, or is he for all practical purposes yielding the floor?

Mr. GOODING. The Senator from Missouri wishes to say a word in regard to the communication which has just been read. He desires to speak merely for a minute, as I understand.

The PRESIDING OFFICER. The Senator from Idaho, then, yields to the Senator from Missouri for a minute?

Mr. GOODING. I yield to the Senator from Missouri for a minute, for the purpose I have stated.

Mr. WILLIAMS. Mr. President, I merely wish to say that the letter which has been read from the Secretary's desk was sent to me; that copies of it were also sent to members of the Committee on Interstate Commerce; and that the author of the pending bill, the genial Senator from Idaho [Mr. GOODING], asked me to have the letter read because it was addressed to me.

I very much regret that I can not concur in the views expressed by the General Freight Service Association of St. Louis. It is a splendid body of men. It seems to me that the letter contains the entire argument made by the Senator from Idaho. I am quite willing to leave this matter to the intelligence and fairness of the Interstate Commerce Commission, and their intelligence and fairness are granted in this letter.

Mr. GOODING. Mr. President, it is the privilege, of course, of every Senator to entertain the views which have been indicated by the Senator from Missouri. The people of the State of Missouri, however, have not suffered from the violations of the fourth section as the people of the West have suffered and are suffering. So I can understand how the Senator from Missouri may have confidence in the Interstate Commerce Commission. Blessed as the people of his State are with water transportation and a service operated by the Government, giving the people of Missouri, or of St. Louis, at any rate, 80 per cent of the all-rail rate to New Orleans, I can readily understand how the Senator from Missouri may be satisfied to leave the situation as it is. That is not at all strange.

Mr. WILLIAMS. Mr. President——

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

Mr. GOODING. I yield to the Senator from Missouri.

Mr. WILLIAMS. Does the Senator from Idaho think I am correct in leaving the matter with the Interstate Commerce Commission?

Mr. GOODING. Not at all. I believe that Congress should lay down a policy for the Interstate Commerce Commission to be guided by and not leave the Interstate Commerce Commission the right to initiate policies as they do when they force the people of one section to pay more for the shorter haul than is paid by the people of another section for the longer haul. I believe that is dangerous to our form of government.

Mr. WILLIAMS. Does the Senator think as the present law is now administered and now exists it is for the best interest of the Mississippi Valley and the State of Missouri, or would the law which he proposes be better for their interest?

Mr. GOODING. I do not. The law which I have proposed would make possible the development of water transportation for Missouri. Without such legislation water transportation can not be long enjoyed. That is what the pending bill proposes to do. It merely proposes to develop water transportation. Capital is never going to invest in river craft on any river so long as the Interstate Commerce Commission is permitted to destroy such craft by rendering their operation unprofitable. That is what has been done in the past. The Senator knows that all along the Missouri and Mississippi Rivers there are river boats tied up and rotting at their wharves simply because the Interstate Commerce Commission has permitted violations of the fourth section as against river points and against the boats in operation.

Mr. WILLIAMS. Ah, yes; but the investment made by the Government and the improvement of the internal waterways of the United States had not been in progress at that time.

Mr. GOODING. Does the Senator suppose that the Government shall continue the operation of its barge lines on the Mississippi and the Warrior Rivers——

Mr. WILLIAMS. Undoubtedly.

Mr. GOODING. As a Government proposition? Is that what the Senator expects?

Mr. WILLIAMS. We understand that that is the policy of the Government?

Mr. GOODING. I do not understand that it is the policy of the Government at all. The law provided that that activity should merely be an experiment. If we are going to continue in that line, let the Government operate boats on all the rivers; let the Government proceed to work on all the rivers and improve them—the Missouri up into Montana and not merely to St. Louis, if you please.

Mr. WILLIAMS. We trust that it will go as far into Montana as may be possible.

Mr. GOODING. I do not think the American people have any thought that they are going to continue the operation of river boats by the Government or that there is going to be the operation of railroads by the Government.

Mr. WILLIAMS. I was not speaking of maintenance and operation of river craft by the Government. I was speaking about the improvement of the Mississippi and the Missouri Rivers so as to put St. Louis, St. Joseph, Kansas City, and Omaha on the map.

Mr. GOODING. Does not the Senator realize that that is impossible; that capital will not invest so long as there is danger of these violations; and that the Interstate Commerce Commission is a changing body and have permitted such violations of the fourth section in the past? I have cited several instances where they have permitted them only within the last year or two. Was the Senator in the Chamber when I read some of the violations permitted the Southern Pacific in northern California and Oregon?

Mr. WILLIAMS. Yes; but we do not anticipate anything of that kind.

Mr. GOODING. Why should the Senator not anticipate such a condition? The intermountain section has been confronted with that particular situation.

Mr. WILLIAMS. Because we are too alert.

Mr. GOODING. Because you are too strong; politically that is all.

Mr. WILLIAMS. We are too alert.

Mr. GOODING. You are "too alert"; that is a fine principle, is it not? That is a beautiful policy of government. You are too alert and too strong politically!

Mr. WILLIAMS. We are too alert to this extent, that if a rate should be lowered so as to attempt to kill river transportation, no doubt the Chambers of Commerce of St. Louis and Kansas City and St. Joseph would appear before the Interstate Commerce Commission and show what the effect of such a rate would be, and it would not be put into effect.

Mr. GOODING. Such rates have been put into effect, however, so far as we of the intermountain section are concerned. We are not strong politically, and for that reason suffer from the selfish interests.

Mr. WALSH. Mr. President——

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

Mr. GOODING. I yield to the Senator from Montana.

Mr. WALSH. I am very much gratified by the interest manifested by the Senator from Missouri in the improvement of the Missouri River up into the State of Montana. In the old days there was a very large traffic established on that river from St. Louis to Fort Benton, the head of navigation on the Missouri River. That is all gone now; there is no more of it. I trust, however, that some day or other it will be restored and that that river will be made a highway of traffic; but if the Great Northern Railway is permitted to charge a lower rate to Fort Benton and to intermediate points between there and St. Paul, and to charge a rate so low as to be merely compensatory to the railroad, how does the Senator from Missouri imagine that we can restore water transportation between St. Louis and Fort Benton?

Mr. WILLIAMS. Mr. President, it is always a great pleasure to me to do anything that is gratifying to the Senator from Montana. The development of the waterways from New Orleans to St. Louis, from St. Louis to Kansas City, from Kansas City to St. Joseph and Fort Benton, if it shall come as the population of the country increases and intensifies, no doubt at the intermediate points to Fort Benton will indicate very force-

fully to the Interstate Commerce Commission exactly what the effect of that rate would be; but they could not do anything at all, neither could Fort Benton receive any benefit from the rates which the Senator admits are reasonably compensatory, if the inflexibility of section 4 were fixed by the enactment of this bill.

Mr. WALSH. I was not speaking about the interior points at all. I was speaking about how the Senator expects that we shall be able to maintain water transportation between St. Louis and Fort Benton if the railroads running from St. Louis—the Burlington, for instance, having almost a direct line to Fort Benton—are authorized to charge a rate through to Fort Benton in competition with the water-borne traffic that will be barely compensatory.

Mr. WILLIAMS. My understanding is that it now costs about one-tenth as much to carry freight by water on the Great Lakes as it does to carry the same freight by rail; that it costs about one-fifth as much to carry freight on the Mississippi as by rail. The old rule of thumb was that it cost one-third as much to carry oil, for example, in pipe lines as by water and one-third as much by water as by rail. My understanding is that the figures have changed somewhat and that the ratio has increased so that it costs even less proportionally to carry freight by water than by rail; and it is a fact that if the rate fixed by the railroads to Fort Benton is reasonably compensatory, then capital may invest in river craft and do business at a profit in competition with a rail rate which is reasonably compensatory.

Mr. WALSH. It was not possible in the past, because the river transportation is gone.

Mr. WILLIAMS. Because the river was not improved; the channel was not canalized.

Mr. WALSH. The river was not improved prior to the advent of the railroads, either.

Mr. WILLIAMS. No. It is true that in the old days the Mississippi River Transportation Co. was put out of business by the railroads, under authority of the Interstate Commerce Commission, through a sudden drop in rates, which surely would not be permitted now.

Mr. GOODING. Oh, they are permitted all the time. I was just citing some instances for the Senator, but he will not accept them because they are in the West.

Mr. WILLIAMS. The Senator misunderstands me if he thinks I have any feeling against the West. I live in the West.

Mr. SMOOT. Mr. President——

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

Mr. SMOOT. The Senator from Missouri speaks of the rivers not being improved. I can not help recalling the fact that about 18 years ago, when we had a river and harbor bill under consideration in this body, I had a very eminent engineer make certain estimates for me, and I think at that time I called attention to them. The estimates showed that the appropriations the Government had made for the improvement of the Mississippi River, as admitted then by the proponents of the appropriations, would have built two railroad tracks all the way from St. Louis to New Orleans, one on each side of the river, and the interest upon the difference would have allowed those railroads to carry goods for nothing for the whole distance.

As far as the Mississippi River is concerned, Congress never will for the next hundred years cease appropriating money to improve the Mississippi River. If any of us should be living a hundred years from now and could look back on the speeches made in the past in relation to the improvement of the Mississippi River he would say, "There has not been any change at all. We are spending just as much money on the Mississippi to-day as we did a hundred years ago."

Mr. GOODING. And a hundred years ago, Mr. President, transportation on our rivers was a mighty factor in the commerce of this country.

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

Mr. GOODING. Certainly.

Mr. WILLIAMS. Does not the Senator think that conditions have changed somewhat in 18 years in the development of river transportation so far as its availability is concerned?

Mr. SMOOT. I hope so, because I know that river transportation on some of the rivers we are appropriating for has cost the Government of the United States more than if the Government had bought every single ounce of commerce that passed over those rivers and had given it to the people to whom it was shipped. It would have been cheaper for the Government to do it.

Mr. WILLIAMS. That may be true. I can not question that, because the Senator is an expert on figures and I am not; but does not the Senator think that if my position is correct with respect to this bill the Senators from Louisiana, Mississippi, Arkansas, Tennessee, Kentucky, Missouri, Illinois, Iowa, Michigan, Kansas, and Nebraska should all vote against the Gooding bill?

Mr. SMOOT. I certainly think they should all vote for it. If the Senator's position is correct that the Interstate Commerce Commission is not interfering at all and that it is doing justice to all sections of the country we want then to have the law say that this shall be the policy. As long as the power is lodged in some agency of the Government to say that the rates shall be changed, and that you can charge, if you desire or if the commission so decides, a greater rate for a short haul than for a long one, who is ever going to invest his money in any enterprise to build up a State or a city that is so situated? It would be the last thing in the world that I would ever think of doing if I had not some assurance that I was not going to be destroyed through rate making. I could tell the Senator some of the experiences I have had. I know what this discrimination is, because I have experienced it, and I have had the hardest time in the world to keep the institution's head above water.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Idaho further yield to the Senator from Missouri?

Mr. GOODING. I will yield just for a remark. I can not continue to yield, because I still have considerable to say.

Mr. WILLIAMS. I should like to ask the Senator from Utah whether he was in the Chamber the other day when the Senator from Ohio [Mr. FESS] was discussing the rate from the West Virginia coal mines to Boston, and from the Clearfield coal mines of western Pennsylvania to Boston?

Mr. SMOOT. No; I was not in the Chamber.

Mr. GOODING. Let me ask the Senator from Missouri a question. Does he justify charging the people in the interior, in small communities, a higher freight rate for the coal they burn than is charged in the great cities that have water transportation? Does the Senator justify that kind of thing?

Mr. WILLIAMS. Mr. President, it is my absolute belief that if the Clearfield coal rate to Boston, Mass., made $4.25 a long ton by reason of the water competition over Hampton Roads, were not made $4.25 a ton, the people of Springfield, Mass., would have to pay more than $4.85 a ton, and therefore that the people of Springfield, Mass., were not damaged but were aided by a reasonably compensatory rate given to the railroads on the all-rail route from western Pennsylvania to Boston, Mass.

Mr. GOODING. What about the people in the interior?

Mr. WILLIAMS. I am speaking of the people in the interior.

Mr. GOODING. Not at all.

Mr. WILLIAMS. Springfield, Mass., is in the interior.

Mr. GOODING. Yes; that is in the interior, but they were not benefited. They simply paid an unreasonable freight rate, which all interior points do pay when there is discrimination, to make up the losses the railroads have sustained by meeting water competition. That has been the history of it.

Mr. WILLIAMS. They could not make up a loss if the rate was reasonably compensatory.

Mr. GOODING. Yes; but they do not get reasonably compensatory rates.

Mr. WILLIAMS. The Interstate Commerce Commission held that they do.

Mr. GOODING. Yes; the Interstate Commerce Commission holds that any rate that is an out-of-pocket rate is a reasonably compensatory rate. An out-of-pocket rate may mean the coal the engine burns, the pay of the engineer, the operating expense, and say nothing about maintenance of way, overhead, or interest on bonds. If it earns any part of the cost of operating the road, it may be accepted as an out-of-pocket rate.

Mr. WILLIAMS. And therefore reasonably compensatory.

Mr. GOODING. Not reasonably compensatory at all. A reasonably compensatory rate, as discussed here on the floor of the Senate by the men who passed the amendment to the fourth section in 1920, is a rate that would be fully compensatory—and if the Senator will read the RECORD he will find that that is true—a rate that would pay all the operating expenses of the railroad, including interest on the investment, and dividends.

Mr. FESS. Mr. President, if that were true, why would the Senator have any exception at all to the fourth section?

Mr. GOODING. Oh, well, what does the Interstate Commerce Commission do? The Senator from Missouri answered the whole question when he said they were strong enough to protect themselves; they are not uneasy about any violations.

Mr. WILLIAMS. I said "alert."

Mr. GOODING. Well, that meant strong politically.

Mr. WILLIAMS. No.

Mr. GOODING. That is the statement I have made all the time, that the people in the East are so strong politically that there is not any danger of any violations in the East. They have pushed them on to the West all the time.

Mr. WILLIAMS. Mr. President——

Mr. GOODING. I am not going to yield any more now, because there are other Senators waiting to be heard.

Mr. WILLIAMS. The Senator does not charge me with being from the East?

Mr. GOODING. We do not think of you as being in the West when we get out West or out where the West begins. What is the difference between "alert" and being strong?

Mr. FESS. "Alert" means to be sufficiently discriminatory to see the advantage of the fourth section.

Mr. GOODING. And permit it. Would the Senator permit violations against St. Louis? Would you permit it at all against your town of Cleveland?

Mr. FESS. If it were for the public welfare, I would.

Mr. GOODING. Oh, yes; but would it be for the public welfare?

Mr. FESS. Let me say to the Senator——

Mr. GOODING. Let me ask the question: Would it be for the public welfare of Idaho or Salt Lake City, Utah?

Mr. FESS. It is to the interest of Idaho to find an opportunity to ship out her potatoes at a less cost than they now charge her because of the empty cars that are forced to go back West to bring out the potatoes.

Mr. GOODING. Oh, there is nothing unusual about the empty-car movement in that part of the country, as the Senator knows if he has read the decision on the pending violations here on 47 different commodities.

Mr. FESS. The Senator can not convince anybody in the Senate that to carry the empty cars West at a dead loss does not mean a loss to those who must use the cars loaded when they have taken the products for which the empty cars have gone to the West.

Mr. GOODING. Does the Senator take the word of a member of the Interstate Commerce Commission, the chairman of it?

Mr. FESS. I do not allow anybody to say what I shall think about it. The facts are what I think.

Mr. GOODING. You have had so much confidence in the Interstate Commerce Commission; will you permit me to read what the chairman of the commission says?

Mr. FESS. I have more confidence in the Interstate Commerce Commission than I have in any Senator here on this subject.

Mr. GOODING. All right, then, let me read you what Mr. Eastman, chairman of the Interstate Commerce Commission, says on page 440 of the Interstate Commerce Commission's report denying the transcontinental railroads' application for the violation of the fourth section on 47 different commodities. In speaking of the western roads, Mr. Eastman says:

> The notion that there is anything unique about the movement of empty cars in the latter territory is quite without foundation.

Mr. FESS. That statement——

Mr. GOODING. Just wait a minute, please.

Mr. FESS. I do not know what he means by it, but that statement is not borne out by the facts, because if 75 per cent of the cars that go west to be loaded with lumber must go as empty cars it goes without saying that there is a burden on the traffic that would be relieved if those cars could have been loaded, even though it were at a small rate.

Mr. GOODING. I placed in the RECORD figures which showed the empty-car movement on all of the transcontinental railroads—and the Senator was here when I put them in, and he heard me read them—that the empty-car movement on the western lines was lighter than in any other part of the United States. The Senator is not willing to accept those figures; and here comes the commission——

Mr. FESS. I put in last night the same statement covering the empty cars——

Mr. GOODING. Yes; you put in a table showing the cost of the empty-car movement.

Mr. FESS. Yes.

Mr. GOODING. You did not show the volume. I showed the volume—that the empty-car movement in the West was anywhere from 2 to 4 per cent less than in any other part of the United States. The Senator will not accept that, will he?

Mr. FESS. Will the Senator tell me how it is possible that there will not be an empty-car movement west when the eastbound traffic is so much larger than the westbound traffic? Please explain that. How is it possible that there will not be a great empty-car movement west when the eastbound traffic is so much greater than the westbound traffic?

Mr. GOODING. That is true in every part of this country. On every railroad the average empty-car movement is from 24 to 33 per cent.

Mr. FESS. For lumber it is 75 per cent in the West.

Mr. GOODING. I am talking about the average going west and the average going east. Here in the East and in the South you have an empty-car movement of 34 per cent and in the West we have an empty-car movement of about 28 to 33 per cent. Those figures are furnished by the commission. I am not going to discuss that, because those are the figures and those are the facts furnished by the Interstate Commerce Commission and the Senator should accept it.

Mr. SMOOT and Mr. KING addressed the Chair.

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

Mr. GOODING. I yield first to the senior Senator from Utah.

Mr. SMOOT. The Senator from Idaho does not quite understand the situation. What right have the people in Idaho to do anything but raise potatoes?

Mr. GOODING. Why, of course! That is all they want us to do.

Mr. SMOOT. What right have they to go into the manufacturing business to interfere with somebody else? They are there for the purpose of raising wheat and potatoes and nothing else.

Mr. GOODING. To be sure.

Now I yield to the junior Senator from Utah.

Mr. KING. No; I will not ask the Senator to yield to me at this time.

Mr. GOODING. The Senator was in the Chamber when I put the dividends of the Union Pacific and the Oregon Short Line into the RECORD. They can reduce all rates in Idaho, and especially the rate on potatoes, and then earn sufficient revenue; and I want to show the Senator from Ohio, who has fought so viciously, what the violations of the fourth section mean. I want to show him what would have happened to him if those violations had been granted instead of denied. He pleaded very eloquently for that, as we all know. He pleaded the empty-car movement and he pleaded every other argument that was made in the interest of those violations.

Mr. FESS. In the interest of the intermountain-country people.

Mr. GOODING. Yes. The Senator even went so far as to say to the Senator from Utah that if these violations were granted and these discriminations existed, or if this bill were passed and they were not granted, he would be back in a few years asking for violations.

Mr. FESS. I repeat that; and the Senator from Idaho will be the worst disappointed man 10 years from now in this Chamber if this bill passes.

Mr. GOODING. Let me tell the Senator that is just the "bunk" the railroads have been using for years, and they have succeeded in fooling some people who do not understand the deadly effect of discrimination in freight rates.

Mr. FESS. The Senator can not get anywhere by impugning any Senator here, whether it be the Ohio Senator or some one else, stating he has no judgment but what is borrowed from the railroads. That thing will go on the hustings but it will not go in the Senate.

Mr. GOODING. All right. Then I will say to the Senator that there is something wrong with his understanding of what discrimination means to any industry or to any community when he says the Senators of Utah and Idaho will be back asking for discrimination in freight rates against their industries and their States. That is what the Senator has said. The Senator knows you can destroy any industry or any city with discrimination in freight rates.

Mr. FESS. Let me ask——

Mr. GOODING. Wait a minute. The Senator says we will come back asking for discriminations against our States. Will the Senator ask for them against his State? Would the Senator accept them against his State?

Mr. FESS. If it be in the interest of the State and the general public, I would.

Mr. GOODING. The Senator knows it would not be, does he not?

Mr. FESS. No; I think it would be.

Mr. GOODING. Discriminations against your State would be to their interest?

Mr. FESS. I think they would be.

Mr. GOODING. Of course, the Senator thinks so; then I can not argue this question with him at all.

Mr. FESS. Let me ask the Senator a question now that he raised with the Senator from California. He pointed out the difference between the rate from San Francisco overland and the rate by water, and indicated that the interior point had to pay much more than San Francisco.

Mr. GOODING. Now, then, let us get back——

Mr. FESS. Wait; let me ask this question: What disadvantage is it to the interior point if the people of San Francisco are permitted the two lines of transportation, one water and the other rail? What disadvantage is it to the people in the interior if that is permitted? The people of San Francisco will have the lower rate anyway, and the interior people will not have the lower rate. They will likely have the higher rate, in order to enable the railroads to make up the loss. What advantage is it, and why deny the two lines from San Francisco?

Mr. GOODING. Did the Senator hear me read into the RECORD the earnings of the Southern Pacific Railroad?

Mr. FESS. Yes; I have heard everything the Senator has said, I think.

Mr. GOODING. Does the Senator think these violations are necessary?

Mr. FESS. I have done the Senator the honor to stay in the Chamber and to listen to everything he has said.

Mr. GOODING. All right. Does the Senator know that when there is a discrimination against any community that capital will never invest in any industry in that community? We believe we have just as much right to look forward to having industries in Idaho and Utah as the people of other States. I have tried to make my position clear to the Senator. I want the people of my State to have the same rights and the same opportunities for the development of their resources that the people east of Chicago have had where the Interstate Commerce Commission has never permitted the railroads to charge more for the shorter haul than for the longer haul to meet water transportation.

The State of Utah has more coal than Pennsylvania, more iron than any other State in the Union, and yet they have not even started to develop their industries.

Mr. FESS. I was speaking about that particular section of the Senator's State that produced potatoes. I know the people in his State produce apples, and they produce lumber, and that that is one of the great producing States in the Nation.

Mr. GOODING. The quality of Idaho potatoes has become famous all over the Nation. But we want to do something besides produce agricultural crops.

Mr. FESS. They produce more than they consume; therefore they ship out more than they ship in.

Mr. GOODING. What we need is more people in Idaho to eat more of our own potatoes and give us a greater home market for everything else we produce, but we can not have a great population in Idaho as long as we have discrimination in freight rates.

I am not going to yield to the Senator any longer until I get through with the industries in Ohio; and I want to direct my remarks to the Senator.

The soap industry is a great industry in Cleveland, is it not?

Mr. FESS. And Cincinnati.

Mr. GOODING. And Cincinnati. The Senator pleaded most eloquently for those violations.

Mr. FESS. No; for the principle——

Mr. GOODING. Let me tell the Senator what would happen if the violations came about. The present rate from Cincinnati on soap is $1.33 a hundred to Pacific-coast points. From Chicago it is $1.25 a hundred. There is a differential between Cincinnati and Chicago of 8 cents a hundred. If the application had been granted which the Senator pleaded for so eloquently——

Mr. FESS. The principle——

Mr. GOODING. The differential on that soap from Cincinnati would be 33 cents to Pacific-coast points instead of 8 cents.

Mr. FESS. Cincinnati still would live.

Mr. GOODING. Cincinnati would not live with the discrimination. The Senator defends it, does he, and accepts it?

Mr. FESS. Certainly; I defend the principle.

Mr. GOODING. Discrimination in freight rates is not a principle; it is a violation of the spirit of the Constitution. I am not going to yield any more time, because I have a lot of discriminations that I want to cite to the Senator and show to him what would have happened to him. There would have been a lot of new faces in this Chamber if those violations had been granted. It would have paralyzed the industries east of the west line of Indiana. It is a most remarkable thing, to my mind, that Senators should stand up and defend those violations, when their own States would have been paralyzed if they had been granted.

Mr. FESS. Mr. President, we have them——

Mr. GOODING. I am not going to yield any more. The Senator may listen, if he cares to. If he does not, I will put the figures in the RECORD, so that his people will know them.

Let us take cotton piece goods. From Cleveland the present rate is $1.73 a hundred to Pacific coast points. From Chicago the rate is $1.58 a hundred, there being a differential of 15 cents. If the application had been granted for which the Senator pleaded, and which he justified, the rate from Chicago would have been $1.10, and the differential on dry goods between Chicago and Cleveland at Pacific coast points would have been 63 cents a hundred instead of 15 cents a hundred. Fine! I wish the people of Cleveland had known the story in time.

Mr. FESS. The people of Cleveland are asking me to vote against the Gooding bill.

Mr. GOODING. It is a very peculiar thing that they are.

Mr. FESS. Yes.

Mr. GOODING. Too many people all over this country are controlled very largely by the great railroad organizations, and they do not seem to dare say their souls are their own.

Mr. FESS. They ought to go to Idaho——

Mr. GOODING. Let us take wrought iron and steel pipe. From Cleveland to Pacific coast points the rate is $1.15 a hundred. From Chicago the rate is $1. The differential is 15 cents. If the application had been granted, the rate from Chicago would have been 80 cents a hundred and the differential on wrought-iron pipe would have been 35 cents; and what would have happened to your industries? Yet the Senator stood here and championed those violations.

Take paint. The rate to Pacific coast points from Cincinnati is $1.40. From Chicago the rate is $1.25. But if the application had been granted it would have been $1 a hundred. The differential before was 15 cents, and if the applications had been granted it would have been 40 cents. What would have happened to that great paint industry at Cincinnati?

Mr. FESS. Nothing.

Mr. GOODING. It would have been wrecked, as far as the West was concerned. The Senator does not want the coast trade, then.

Let us take Indianapolis. If those violations had been granted, it would have upset all the rate structures, not only east of the west line of Indiana but even in the South. The present rate from Indianapolis on dry goods is $1.65 a hundred. The rate from Chicago is $1.58 per hundred, the differential being only 7 cents. But if the application for $1.10 had been allowed, for which the Senator pleaded so eloquently, the differential would have been 55 cents a hundred as against Indianapolis on dry goods.

The present rate on soap to coast points from Indianapolis is $1.33 a hundred. From Chicago the rate is $1.25. If the application had been granted, the rate would have been $1 a hundred. The differential there in that case would have been 33 cents.

Let me read the figures all the way through.

Mr. FESS. Mr. President——

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

Mr. GOODING. I can not yield to the Senator.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. GOODING. I decline to yield.

Mr. FESS. Mr. President, I rise to a point of order. The Senator seems to be talking to me constantly, and making the inquiry as to what would happen to the industries of my State. Yet he declines to allow me to answer as to what would happen.

Mr. GOODING. The Senator has taken up a good deal of my time and I am glad he has.

The PRESIDING OFFICER. The Chair does not sustain the point of order. The Senator declines to yield.

Mr. GOODING. I will read all the differentials, with relation to the different towns, and what would have happened if the violations had been allowed.

On bar iron the present differential between Cleveland and Chicago is 15 cents. If the applications had been granted, it would have been 30 cents.

On bolts and nuts the present differential at Pittsburgh is 15 cents. If violations had been granted, it would have been 34 cents.

On iron and steel from La Porte, Ind., the differential to the Pacific coast points is 8 cents. If the violations had been granted, it would have been 17 cents.

I shall not take the time to read all of these, but at the present time the differential is from 8 to 15 cents; and if the violations had been granted, they would have been anywhere from 17 to 40 cents.

Let us take lard and lard substitutes. From Indianapolis, Ind., the differential at the present time is 8 cents. If the violations had been granted, it would have been 25 cents.

Paper and paper articles. From Kalamazoo, Mich., the present differential is 8 cents. If violations had been granted, it would have been 32 cents.

The Senator did not know about this destruction that would have come to his State and the States east of the west line of Indiana when he was speaking so eloquently for those violations.

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

Mr. GOODING. Yes; I yield.

Mr. FESS. The thing in which Ohio and her people are interested is the employment of all the facilities of transportation. Their interests will be better served if we can employ both the water and rail routes, whether it be part rail and part water, or whether it be all rail and all water, and for that reason Ohio is opposed to the Senator's proposal.

Mr. GOODING. If the people of Ohio understood what those violations meant to the State they would not be opposed to this bill. If those violations had been granted, I want to tell the Senator, they would have stormed the Capitol here. Their industries would have been paralyzed. Make no mistake about that.

Let us see what would have happened to Charleston, Knoxville, and Birmingham. The present rate on ammunition to Pacific coast points is $2.03 a hundred. The present rate to Chicago is $1.40. The differential at present is 63 cents a hundred. If the proposed violations had been granted to Chicago, for which the Senator pleaded so eloquently, let me say again that the differential between Chicago and Charleston would have been 93 cents a hundred.

Take Knoxville. The present rate on ammunition is $1.87½ a hundred. The rate to Chicago is $1.40 a hundred. The differential is 47½ cents. If the violations had been granted the differential at Knoxville would have been 77½ cents per hundred.

Take Birmingham. The present rate is $1.80. The difference at the present time between the rate to Pacific coast points from Chicago and the rate from Birmingham is 40 cents a hundred. If the violations had been granted the difference would have been 70 cents per hundred pounds. It is a most remarkable thing to my mind that we find southern and eastern Senators pleading and fighting for these violations, defending them and justifying them, and being opposed to my bill.

Mr. President, I offer for the RECORD the following table which shows the proposed reduction and difference in rates from Chicago to Pacific coast points as applied for in the application of the western transcontinental carriers, without a like reduction from points of origin east and south of Chicago. This table shows conclusively that the proposed violations of the fourth section of the interstate commerce act to meet water transportation through the Panama Canal in favor of Chicago would disorganize and disrupt the rate structure in all of the industrial districts of the country.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table is ordered printed.

Present and proposed rates and differences in rates per 100 pounds to Pacific coast from the points shown below

Commodity	From points of origin	Present rate	Present difference in favor of Chicago	Proposed rate	Proposed difference in favor of Chicago
Dry goods: Cotton piece goods, etc.	Chicago	$1.58		$1.10	
	New York	1.87½	$0.29½	1.87½	$0.77½
	Pittsburgh	1.73	.15	1.73	.63
	Detroit	1.65	.07	1.65	.55
	Charleston	1.87½	.29½	1.87½	.77½
	Knoxville	1.73	.15	1.73	.63
	Birmingham	1.65	.07	1.65	.55
	Cleveland	1.73	.15	1.73	.63
	Indianapolis	1.65	.07	1.65	.55
	Fort Wayne	1.65	.07	1.65	.55
	Nashville	1.65	.07	1.46½	.36½
	Athens, Ala	1.65	.07	1.51	.41
	Jackson, Tenn	1.65	.07	1.48½	.38½
Iron and steel: Bars, bands, hoops	Chicago	1.00		.80	
	New York	1.30	.30	1.30	.50
	Pittsburgh	1.15	.15	1.15	.35
	Detroit	1.08	.08	1.08	.28
	Charleston	1.65	.65	1.65	.85
	Knoxville	1.50	.50	1.50	.70
	Birmingham	1.00		1.00	.20
	Cleveland	1.15	.15	1.10	.30

Present and proposed rates and differences in rates per 100 pounds to Pacific coast from the points shown below—Continued

Commodity	From points of origin	Present rate	Present difference in favor of Chicago	Proposed rate	Proposed difference in favor of Chicago
Iron and steel—Continued.					
Bands (pipes) rods (pipes) etc.	Chicago	$1.20		$0.85	
	New York	1.50	$0.30	1.50	$0.65
	Pittsburgh	1.35	.15	1.35	.50
	Detroit	1.28	.08	1.28	.43
	Charleston	1.65	.45	1.65	.80
	Knoxville	1.50	.30	1.50	.65
	Birmingham	1.42½	.22½	1.42½	.57½
	South Bend	1.28	.08	1.03½	.18½
	Lorain, Ohio	1.35	.15	1.14	.29
	Mansfield, Ohio	1.35	.15	1.13½	.28½
	Columbus, Ohio	1.35	.15	1.14	.29
	Indianapolis	1.28	.08	1.10	.25
Wrought iron and steel pipe.	Chicago	1.00		.80	
	Cleveland	1.15	.15	1.15	.35
Wrought-iron pipe	Chicago	1.00		.80	
	Indianapolis	1.08	.08	1.08	.28
	Fort Wayne	1.08	.08	1.08	.28
Plates and sheet iron	Chicago	1.00		.80	
	Columbus	1.15	.15	1.09	.29
Pressed steel car sides, etc. (80,000 pounds).	Chicago	1.00		.80	
	South Bend	1.08	.08	.98½	.18½
Structural iron	Chicago	1.00		.80	
	Elkhart, Ind	1.08	.08	1.00	.20
Bolts, nuts, etc	Chicago	1.00		.80	
	Pittsburgh	1.15	.15	1.14	.34
Billets, blooms, etc	Chicago	1.00		.80	
	Barberton, Ohio	1.15	.15	1.10	.30
Nails, spikes, etc. (80,000 pounds).	Chicago	1.00		.80	
	Lorain, Ohio	1.15	.15	1.09	.29
Rail fastenings	Chicago	1.00		.80	
	Mansfield, Ohio	1.15	.15	1.08½	.28½
Horseshoes	Chicago	1.00		.80	
	Dover, Ohio	1.15	.15	1.11	.31
Paint, etc	Chicago	1.25		1.00	
	New York	1.55	.30	1.55	.55
	Pittsburgh	1.40	.15	1.40	.40
	Detroit	1.33	.08	1.33	.33
	Charleston	1.65	.40	1.65	.65
	Knoxville	1.50	.25	1.50	.50
	Birmingham	1.42½	.17½	1.42½	.42½
	Cincinnati	1.40	.15	1.40	.40
	Indianapolis	1.33	.08	1.33	.33
	Fort Wayne	1.33	.08	1.33	.33
Paper and paper articles:					
Bags, wrapping, etc	Chicago	1.25		1.00	
	New York	1.55	.30	1.55	.55
	Pittsburgh	1.40	.15	1.40	.40
	Detroit	1.33	.08	1.33	.33
	Charleston	1.87½	.62½	1.87½	.87½
	Knoxville	1.73	.48	1.73	.73
	Birmingham	1.65	.40	1.65	.65
Lining, carpet	Chicago	1.25		1.00	
	New York	1.55	.30	1.55	.55
	Pittsburgh	1.48	.15	1.40	.40
	Detroit	1.33	.08	1.33	.33
	Charleston	1.73	.48	1.73	.73
	Knoxville	1.58	.33	1.58	.58
	Birmingham	1.50	.25	1.50	.50
Books	Chicago	1.25		1.00	
	New York	1.55	.30	1.55	.55
	Pittsburgh	1.40	.15	1.40	.40
	Detroit	1.33	.08	1.33	.33
	Charleston	1.73	.48	1.73	.73
	Knoxville	1.58	.33	1.58	.58
	Birmingham	1.50	.25	1.50	.50
Wall paper, etc	Chicago	1.35		1.00	
	New York	1.55	.20	1.55	.55
	Pittsburgh	1.50	.15	1.50	.50
	Detroit	1.43	.08	1.43	.43
	Charleston	1.87½	.52½	1.87½	.87½
	Knoxville	1.73	.38	1.73	.73
	Birmingham	1.65	.30	1.65	.65
Lard and lard substitutes	Chicago	1.60		1.20	
	New York	2.40	.80	2.40	1.20
	Pittsburgh	1.76	.16	1.76	.56
	Detroit	1.68	.08	1.68	.48
	Charleston	2.40	.80	2.40	1.20
	Knoxville	2.25	.65	2.25	1.05
	Birmingham	2.18	.58	2.18	.98
Soap	Chicago	1.25		1.00	
	New York	1.55	.30	1.55	.55
	Pittsburgh	1.40	.15	1.40	.40
	Detroit	1.33	.08	1.33	.33
	Charleston	1.73	.48	1.73	.73
	Knoxville	1.58	.33	1.58	.58
	Birmingham	1.50	.25	1.50	.50
	Indianapolis	1.33	.08	1.33	.33
	Fort Wayne	1.33	.08	1.33	.33
	Cincinnati	1.33	.08	1.33	.33
Cable, rope	Chicago	1.20		.90	
	New York	1.50	.30	1.50	.60
	Pittsburgh	1.35	.15	1.35	.45
	Detroit	1.28	.08	1.28	.38
	Charleston	1.65	.45	1.65	.75
	Knoxville	1.50	.30	1.50	.60
	Birmingham	1.42½	.22½	1.42½	.52½

Mr. President, I offer for the RECORD another table showing the present differences between a number of commodities east

of Chicago and the Chicago rate to the Pacific coast. This table also shows the difference that would have existed between these same points east of Chicago and the Chicago rate to the Pacific coast if the application of the transcontinental railroads had been granted.

I ask that this table be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

Commodity	Points of origin	Present differential	Proposed differential
Iron and steel articles	La Porte, Ind	$0.08	$0.17
Pipe, wrought iron or steel (60,000 pounds).	South Bend, Ind	.08	.18½
Pipe, cast iron and connections	Lorain, Ohio	.15	.29
Pipe fittings and connections	Elkhart, Ind	.08	.29
Axle wheels and forgings	Valparaiso, Ind	.08	.17
Castings and forgings, rough, etc	Columbus, Ohio	.15	.29
Do	South Bend, Ind	.08	.18½
Do	Detroit, Mich	.08	.27½
Do	Cleveland, Ohio	.15	.30
Do	Indianapolis, Ind	.08	.25
Plate and sheet iron, etc	Cincinnati, Ohio	.03	.28
Do	Indianapolis, Ind	.08	.25
Pipe, wrought iron or steel (40,000 pounds).	Lorain, Ohio	.15	.29
Structural iron (40,000 pounds)	Columbus, Ohio	.15	.29
Pressed steel car sides, etc	Mansfield, Ohio	.15	.28½
Nails, spikes, fencing, etc	Muncie, Ind	.08	.25
Do	Indianapolis, Ind	.08	.25
Do	Mansfield, Ohio	.15	.28½
Do	Elkhart, Ind	.06	.20
Lard and lard substitutes	Ivorydale, Ohio	.08	.28
Do	Indianapolis, Ind	.08	.25
Do	Cleveland, Ohio	.16	.30
Do	Columbus, Ohio	.16	.29
Paper and paper articles, bags, etc	Kalamazoo, Mich	.03	.32
Do	Benton Harbor, Mich	.08	.29½
Do	Elkhart, Ind	.08	.28½
Do	Goshen, Ind	.08	.29½
Do	La Porte, Ind	.08	.24½
Books, blanks, writing paper	Michigan City, Ind	.08	.24½
Do	Niles, Mich	.08	.27
Do	Mishawaka, Ind	.08	.26½
Do	Valparaiso, Ind	.08	.24½
Labels, etc	Middletown, Ohio	.08	.27½
Do	Hamilton, Ohio	.08	.27½
Do	Grand Haven, Mich	.08	.25½
Wall paper, etc	Cleveland, Ohio	.15	.42½
Do	Grand Rapids, Mich	.08	.35½
Do	South Bend, Ind	.08	.26½
Lining carpet, etc	Three Rivers, Mich	.18	.21
Do	Grand Rapids, Mich	.18	.25
Do	Adrian, Mich	.18	.26
Books, etc	Niles, Mich	.08	.27
Do	Valparaiso, Ind	.08	.24½
Do	Mishawaka, Ind	.08	.26½
Writing, etc	Erie, Pa	.25	.34
Do	Middletown, Ohio	.18	.27½
Do	Elwood, Ind	.18	.23½
Printing, other than newspapers	Michigan City, Ind	.08	.24½
Do	Benton Harbor, Mich	.08	.29½
Do	Elkhart, Ind	.08	.28½
Do	Cleveland, Ohio	.08	.23
Wrapping, etc	Anderson, Ind	.08	.24
Do	Marion, Ind	.08	.23
Do	Grand Rapids, Mich	.08	.25
Roofing, etc	Millers, Ind	.08	.14
Do	Michigan City, Ind	.08	.17
Do	Valparaiso, Ind	.08	.17
Soap	Indianapolis, Ind	.08	.33
Rosin, in barrels	Woodland, Ga	.15	.33
Do	La Grange, Ga	.30	.33
Do	Chatterton, Ga	.30	.33
Sodium, etc	Wyandotte, Mich	.08	.27½
Do	Niagara Falls, N. Y	.15	.34
Do	Barberton, Ohio	.15	.30
Wire and wire goods, cable, rope, etc	Columbus, Ohio	.15	.29
Do	Lorain Ohio	.15	.29
Do	Cleveland, Ohio	.15	.30
Paints	do	.15	.30
Do	Dayton, Ohio	.08	.27½
Do	Grand Rapids, Mich	.08	.25

Mr. GOODING. If these violations had been granted it would have destroyed all of the rate structure east of Chicago and south of Chicago. Why the great industries east of Chicago and south of Chicago should petition their Senators to vote against Senate bill 575 is one of the greatest mysteries of the age. It is entirely beyond my comprehension, and I can not account for it unless the great railroad lobby that has swarmed Congress pursuaded these great industrial cities to help them in their fight against Senate bill 575. How Senators east of Chicago and south of Chicago can champion these violations, as some of them have, is hard for me to understand, for I am sure, Mr. President, if these violations had been granted instead of denied there would have been a storm of protest in the States east and south of Chicago such as has never been known in the history of this country. Senators should take time to study the advantage these discriminations would have given Chicago. Chicago seems to think they are the hub around which the universe must travel. Not only the States east and south of Chicago have been sleeping on a volcano, but that would have been true of some of the States west of Chicago, which I will show shortly in my remarks.

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

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

Mr. GOODING. I am glad to yield to the Senator.

Mr. SHIPSTEAD. I am asking the question to clear up a matter that came up in the discussion this morning when the Senator from Illinois [Mr. DENEEN] was speaking. Is it the contention of the Senator from Idaho that the railroads are hauling freight on the long hauls for less than the cost of hauling?

Mr. GOODING. If the violations had been granted they would have hauled freight through the Senator's State of Minnesota to the Pacific coast for 19 cents a car-mile. That would be what is called an out-of-pocket rate. It would not be a fully compensatory rate at all. I do not think they are hauling any freight at the present time at what is called an out-of-pocket rate on the long haul westbound.

Mr. SHIPSTEAD. They are not hauling for less money than it costs to haul the freight?

Mr. GOODING. I do not know. I am not a rate expert. What I am fighting for is to give the Senator's State, as well as all other Western States which suffer from these discriminations, a chance to develop their resources. What I am fighting for is a chance to have industries out in the great agricultural districts of America, so they may break up the great wheat fields of America and not force all the people into a few of the great cities, as we are doing now under our present system of freight rates.

Mr. SHIPSTEAD. Under the fourth section of the transportation act are the railroads prohibited from hauling freight for less than a fairly compensatory rate?

Mr. GOODING. It is my understanding the commission differ among themselves as to what an out-of-pocket rate is, and the railroads also differ; an out-of-pocket rate has never been clearly defined. The railroads have always been willing to haul freight for any price that would destroy water transportation, and for that reason the freight rate in the interior has always been higher. The farmers of the country have paid for the destruction of water transportation, and there is no question of doubt about it in my mind or in the mind of any man who has studied the transportation problem.

Mr. SHIPSTEAD. If it is true that they are hauling freight at an out-of-pocket rate, then is it the Senator's opinion that they are violating the law?

Mr. GOODING. That depends on the definition you place on a reasonably compensatory rate.

Again let me say to the Senator that an out-of-pocket rate and a reasonably compensatory rate, as the law now provides, have never been clearly defined by the Interstate Commerce Commission. When the amendment to the fourth section of the interstate commerce act was before Congress and passed in 1920 the debate here in the Senate showed very clearly that those who championed that measure believed that a reasonably compensatory rate meant a fully compensatory rate, one that would earn all fixed charges of transportation, including interest on the investment, as well as dividends for the railroads, but the commission has not accepted the views of those who championed the amendment to the fourth section that was passed in 1920. As I have said before, an out-of-pocket rate may mean almost anything.

Mr. SHIPSTEAD. That is, an out-of-pocket rate?

Mr. GOODING. If it earns anything just above the out-of-pocket cost.

Mr. SHIPSTEAD. I am asking these questions for my own information.

Mr. GOODING. I am glad to answer as far as I can.

Mr. SHIPSTEAD. I have not determined for myself where the remedy lies. If it is true that the railroads are not allowed to haul freight at a rate that does not provide for adequate compensation, then they are violating the law. If they are not hauling freight long distances for less than the cost of hauling and if the interior rates are too high, it seems to me that the way to remedy the situation would be to see to it that the interior rates are lowered.

Mr. GOODING. I will say to the Senator that we made a fight for reduced rates when the great crisis swept over agriculture in 1920. When the deflation was forced on the country by the Federal Reserve Board witnesses appeared before the Interstate Commerce Commission and plead for a reduction in freight rates for agriculture. Does the Senator know what happened? We did not get any reduction at that time. When

one of the witnesses was pleading for a reduction in freight rates for the farmers, trying to tell the commission that the increase in freight rates had worked a great hardship on agriculture, I am told that one of the commissioners said, "If the farmers can not make a living, why do they not move off of the farm?" On another occasion it was said by a member of the commission, "If they can not grow wheat and make a living, why do they not grow something else?"

The Senator from Minnesota knows that the railroad organization in America is all powerful. And to a large extent they are responsible for some of the members on the Interstate Commerce Commission. Surely the Senator knows the railroads dominate this Government of ours as far as transportation is concerned, at least to a very large extent.

Mr. SHIPSTEAD. I am inclined to think that the railroads have dominated the Interstate Commerce Commission a great deal more than Congress has. I think that is a fair assumption to make in view of the history of the last 25 years. I think railroad regulation by the Government has failed. I think the theory has been entirely exploded. I think history shows that instead of the Government having been able to regulate the railroads, the railroads have regulated the Government. I do not care to take the Senator's time, but I wanted the point cleared up for myself as a matter of information. I wanted to know if the bill would produce a remedy by giving lower freight rates to the interior and if it is true that the railroads are hauling freight on the long hauls for less than the cost of hauling.

Mr. GOODING. Whenever they are permitted a violation of the fourth-section clause they do so, and the interior pays for it. The pending bill can do only one thing. The bill only settles one question, and that is that the railroads shall not be permitted to charge more for the shorter haul than for the longer haul. It does not go any further than that. If the Senator knows anything about the situation, he knows there has been a great lobby of railroad presidents and vice presidents stalking the Halls of Congress ever since the bill has been before the Senate and for a long time prior to that.

Mr. FESS. Mr. President, will the Senator from Idaho permit me to read to the Senator from Minnesota the ruling of the Interstate Commerce Commission on this matter?

Mr. GOODING. I think I have stated it very clearly.

Mr. FESS. No; I do not think so.

Mr. GOODING. I can not yield any further. It is going to be hard for me to get through even now, and I want to yield the floor to other Senators who want to speak to-day. The Senator from Ohio, in his remarks on last Saturday, said very positively that Senate bill 575 could not pass the Senate this year. At the same time he spoke about my genial disposition and how I had sat around the table and talked to Senators, and that it was for that reason that Senate bill 2327 had passed the Senate by such an overwhelming majority of 54 to 23.

Mr. FESS. I meant that as a compliment.

Mr. GOODING. It was a left-handed compliment. The Senator might have meant it, but I have never been known to have a genial disposition. I was not favored with a genial disposition, I am sorry to say. The Senator meant possibly to add a little sarcasm; my friends will have a good laugh when they read about my genial disposition. They will say, "If he has one, he has found it since he went to Washington. He did not have one when he left Idaho."

Mr. FESS. Oh, the Senator has a genial disposition.

Mr. GOODING. No; I have not. I am sorry to say the Senator is entirely mistaken.

Mr. FESS. I am reasoning from my own personal experience. The Senator almost persuaded me.

Mr. GOODING. If the Senator had given me a fair chance at him before he gave it to somebody else, I might have persuaded him. I am glad to have him insist, however, that it was not a left-handed compliment with a little sarcasm mixed in, but it was rather a reflection on the Senators who voted for my bill in the last session, which was a much more drastic measure than the pending bill, to say that any Senator can be controlled on a great public question by the influence of some genial Senator. God pity the American people if we are going to settle great public questions such as this by some one having a genial disposition in the Senate. I hope the time will never come when personal influence will direct anybody in the Senate to cast his vote a certain way, and I do not think it happened at the time the previous long-and-short-haul measure was passed.

When Senators were left to cast their own votes unhampered and without a great railroad organization to influence them, such as we have had here lately, they voted overwhelmingly for Senate bill 2327, more than 2 to 1. Now the Senator says that the pending bill can not pass. If it can not pass, it is not because of what the Senator has said. The Senator should not take any credit if the bill is defeated. The country knows where the credit belongs. It belongs to the great railroad lobby that has been here in Washington. I have known them to take Senators to lunch who voted for Senate bill 2327, the long and short haul bill, in the last session, and I suppose they have that right. I have seen them stop Senators out here in the corridors. I have seen them sitting in the Senate galleries looking down upon the Senate, hovering over it like buzzards I have seen in the West hovering over some animal whose life is fast flickering away, with the expectation of finally swooping down upon his dead body and picking his bones.

Those are the men who will be given credit for defeating the bill; not that they have had any influence upon Senators, but they have aroused a lot of commercial clubs, although I do not know how they have been able to do it. How they can go into any city east of the west line of Indiana whose industries would have been paralyzed if these violations had been granted and influence that commercial club against this bill is hard for me to understand. That is a mystery to me, and yet they have been able to do it. They went out into North Dakota, as was shown here yesterday, after resolutions had been passed indorsing the Gooding bill, and persuaded that commercial club to change its opinion and have it send letters here stating that it did not mean what had been said when it passed the resolution indorsing the Gooding bill. When the only hope of breaking up the wheat fields is to bring industries up there, and when we can not have industries as long as we have discrimination in freight rates, I can not understand that attitude on the part of any commercial club.

I want to correct the Senator from Ohio again. He said that only 10 per cent of the goods shipped to the Pacific coast go over the railroads. The actual table furnished by the Interstate Commerce Commission shows that 22.6 per cent of all of the goods from the eastern ports go over the railroads to the Pacific coast.

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

Mr. GOODING. Yes; I yield.

Mr. FESS. Reference was made to the 47 articles that were covered in the application. The figures given in the report as to iron and steel articles moving from all the groups, A to J, inclusive, to the Pacific Coast States, show that the rail tonnage was nearly equal to the water tonnage in 1921, while in 1922 the water tonnage was more than four times that by rail, and in 1923 was five and one-half times. As to all of the commodities covered by the application, 47 in number, it is shown that the railroad tonnage from all points to the terminals and the so-called back-haul territory in 1923 was 18 per cent and the water tonnage 82 per cent. My point was that if in 1923 it was only 18 per cent by rail and 82 per cent by water, then the statement that has been made that now 10 per cent only of the items under the application would be carried by rail is undoubtedly in error.

Mr. GOODING. I will give the Senator the figures as given by the Interstate Commerce Commission in the decision denying the fourth-section application to the transcontinental railroads on 11 items. It is found on page 229. I will not take the time to read it all, because I have to hurry along.

Mr. FESS. Take the 47 items. I was talking about the 47 items.

Mr. GOODING. These are selected items such as ammunition and steel.

Mr. FESS. I can give items of which 100 per cent is carried by water.

Mr. GOODING. I am referring only to 11 items.

Mr. FESS. I suggest that the Senator give the figures as to the 47 items covered by my statement.

Mr. GOODING. The records do not give them. The statement shows that 195,471 tons were carried by rail and 861,971 tons were carried by water, so that 22.6 per cent were carried by rail.

Mr. FESS. Those are the figures for 11 items. I have been talking about 47 items. I have a list of items here of which 100 per cent go by water.

Mr. GOODING. Here is what the majority of the commission has to say in their decision denying the application to the transcontinental railroads on 47 different commodities, on page 429:

> Eastern manufacturers and shippers also generally oppose the application. They contend that the relief sought is based on market competion rather than water competition, and that such competition is not sufficient ground for fourth-section relief. They can see no justification for a basis of rates which will extend their natural advantage of prox-

imity to economical water transportation to territory far inland, and which will perhaps so seriously impair the earnings of the water lines as to result in the curtailment of service. Other eastern manufacturers are more particularly concerned with the disruption of the existing rate relationships which would be caused by the establishment of the proposed rates. It goes without saying that the water lines oppose the application. To the extent that the rail carriers would gain traffic, they would lose it. If, rather than see their business taken from them, they should reduce their port-to-port rates, the result would be a loss of revenue both to the water and to the all-rail lines. Neither would gain, but both would lose. As above stated, carriers operating east of Chicago have not joined in the application, although urged to do so by the western lines. The Boston & Maine and New York, New Haven & Hartford Railroads, New England carriers, actively oppose it.

That many of the commodities embraced in the application move in considerable volume through the canal is evident from the record. This is particularly true as to iron and steel. The efforts of the rail carriers to ascertain the exact tonnages of the different commodities have not been entirely successful because of the differences between the water and rail classifications, but from examination of the records of the port authorities of the various ports they estimate that the movement by water of the particular items enumerated in their application during the six months from June to November, inclusive, 1923, aggregated 861,907 tons as compared with 195,471 tons all rail from all eastern defined districts to the ports, Los Angeles, and so-called backhaul territory in interior California, Oregon, and Washington. Their estimate of the tonnage of each commodity is shown below:

Commodity	By rail	Through canal
	Tons	*Tons*
Ammunition	245	367
Cotton piece goods	3,271	10,925
Soda alumina sulphate	25	
Lard and lard substitutes	4,003	4,118
Paint	6,597	8,104
Roofing material	5,845	4,541
Rosin		6,311
Soap	3,227	13,154
Soda	1,255	9,824
Iron and steel	156,085	779,369
Paper	14,918	25,194
Total	195,471	861,907

I should like to have some one tell me why great commercial clubs and organizations should be in favor of these violations and against the Gooding bill, when they know that if those violations had been permitted it would have injured their own industries and their own cities.

Mr. FESS. They do not know it.

Mr. GOODING. Quite evidently they do not, but it must be true; it is true; it can not be otherwise. When the differential is increased only a few cents, 5 or 10 cents, material injury may be wrought, but when it is increased as it is here, as much as 70 cents, paralysis is caused and there is nothing that can save the industries of the points discriminated against, as far as that particular trade is concerned, on the Pacific coast.

In one of the hearings before the examiner of the Interstate Commerce Commission on the application of the transcontinental railroads for the violation of the fourth section from Chicago to Pacific coast points a gentleman from Bridgeport, Conn., who had an ammunition factory at Bridgeport and one in Chicago, stated that unless these violations for which he was pleading were permitted it would mean that he would have to spend a million dollars in Bridgeport to enlarge his ammunition factory there to take care of the Pacific coast trade. Why should all of the country yield to Chicago on these violations and pay tribute to it? It is a good deal as the Senator from Illinois stated. Chicago is the hub, and around it the rest of the country must revolve.

What I am fighting for and pleading for is that we shall not continue a policy that drives the people all into the great cities at the expense of the interior. That is what violations of the fourth section and discrimination toward the interior mean. They can mean nothing else. If we continue the practice, the time is coming when the institutions of this country will be fairly brought to a test.

Here is Chicago appealing to the Government for protection against her own police force. A murder every day in the year is committed in that city, and crime is increasing at an alarming rate, yet they are asking for violations which, if permitted, would destroy the West, so far as the jobbing houses are concerned and the development of her industries.

I sometimes wonder what is going to happen in the great centers of population in America when the time comes, as it will come, when millions are out of work, and the laboring man hears his children crying for bread. I sometimes wonder what will happen in great cities like Chicago where organized criminals are running in droves like packs of wolves, where many have no respect for our institutions or for our laws; I wonder what is going to happen when the pinch of hunger comes. When men who have so little respect for our laws and our institutions become the leaders of mobs, what will be the result if we pursue this selfish policy and drive the people of the interior into the cities? It is estimated now that from three hundred to four hundred thousand men, women, and children are leaving the farm every year to go into the great cities. The urban population of America is increasing at an alarming rate. What are we going to do with them? Do Senators not wish to give the people of the West a chance to have industries established there and to make this a bigger and better country?

That is all we are fighting for, just what the people of the East have had for many years—freight rates without discrimination. Ever since we have had railroads the East has been so strong politically that the Interstate Commerce Commission did not dare to permit violations east of Chicago, outside of a few coal rates which were recently put in operation. I do not know how anyone can justify the action of the commission in allowing that. Why should one man pay more for the freight on his coal to keep him warm than someone else who has the privilege of living in a great city, and who has everything that is convenient and everything that is worth living for as compared to those dwelling in the country?

Mr. FESS. Mr. President, will the Senator from Idaho yield at that point?

Mr. GOODING. I do not think I can yield any further, because I have got to yield the floor very soon.

Mr. President, if I may have the attention of the western Senators, I want to call their attention to what I call a most remarkable situation. Here is Omaha, Kansas City, and other Missouri River points fighting against Senate bill 575, and at the same time pleading that Chicago be granted the violations on the 47 different commodities to Pacific coast points that have been discussed so much while this bill has been under consideration, and justified, especially by the Senator from Ohio as well as other Senators. Here is one of the most remarkable demonstrations, in my judgment, of the power the railroad organization has over our commercial bodies that the country has ever witnessed. It has always been my understanding that any city or any industry that had the lowest freight rate to any market had the best chance of selling in that market, but here is Omaha, as well as other Missouri River points, willing to set aside the advantage of a shorter haul of from 500 to 1,000 miles to the Pacific coast points than Chicago and to wipe out their differential and give Chicago the same freight rate to Pacific coast points if these violations on the 47 different commodities had been granted instead of denied.

With Chicago's well-organized industries and with plenty of capital to buy raw materials in great quantities, I ask what chance Omaha or any other Missouri River point would have in the markets of the Pacific coast with Chicago enjoying the same freight rate? I want to call the attention of the Senators of Nebraska to the advantage that Omaha now has in freight rates over Chicago, which they seem to be quite willing for some reason or other to surrender, but for what reason I am at a loss to understand. The Senators from Nebraska, I understand, have been flooded with telegrams asking them to vote against the Gooding bill. Let me show the Senators from Nebraska what would have happened to Omaha if these applications of the transcontinental railroads for violations of the fourth section of the interstate commerce act had been granted.

The freight rate on ammunition from Chicago is $1.40 per hundred.

Mr. NORRIS. To what point?

Mr. GOODING. From Chicago to San Francisco and all Pacific coast points. The present rate on ammunition from Omaha to Pacific coast points is $1.26 per hundred. There is a differential in favor of Omaha of from 8 cents to 16 cents per hundred on all of the 47 different commodities upon which the transcontinental railroads were asking for violations. If this application had been granted, all of these differentials would have been wiped out and freight would have passed through Omaha from Chicago carried on to Pacific coast points for the same rate Omaha would have to pay. Omaha, Kansas City, and St. Joseph were all willing to give Chicago the same freight rate to the Pacific coast points on packing-house products—that is, lard and lard substitutes, surrendering their present differential of 16 cents per hundred.

Mr. President, I offer for the RECORD another table showing the present and proposed rate on a number of commodities from Chicago, Omaha, and Denver to Pacific coast points; also the difference that exists at the present time, as well as the

difference that would exist if the application of the transcontinental railroads had been granted.

The PRESIDING OFFICER. Is there objection?

There being no objection, the table is ordered printed.

Present rate and differences in rates from Chicago, Omaha, and Denver, to Pacific coast points on various commodities; also rates proposed by western transcontinental carriers and resulting differences

Commodity	Points of origin	Present rate	Present difference under Chicago	Proposed rate	Reduction
Ammunition	Chicago	$1.40		$1.10	$.30
	Omaha	1.26	$0.14	1.10	.16
	Denver	1.26	.14	1.10	.16
Dry goods: Cotton piece goods, etc.	Chicago	1.58		1.10	.48
	Omaha	1.50	.08	1.10	.40
	Denver	1.41	.17	1.10	.31
Rosin	Chicago	1.20		.75	.45
	Omaha	1.05	.15	.75	.30
	Denver	.98½	.21½	.75	.23½
Soda: Alumina sulphate	Chicago	1.20		1.00	.20
	Omaha	1.08	.12	1.00	.08
Sodium, etc	Chicago	1.00		.75	.25
	Omaha	.90	.10	.75	.15
	Denver	.90	.10	.75	.15
Lard and lard substitutes, etc	Chicago	1.60		1.20	.40
	Omaha	1.44	.16	1.20	.24
	Denver	1.44	.16	1.20	.24
Soap	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Paint, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	12	1.00	.13
	Denver	1.13	.12	1.00	.13
Paper and paper articles:					
Bags, wrapping, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Wall paper	Chicago	1.35		1.00	.35
	Omaha	1.22	.13	1.00	.22
	Denver	1.22	.13	1.00	.22
Lining, carpet	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Books, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Writing, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Printing, other than newsprint, posters, etc.	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Wrapping, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	12	1.00	.13
Books, blank, writing paper, etc.	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Boxes, not corrugated, etc	Chicago	1.25		1.00	.25
	Omaha	1.13	.12	1.00	.13
	Denver	1.13	.12	1.00	.13
Boxes, corrugated, etc	Chicago	1.35		1.00	.35
	Omaha	1.22	.13	1.00	.22
	Denver	1.22	.13	1.00	.22
Labels, etc	Chicago	1.35		1.00	.35
	Omaha	1.22	.13	1.00	.22
	Denver	1.22	.13	1.00	.22
Roofing, etc	Chicago	1.10		.90	.20
	Omaha	.99	.11	.90	.09
Cable, rope, strands, etc	Chicago	1.20		.90	.20
	Omaha	1.08	.12	.90	.18
	Denver	1.08	.12	.90	.18
Rods, wire	Chicago	1.00		.80	.20
	Omaha	.90	10	.80	.10
Iron and steel:					
Bands (pipe), rods (pipe), etc	Chicago	1.20		.85	.35
	Omaha	1.08	12	.85	.23
Bands, shingles, ties, etc	Chicago	1.00		.85	.15
	Omaha	.90	.10	.85	.05
Billets, blooms, etc	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
Bolts, nuts, etc	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
Horseshoes, etc	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
	Denver	.77	.23	.80	[1].03
Castings and forgings, etc	Chicago	1.20		.90	.30
	Omaha	1.08	.12	.90	.18
Rail fastenings	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
Axle wheels and forgings	Chicago	1.00		.85	.15
	Omaha	.90	.10	.85	.05
	Denver	.90	.10	.85	.05
Structural iron (minimum weight 80,000 pounds).	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
Structural iron (minimum weight 40,000 pounds).	Chicago	1.25		1.00	.25
	Omaha	1.13	12	1.00	.13
Plate and sheet iron, etc	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
	Denver	.77	.23	.80	[1].03
Do	Chicago	1.15		.90	.25
	Omaha	1.04	.11	.90	.14
	Denver	.89	.26		

[1] Increase.

Present rate and differences in rates from Chicago, Omaha, and Denver, to Pacific coast points on various commodities; also rates proposed by western transcontinental carriers and resulting differences—Continued

Commodity	Points of origin	Present rate	Present difference under Chicago	Proposed rate	Reduction
Iron and steel—Continued.					
Pipe, wrought iron or steel, etc. (minimum weight 40,000 pounds).	Chicago	$1.25		$1.00	$0.25
	Omaha	1.13	$0.12	1.00	.13
	Denver	.96	.29		
Pipe, wrought iron or steel, etc. (minimum weight 60,000 pounds).	Chicago	1.00		.85	.15
	Omaha	.90	.10	.85	.05
Nails, spikes, etc. (minimum weight 80,000 pounds).	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
Nails, spikes, etc. (minimum weight 50,000 pounds).	Chicago	1.30		1.05	.25
	Omaha	1.17	.13	1.05	.12
Pipe, cast iron, and connections for same.	Chicago	1.00		.85	.15
	Omaha	.90	.10	.85	.05
Pipe fittings and connections	Chicago	1.00		.85	.15
	Omaha	.90	.10	.85	.05
Bar, band, hoop, etc. (on a number of steel articles there is a reduction of 15½ cents per 100 pounds, but Chicago has a reduction on the same articles of from 20 cents to 35 cents per 100 pounds).	Chicago	1.00		.80	.20
	Omaha	.90	.10	.80	.10
	Denver	.77	.23	.61½	.15½

Mr. NORRIS. Mr. President, can the Senator give the rate to some of the interior points in Nebraska?

Mr. GOODING. I am going to give them on steel and iron in a moment. I can give them on dry goods now. The rate on dry goods to Ogallala, Nebr., is $1.48. I am talking now about freight to the Pacific coast points, but all interior points would have paid a higher freight rate than the through rate if the application for fourth-section violations had been granted west of Ogallala.

Not only will Omaha yield all of the advantages that she now enjoys by being nearer the coast than Chicago, but the same is true of all river points. Even Denver, a thousand miles nearer Pacific coast points than Chicago, will surrender every advantage that she has. In other words, with exceptions of some steel products, the transcontinental railroads propose to haul freight from Chicago to San Francisco for the same rate that they will haul it from Denver.

The rate on ammunition from Denver is the same as it is from Omaha. The differential at the present time as between Chicago and Denver to Pacific coast points is 14 cents a hundred. On cotton goods, however, the differential is 17 cents a hundred in favor of Denver. That is all to be waived. The only advantage that Denver would be given if the violations were permitted would be on some steel articles, on which the rate would be reduced 15 cents a hundred. That rate would apply, however, not so much to Denver, but to Pueblo, from which point to San Francisco and coast points the rate on steel would be 61½ cents a hundred. The differential at the present time between Chicago and Denver, or Pueblo, is 23 cents a hundred. If the violations had been allowed the differential would have been only 18 cents a hundred. On horseshoes the present rate from Denver or Pueblo is 77 cents a hundred, and the differential on horseshoes between Chicago and Denver, or Pueblo, to Pacific coast points is 23 cents a hundred; but the rate is going to be increased on horseshoes from Denver. Denver is going to be given the Chicago rate; the rate is to be increased to 80 cents; so that they will have an increase of 3 cents on horseshoes. On iron pipe they have a differential at the present time of 29 cents over Chicago to Pacific coast points, but if these violations should be permitted they will only have a differential of 4 cents.

On lard and lard substitutes they have a differential at the present time of 16 cents. All that, however, is to be waived. Yet there is a packing house at Denver, which is a thousand miles nearer the Pacific coast points than is Chicago. Denver is surrendering every advantage it now enjoys in the interest of Chicago.

I have here, Mr. President, a most interesting table, to which I want to call the attention of Senators. At Pueblo there is located the Colorado Fuel & Iron Co., an industry that has been struggling for existence. The rate on steel products from Pueblo to Denver, a distance of 122 miles, is 18½ cents a hundred. The rate from Chicago to Omaha, a distance of 488 miles—and it should read from Gary, Ind., because Gary, Ind., is in the Chicago district—is 35 cents a hundred. The rate from Pueblo to Sterling, Colo., a distance of 263 miles, is 63

cents a hundred, while the rate from Chicago or from Gary, Ind., to Fremont, 530 miles from Chicago, is 40½ cents a hundred.

The rate from Pueblo to North Platte, a distance of 400 miles, is 67 cents a hundred. The rate from Chicago to Columbus, 575 miles, is 52½ cents a hundred.

The rate from Pueblo to Kearney, Nebr., 495 miles, is 69 cents a hundred. The rate from Chicago to Grand Island, 637 miles, is 62 cents a hundred.

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

Mr. GOODING. Yes.

Mr. NORRIS. Of course I am familiar with the geography of those towns and know their proximity, comparatively speaking, and know the distance between them; but the ordinary person, who is not familiar with Grand Island or Kearney or North Platte, will not understand the importance of the figures that the Senator is giving. He gives the rate from Pueblo, for instance, to North Platte; then he gives the rate from Chicago to Columbus or Grand Island. Why does he not give it to the same town? The rate would be the same I think.

Mr. GOODING. One is going east and the other is going west.

Mr. NORRIS. Yes; but, for instance, take Grand Island, Nebr. Suppose you want to buy some steel. The question is whether you will buy it at Pueblo or at Chicago. If you buy it at Chicago, it is shipped west. If you buy it at Pueblo, it is shipped east. It does not give very much information now unless you give the rate from Chicago and the rate from Pueblo to Grand Island, where you want to use the steel. You do not give it that way. You give it to another town which I happen to know is close at hand; but the ordinary person, hearing the Senator or reading his remarks in the RECORD, not understanding how these towns are located, would not understand the force of his argument.

I am mentioning that only to do what I thought might be of assistance to the Senator.

Mr. GOODING. What I am trying to show is that the rate westbound from Chicago on a mileage basis is very much less than it is eastbound. I am trying to show the discrimination on a mileage basis.

Mr. NORRIS. The Senator shows that.

Mr. GOODING. Of course, in showing the towns, the Senator will understand that the mileage is not the same westbound as it is eastbound to any two towns.

Mr. NORRIS. No.

Mr. GOODING. So I can not show the towns, as the Senator would ask me to do, for that reason.

Mr. NORRIS. I take it that the rate, for instance, on steel from Chicago to Grand Island would be just the same as though it were shipped to Kearney.

Mr. GOODING. Westbound?

Mr. NORRIS. Yes.

Mr. GOODING. I am placing a table in the RECORD that I am sure will give the Senator all the information he asks for.

Mr. NORRIS. They would be, I presume, in that instance exactly the same.

Mr. GOODING. The point I am trying to make is that, as far as the steel industry in Pueblo is concerned, they are denied the right to do business through discrimination in freight rates almost at their very doors.

Mr. NORRIS. I think the Seantor is showing that very forcefully.

Mr. GOODING. That is the point I wanted to make clear.

Mr. NORRIS. I thought it might be advantageous to show that not only is Pueblo discriminated against, and we ought to consider that, but Pueblo is only one place; that the other towns that could buy the product in the vicinity, and that would buy it if the freight rate permitted them, are also discriminated against.

Mr. GOODING. That is very true, because if they had a freight rate eastbound on a mileage basis the same as is given to the great steel plant at Gary, Ind., westbound, Pueblo would be able to give Nebraska a very much cheaper freight rate, which would mean cheaper steel for the people of Nebraska and a greater market for the steel plant at Pueblo. The distance from Pueblo to Omaha is 683 miles; the rate on steel is 71½ cents per hundred. If Pueblo was given the same freight rate on a mileage basis to Omaha that is given to the steel plant at Gary, Ind., Pueblo would have a freight rate of 45 cents per hundred instead of 71½ cents per hundred. If Pueblo was given the same freight rate on a mileage basis westbound to Pacific coast points that is given to the great steel plant at Gary, Ind., to Pacific coast points, Pueblo, instead of paying 77 cents per hundred on steel, which it is at the present time, would only pay 62 cents per hundred, and they would have a differential over Gary, Ind., of 38 cents per hundred. This would give the steel plant at Pueblo a chance to live and compete with the great steel plant at Gary, Ind., for the Pacific coast markets.

Mr. President, I ask unanimous consent to insert in the RECORD at this point the tables to which I have just referred.

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

Wrought iron and steel

[80,000-pound car]

	Distance	Rate per 100	Rate per car-mile
From Gary, Ind., to—	*Miles*		
Omaha, Nebr.	516	$0.35	$0.55
Fremont, Nebr.	546	.40½	.59
Columbus, Nebr.	591	.52½	.72
Grand Island, Nebr.	653	.62	.76
Kearney, Nebr.	695	.68	.76
North Platte, Nebr.	790	.79	.77
Sterling, Colo.	927	.87½	.75
Denver, Colo.	1,042	.82	.63
From Pueblo, N. Mex., to—			
Denver, Colo.	122	.18½	1.21
Sterling, Colo.	263	.63	1.91
North Platte, Nebr.	400	.67	1.34
Kearney, Nebr.	495	.69	1.12
Grand Island, Nebr.	538	.69	1.02
Columbus, Nebr.	600	.69	.92
Freemont, Nebr.	645	.69	.85
Omaha, Nebr.	683	.71½	.83

Mr. NORRIS. Mr. President, is not the argument often made that coming from the west east they have so many empty cars?

Mr. GOODING. The records of the Interstate Commerce Commission show that the empty-car movement on the transcontinental railroads is lighter both eastbound and westbound than on any other railroads in the United States.

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

Mr. GOODING. I yield.

Mr. FESS. Would it be of advantage to the West to pay a less rate upon the less amount that is going west than is paid going east? You are paying a less freight, according to the Senator, it is true, going east per car-mile than going west.

Mr. GOODING. What my people are arguing for is a freight rate on a mileage basis somewhere near what the rest of the country has. We do not care whether it is eastbound or westbound; we are willing to pay just as high a freight rate as the people of any other State pay. We are not willing to pay any more.

Mr. FESS. Then the Senator does not agree with the Senator from Nebraska.

Mr. GOODING. Oh, yes; I do. I do not think you understood the Senator at all.

Mr. NORRIS. Mr. President, I think my friend from Ohio has not understood the figures that the Senator from Idaho is giving. I based by question and my suggestion entirely on the figures he has given.

Mr. FESS. I put those figures in the RECORD last Saturday.

Mr. GOODING. It is not strange that the Senator can not understand discrimination in freight rates. I think he stated here on the floor of the Senate that in his early life he taught political economy. I never saw a political economist who did not get away from the touch of the common people. The Senator is something of an exception, I think, in that respect. He is not a free trader, as most of them are. I do not believe that he believes altogether in the doctrine of the survival of the fittest, which most of the political economists do; but he has never had a real touch of the school of experience, as the people in the West have in the case of these discriminations, or he would not discuss the bill as he does. Of course, all of his discussion all the way through shows that he has not come in touch with the real things of life, or he would not sit up here and say he would be willing to take a discrimination against his own State if the Interstate Commerce Commission said it was right. I am not willing to take discrimination in freight rates from any body of men as against any State, more especially when I know that at least some of the members of the Interstate Commerce Commission are dominated by the railroads.

For discrimination in freight rates will destroy any industry, any city, or any State in the Union. I am going to demand for the people of my State the same rights and the same privileges that the Interstate Commerce Commission has given the people east of Chicago where the discrimination in freight rates has never been permitted to destroy industry. I do not propose that the Interstate Commerce Commission, or any body of men, shall have the right to force discrimination in freight rates upon my State.

Mr. FESS. Mr. President, the Senator has a less rate going east because he has a larger cargo going east than going west. Does he not like that discrimination?

Mr. GOODING. That is not violation. I want to say to the Senator that the Interstate Commerce Commission has served some parts of this country most magnificently. I can understand the confidence that you have in them; your industries have never suffered from violations; and if we are going to legislate here on the basis of selfish interest then this bill should not pass; but the situation is different if you are going to permit the development of our water transportation. The great forces of nature have been more kind to America than to any other country in the world, because we have more great rivers in America than there are in any other country on earth, and we have an opportunity to develop more power than any other country with the exception of Africa. While we have only about 6 per cent of the world's population, yet we produce 25 per cent of all the gold, 45 per cent of all the silver, 60 per cent of all the coal, 40 per cent of the lead, 43 per cent of the copper, 28 per cent of all the wheat of the world, and so on down. Ours is a most wonderful country; and yet you go on here driving people out of the interior into your cities, all through a policy that you stand here and defend, and say you would even permit it as against your own industries if the Interstate Commerce Commission said it was right.

Oh, I like your simplicity; I like your confidence and your faith in other men; but you go a long way further than I am willing to go.

I am not going to place the prosperity and happiness of the people of my State in the hands of any body of men, I do not care who they are; and if this Interstate Commerce Commission does not suit the railroads, they will have one that will, and I do not care what party controls this Government. They are the biggest force in all the world to-day, and to a large extent they are dominating the Government.

Go back and look at the wrecks—the wreck of the Alton, the wreck of the 'Frisco, the wreck of the New York, New Haven & Hartford and other eastern roads, and now look at the wreck of the Milwaukee; and yet you seem to have confidence in the men who, I am sorry to say, have played too big a part in the affairs of this Government; and you yourself would be willing to submit to discriminations in freight-rates against your own industries and your own State if the Interstate Commerce Commission said it was right.

Mr. FESS. Would the Senator vote to abolish the Interstate Commerce Commission?

Mr. GOODING. No; I would not. I have a very high respect for some members of the Interstate Commerce Commission. It has been improved very much of late years. Thank God for that! If it had not been, those violations would have been granted and your industries would have been imperiled.

Mr. FESS. No violations have been granted since 1918 touching the intermountain country.

Mr. GOODING. Oh, there have been violations put in the RECORD eastbound that have been granted since that time.

Mr. FESS. I refer to the water route.

Mr. GOODING. I refer to the water route—violations that were put in as against the farmers, the bean growers, the fruit growers even in the interior in California, since 1918.

Mr. FESS. Violations going east?

Mr. GOODING. Going east.

Mr. FESS. That is to your advantage.

Mr. GOODING. Oh, yes; I know the Senator thinks so.

Mr. FESS. I thought the Senator said he had the violations, and I was saying he did not have them.

Mr. GOODING. We have the peak of freight rate all the time. Did the Senator hear the statement made the other day as to the dividends that were paid by the Oregon Short Line, which passes through my State?

Mr. FESS. Yes; I heard them.

Mr. GOODING. They paid a stock dividend in one year of $72,000,000. The capital stock of the railroad was only a little more than $27,000,000. In the same year they paid a cash dividend of $68,000,000, all in one year; and not as big dividends as that, but dividends similar to that, have been paid for a number of years.

Mr. FESS. Does the Senator's bill remedy that?

Mr. GOODING. Not at all. It does not touch it.

Mr. FESS. I thought not.

Mr. GOODING. Mr. President, I ask permission to print in connection with my remarks certain tables and data to which I have referred.

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

FOURTH-SECTION VIOLATIONS NOW IN EFFECT

SULPHUR

In 1922, when the Commerce Commission denied the general westbound application, it did grant fourth-section violations on sulphur moving from Texas and Louisiana ports to Pacific coast ports, as follows:

From Texas and Louisiana ports to California ports, 55 cents per hundred; to intermediate points, 83.5 cents per hundred.

From Texas and Louisiana ports to north Pacific coast ports, 65 cents per hundred; to intermediate points, like Payette, $1 per hundred.

These are now in effect.

* * * * * * *

EAST BOUND FROM CALIFORNIA PORTS

In 1922, when the Commerce Commission denied the general westbound application, it granted an application for fourth-section violations eastbound from California ports via the rail-and-water route of the Southern Pacific Railroad. This road operates a fleet of steamers from Galveston to New York City. The Southern Pacific hauls the goods from California ports by rail to Galveston and there loads on boats for shipment to New York.

In this violation a lower rate was granted from California terminal cities, like San Francisco and Los Angeles, to New York than the rate from interior California cities or Arizona cities to New York. This discrimination was for the purpose of taking eastbound traffic away from the Panama Canal boats. The violations granted follows:

	Rate from San Francisco and other terminals to New York	Rate from intermediate points such as Arizona to New York City
Asphalt	$0.77	$0.835
Beans	.70	1.05
Canned goods	.70	1.05
Dried fruits in boxes	.80	1.25
Dried fruits in sacks	1.00	1.45
Rice	.70	.92

THE MIAMI CASE

On July 7, 1925, the Interstate Commerce Commission granted application No. 12378 permitting the railroads to violate the long and short haul law on freight from Jacksonville, Fla., to Miami.

The reason for this, of course, was to permit the rail lines to take the business away from the boat lines along the coast of Florida. And, mind you, this was done when the railroads of Florida were so overloaded with traffic as to have a virtual freight blockade. Yet, with the railroads blockaded and unable to handle the business, they applied for and secured from the Interstate Commerce Commission fourth-section relief to take traffic away from the boat lines that were relieving the congestion.

* * * * * * *

THE WISCONSIN PAPER CASE

Last summer the Interstate Commerce Commission granted the famous Wisconsin paper case. It was an application by the railroads for long-and-short-haul violations from International Falls and other Wisconsin points to New Orleans in order to drive New England paper out of the Gulf-coast market. The Commerce Commission granted this application.

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	Ferris	La Follette	Sackett
Bayard	Fess	Lenroot	Sheppard
Bingham	Fletcher	McKellar	Shipstead
Blease	Frazier	McLean	Shortridge
Borah	George	McNary	Simmons
Bratton	Gillett	Means	Smith
Brookhart	Glass	Metcalf	Smoot
Broussard	Goff	Moses	Stanfield
Bruce	Gooding	Neely	Stephens
Butler	Hale	Norris	Swanson
Cameron	Harreld	Nye	Trammell
Capper	Harris	Oddie	Tyson
Caraway	Harrison	Overman	Wadsworth
Copeland	Howell	Pepper	Walsh
Couzens	Johnson	Phipps	Warren
Curtis	Jones, N. Mex.	Pine	Watson
Deneen	Jones, Wash.	Pittman	Weller
Edge	Kendrick	Ransdell	Wheeler
Edwards	Keyes	Reed, Pa.	Williams
Ernst	King	Robinson, Ark.	Willis

The VICE PRESIDENT. Eighty Senators having answered to their names, there is a quorum present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had

passed without amendment the bill (S. 3377) to amend section 5219 of the Revised Statutes of the United States.

THE PROHIBITION LAW

Mr. BRUCE. Mr. President, only a few minutes remain before the Senate is to go into executive session, but I would like to begin some observations that I desire to make on the speech delivered by the senior Senator from Tennessee [Mr. MCKELLAR] in this Chamber on the 13th instant with respect to prohibition.

Of course, I do not propose to enter one way or the other upon the old classical arguments touching that subject. I have repeatedly pointed out in the Senate that ever since the enactment of the Volstead Act there has been a steady increase from year to year in arrests under that act, and also in convictions under the act, and I have also repeatedly called the attention of the Senate to the fact that from year to year since the enactment of the Volstead Act, in every city of this country, East, West, North, and South, there has been a steady increase in arrests for drunkenness.

In view of the recent report of Miss Willebrandt to the Department of Justice, I might add to what I have said that last year witnessed a large increase in the number of inmates in every Federal penitentiary in the United States. For illustration, the increase in the number of inmates in the penitentiary at Leavenworth, Kans., was 450; in the penitentiary at Atlanta, Ga., 405; and in the much smaller penitentiary at McNeil Island, Wash., 58. Those penal institutions are hardly able to furnish cubic space enough to accommodate the hapless victims of prohibition. Indeed, to such a point have things arrived that a man is almost disposed to think that in the course of a few years' time one half of the inhabitants of the United States will be in the penitentiaries and the other half will be drunk, and there will be nobody to look after the commonwealth at all.

When the Senator from Tennessee was making the address to which I have referred one of his exhibits brought out the fact that no less than 90 per cent of all the convictions in criminal cases in one of the Federal districts of Tennessee are convictions for violations of the Volstead Act. The United States district attorney for the State of New Jersey a few months ago stated that 90 per cent of all convictions in the Federal courts of the State of New Jersey were of that character. It has been recently stated by the Department of Justice that in 71 out of 81 Federal districts in the United States upward of 50 per cent of all the convictions in criminal cases are convictions under the Volstead Act.

As I have intimated, it is no part of my purpose to-day to linger upon those indisputable facts; but there are just two or three features of the speech delivered by the Senator from Tennessee upon which I wish to dwell. First of all, he said:

> More than three and a half years ago the Manufacturers Record of Baltimore published letters from several hundreds of the foremost business men, manufacturers, bankers, farmers, educators, and professional men in the country, giving their views about the moral and economic value of prohibition. It appears that 98½ per cent of the reports showed they were in favor of some sort of prohibition, while 85½ per cent were for strict prohibition. Only 7 per cent wanted wine and beer, while 2.75 per cent were undecided and 1½ per cent were opposed to prohibition.

The circumstances surrounding those facts are these: In 1917 a large number of business men, farmers, educators, and professional men, to use the language of the Manufacturers Record, addressed a memorial to Congress suggesting that it take the necessary steps to bring about prohibition. Among the memorialists was Judge Elbert H. Gary, the president of the United States Steel Corporation. The statement has been made in the press that, notwithstanding his ardor about prohibition, his own habits are not those of a prohibitionist. That statement, to my knowledge, has been several times made in the press, and it has been made upon the floor of the Senate, and so far it has never been denied. Another one of those memorialists was Thomas A. Edison, of New Jersey. I trust he is not as familiar with "Jersey lightning" as he is with all other forms of electricity.

In 1922 the Manufacturers Record addressed a letter to all these memorialists—1,000 in number, the Record says they were—and asked them whether they were still of the same mind as they were when they signed the memorial. At the same time, we are told by the Record, it addressed a similar inquiry to several hundred other leading manufacturers, whose views about prohibition were entirely unknown to the Record, and to about 100 iron and steel men, who had at different times informed the Record that they favored prohibition. The Record states that the replies of 98½ per cent of the persons inquired of showed that they were in favor of some sort of prohibition, and 85½ per cent of those were in favor of strict prohibition; so the Record tells us. Some of the memorialists, we are further told by the Record, could not be reached because they were abroad, and some because they were dead, and some did not answer. Later on, in 1925, a business man in New York addressed a letter to the Record stating that it would be a good idea for it to make a survey of the business men who had given those replies. The survey was made by the Record and the response, it declares, was overwhelmingly in favor of prohibition.

EXECUTIVE SESSION

The VICE PRESIDENT. The hour of 3 o'clock having arrived, under the unanimous-consent agreement the nomination of Thomas F. Woodlock to be a member of the Interstate Commerce Commission will be considered in executive session. The Sergeant at Arms will clear the galleries and close the doors.

Thereupon the Senate proceeded to the consideration of executive business. After 2 hours and 30 minutes spent in executive session, the doors were reopened.

KNOW TENNESSEE

Mr. MCKELLAR. Mr. President, there has recently been conducted in Tennessee by the Nashville Banner and other newspapers of that State a most praiseworthy and enlightening campaign on "Know Tennessee." Public meetings were held and speeches made in many parts of the State. Prizes were offered by these newspapers for the best addresses on "Know Tennessee," and great enthusiasm and interest were aroused; and the historical, educational, agricultural, commercial, industrial, and natural resources of Tennessee were splendidly set forth.

The campaign ended with a tremendous mass meeting in Nashville on last Saturday. The two prize winners were Mr. Hammond Fowler, of Rockwood, Tenn., winning the first prize, and Mr. James N. McCord, of Lewisburg, winning the second prize. I have copies of these addresses, and they are most interesting and instructive. I ask unanimous consent that they may be published in the RECORD.

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

MR. FOWLER'S ADDRESS

The oration delivered by Hammond Fowler, of Rockwood, which was awarded first honors by the judges in the final contest of the "Know Tennessee" campaign at Tennessee War Memorial Auditorium Saturday night, carrying with it the award of the handsome silver trophy and $500 in money, and which was broadcast from station WSM at 11 o'clock Saturday night, is in full as follows:

"To appreciate fully the remarkable extent of Tennessee's many-sided progress let us first retrace the winding trail of time to a day which men still living can recall. Tennessee in 1866 was a State truly exemplifying a great Tennessean's description of the postwar South—'A land that has known sorrow and moistened it with tears, a land furrowed and riven by the plowshare of war and pillowed with the graves of her dead.'

"No other State had been so torn with fratricidal strife and bitterness; no other State save Virginia has been the scene of so many bloody conflicts of American arrayed against American. Tennessee in 1866 was in a condition of utter ruin; her social, economic, and political system in upheaval and her population rent into bitterly hostile sectional factions which eyed each other with enmity and suspicion. Educationally she plumbed the lowest depths. Politically an unrepresented mockery of government forced the respecting white element to the extremity of organizing the original Ku-Klux Klan for upholding society and administering a measure of justice.

"It is indeed a dark and distressing background, but one which brings out the subsequent achievements of Tennessee in bold relief and adds new glory to the volunteer State's heroic rise from war's ashes and reconstruction's cramping shackles.

"To attempt to enumerate in the brief space of 20 minutes every noteworthy phase of Tennessee's progress, resources, and opportunities is as futile as an attempt to dip up the Mississippi River with a gourd—indeed, it would be a task to set them forth adequately in as many hours.

"STATE'S GREAT SEAL

"In casting about for means of selecting the phases of most importance, I was impressed with the motto upon the State's great seal, 'Agriculture—Commerce,' and, interpreting the latter in the larger sense of producing articles of commerce, I shall seek to show how altogether appropriate for the present age is the State emblem designed by our forefathers.

"Since the days of Rome and Babylon agricultural strength has constituted the ultimate strength of every important nation, and Tennessee's agricultural richness is almost unbounded. Agriculturally

Tennessee, while but thirty-third in size, ranks twentieth among the States and holds fourth place in the South—the South of this discussion being not alone the territory east of the Mississippi and south of the Ohio and Potomac Rivers, but a vast and varied empire reaching from the upper waters of Chesapeake Bay or the desert land where New Mexico joins Texas, comprising one-third of all the States of the Union. Situated in the heart of this greater Southland, Tennessee is a veritable demonstration farm for the whole United States.

"Within Tennessee's borders every crop recorded in the Federal census—save only rice, sugar, and tropical fruits—is grown. Tennessee has forged to the front so rapidly that from 1900 to 1923 the value of her crops and livestock increased sixfold.

"GREAT CORN CROP

"For 15 years Tennessee's corn crop has been the largest in the South, except the immense State of Texas, and last year, handicapped by a drought unprecedented since the establishment of the Weather Bureau, Tennessee farmers raised a corn crop valued at more than $56,000,000. If ground into meal and put up in 24-pound sacks, it would suffice to pave a 96-foot roadbed the entire length of the Memphis-to-Bristol highway, with meal bags laid one against another.

"Increasing her tobacco crop 700 per cent in the past quarter century, Tennessee last year reached third place in the South as a tobacco-growing State. If all Tennessee's 1925 tobacco were rolled into cigarettes it would take one man, starting to-night, smoking one every five minutes, and keeping it up 24 hours a day, on down through the ages till the year 58,926 to consume the entire crop.

"Her 1925 cotton crop amounted to a half million bales of the snowy substance. If Tennessee soldiers to-day faced an invading foe behind cotton ramparts as they did to save New Orleans in 1815, they might place Tennessee's bales end to end and have a far-flung battle line extending from the field where Andrew Jackson smashed the flower of the British Army northward to a lofty hilltop where "Old Hickory," living in imperishable bronze, mounts guard beside the State capitol at Nashville.

"Tennessee's striking agricultural diversification is indicated by the fact that she ranks sixth in the Nation and third in the South in percentage of human food grown locally, only 22 per cent of the State's provisions coming from outside her own borders. Value of her farm property exceeds one and a quarter billion dollars—and over half of her population is engaged in agriculture.

"RECLAIMED LAND

"An illuminating commentary on the enterprise and energy of west Tennessee farmers is the fact that, though the State's area unfit for cultivation without drainage is a mere fraction of that in most Southern States, drainage enterprises representing an outlay of over $3,000,000 have reclaimed an acreage in that section larger than all of Scott, Sumner, or Haywood Counties, and made tillable fields of alluvial soil as rich as the valley of the Nile, from which truck farmers have cleared as high as $500 per acre in a single year.

"Tennessee has long been famous as a livestock State, sharing with Kentucky the distinction of breeding the finest and fastest horses, and with Missouri that of being the home of the original hay-burning tractor, whose elongated ears have waved beside the American flag in every war and whose flying heels have been the inspiration for humorists the world over. Despite the encroachment of Detroit there were over half a million horses and mules on Tennessee farms at the beginning of the present year.

"Tennessee is rapidly becoming the dairy center not alone of the South but of the Nation. A State that 15 years ago was buying her butter from Wisconsin is now manufacturing this golden product—golden in more ways than one—to the amount of over 13,000,000 pounds each year. The State has 16 cheese factories, 125 creameries, and an annual output of dairy products larger than any Southern State except Missouri.

"STRAWBERRY CROP

"Tennessee leads the Nation in strawberry growing, shipping in 1924 3,700 cars of the ruby fruit, valued at $15,000,000. In 1925 Tennessee's peach crop amounted to over 1,800,000 bushels, selling for more than $3,000,000, while the peach-growing industry is in its infancy. Tennessee peaches have been marketed in all the large cities of the North and East, and even found their way into Canada and across the Atlantic to England.

"The Volunteer State leads the South in the poultry industry, the value of her poultry and eggs increasing nearly 250 per cent in the last 15 years and reaching in 1924 $29,000,000. Nashville and Morristown are the greatest southern poultry-shipping centers, while Knoxville has the South's largest chick hatchery, sending its cheepy, fluffy, day-old products throughout the Northern and Eastern States.

"And now, after a brief airplane view of some outstanding aspects of Tennessee's agricultural greatness, let us bend our course to the fields of commerce and industry. Latest census figures show over 4,500 industrial plants within the State, engaged in 135 different lines of manufacturing, with an invested capital of $410,000,000. From 1921 to 1923 the value of Tennessee's industrial output increased 48 per cent, while reliable estimates for 1925 place the total at the princely sum of over $700,000,000, an increase of 25 per cent over 1923, nearly 100 per cent over 1921, and 3,000 per cent over 1880. The State's leading manufacturing industry in 1923 was knit goods, with $40,000,000 output, while the following ranged from $35,000,000 to $39,000,000: lumber and timber; cotton goods, flour and grain mill products; railroad repair shops; planing-mill products; cottonseed oil; foundry and machine shops; printing and publishing; furniture; ice cream; and confectionery.

"Tennessee leads the South in the rayon industry, the du Pont interests at Nashville and European capital at Elizabethton having under construction plants representing an investment of some $30,000,000 for the manufacture of this artificial silk, which has assumed great importance in the world's commerce.

"In the quarter century closing last year, Tennessee increased the number of active spindles in her cotton mills over 400 per cent, having a half-million turning in 1925, while the percentage of total spindles active was larger than that of Massachusetts, New England's greatest textile State. Prophetic of similar action in other industries and typical of southern textile supremacy, two Massachusetts cotton mills were dismantled in 1924 and moved to new locations in Tennessee, the New England of Dixie! East Tennessee has become America's greatest staple hosiery-making region. The South's largest blanket factory is in a middle Tennessee town. Tennessee ranks third in the South as a flour and grist milling State, Nashville making more flour than any other southern city; she is third in the South in furniture manufacturing, first in stoves and ranges, first in the world in cotton-seed oil products. She leads the South in printing and publishing, the largest southern printing establishment being in an east Tennessee town, while Nashville publishes more religious periodicals than any other city in America.

"Tennessee is second in the South in mining iron ore and manufacture of pig iron, producing nearly 300,000 tons of ore and a quarter million tons of iron in 1923. The first coal-using iron furnace south of the Ohio River was in Rockwood, where the original company still makes iron with a record of 53 years of uninterrupted 24-hour-a-day production.

"MANY FORESTS

"From Tennessee's 12,000,000 acres of forest land, containing 140 species of trees, were cut 451,000,000 feet of timber in 1921, while standing timber is estimated at 65,000,000,000 feet. A report issued by the State forestry division only two days ago places the 1925 output of mills in 22 counties at 575,000,000 feet, and says 'no hardwood timber lands in the United States have a greater potential value than of the Cumberland Plateau in Tennessee.' Cut-over lands will reproduce a timber crop more rapidly than in any other section of the United States, owing to the long growing season and abundant rainfall. Memphis is the world's greatest hardwood market, with Nashville second.

"In 1923 Tennessee stood thirteenth in the Nation and third in the South in electrical output, while the potential hydroelectric power awaiting development along her rivers challenges the imagination of the most visionary dreamer and leaves the brain dizzy in an attempt to conceive of its immensity. Conservative engineers who have spent years in the study of conditions here estimate that the Tennessee and Cumberland River systems within Tennessee are capable of producing some 5,000,000 horsepower of electrical energy—one-fifth of the potential power of all the 48 States combined. To put it graphically, Tennessee's hydroelectricity could crown the brow of mother earth with a halo of eternal light by supplying current for a white way of 5,000 candlepower bulbs set 35 feet apart on either side of a 25,000-mile boulevard. Had Tennessee no resources save her waterpower she would still be a splendidly favored Commonwealth of boundless opportunities. To go into details of Tennessee's power resources would exclude the discussion of any other subject, but suffice it to say that the projected development is no idle dream, that sites have actually been located and negotiations started looking to the early construction of dams to develop a million horsepower in the upper Tennessee and that their completion will give east Tennessee's industrial regions not only power but all-year navigation and an all-water outlet to the Gulf ports.

"POWER ENERGY

"Not content with endowing Tennessee's soil with fertility, clothing her hills with forests, and blessing her streams with potential energy to do the world's work, the great Creator placed beneath her surface 57 of the 63 commercial minerals known to the United States, thus making her a specimen case of diversified mineral resources found in no similar area on the American continent, Tennessee ranks second in the United States in the production of marble and of phosphate rock. East of the Mississippi she leads all States save Michigan in copper mining and New Jersey in zinc. She is second in the South in iron and fifth in coal mining, while at the 1923 production rate of 6,000,000 tons her coal fields are estimated to have a 4,000 years' supply. She produced $5,000,000 worth of Portland cement and $5,000,000 worth of

clay in 1924, the latter being brick clay, suitable for all kinds of brick, and ball clay for china, porcelain, and pottery.

"A single town in one month last year shipped 30 carloads of china and pottery, and development of Tennessee's clay promises to make her the center of Dixie's growing ceramic industry. Tennessee's petroleum output in 1925, though comparatively small, showed a 230 per cent increase over 1924—more than any State except New Mexico.

"Among other minerals found in quantities sufficient to warrant mining operations are: Barytes, bauxite, fluorspar, limestone, manganese, silica, slate, and traces of gold. The value of all minerals quarried or mined in Tennessee in 1924 was $46,000,000—an increase of 50 per cent over 1919 and 500 per cent over 1900.

"HER CITIZENSHIP

"I have told you much, ladies and gentlemen, about the progress and resources of Tennessee, but much more must remain unsaid. I have not stressed the fact that she has an orderly, intelligent, God-fearing Anglo-Saxon citizenship—a population 79 per cent white and literally 99.3 per cent pure American born; that, despite relatively small expenditures for public health, her white death rate in 1922 was lower than that of California, Florida, Maine, or Massachusetts; that a greater percentage of county and State revenue from taxation is spent for public education than in Massachusetts, New York, Illinois, Rhode Island, or Maryland—the home State of a misguided creature who in a recent magazine article referred to Tennesseeans as 'flop-eared yokels' and Tennessee as 'semisavage.'"

MR. MCCORD'S ADDRESS

The oration delivered by James N. McCord, of Lewisburg, which was awarded second honors and earned the $250 offered by the Banner, is in full as follows:

"As the fingers of the sunbeam
Lift the drapery of night,
Soundless its forms are shaping
'Neath the touches of the light,
And with eloquence unuttered
Speak they to the listening heart
As the traveler softly enters
Nature's gallery of art."
—Hageman.

"The poet must have had Tennessee in mind when he penned these lines. A State where nature's beauty attracts the visitor and bids him linger and, lingering, holds him in her tender embrace. A State peopled by the purest Anglo-Saxon citizenship, practically all descendants of pioneers. A climate that rivals that of any section of our country in its different and delightful changes.

"When the hardy pioneer blazed the trail into what is now Tennessee and from the trackless wilderness began the fashioning of a settlement he opened the door of opportunity to mankind, and all who have entered and who will enter have found and will continue to find the greatest possible fulfillment of their fondest dreams of wealth, of health, and happiness.

"But as every yesterday must have its to-day, so must every to-day have its to-morrow. We are rich in the heritage that is ours of the golden years of yesterday, splendid in the development of our resources of to-day, and wonderful in our possibilities and opportunities of to-morrow. A State of hallowed and precious memories, proud of those Tennesseans who have written their names high and well in the Nation's history as statesmen, as soldiers, as scholars, and as Christians. Sleeping in her tender and encircling arms is the dust of three Presidents of the Republic, a gift from Tennessee to the Nation. Equally as peacefully and as sacredly does she guard the narrow homes of soldiers and patriots of all wars from the Revolutionary to the great World War. Scholars of early days sleep in her soil, resting from completed labors that have benefited the race. Representatives of the Christian religion, who builded well the foundation structure of Christian citizenship, sleep their last long sleep in her bosom, here to arise when they shall be called to their reward.

"STRONG CHARACTER

"Outstanding characters were developed when we were only a territory, only to become more potent in world affairs when we became a part of the United States in June, 1796. Much time could be given to Jackson, Polk, Johnson, Sevier, Houston, Crockett, Forrest, and Davis, but let it suffice that the outstanding individual hero of all wars in which he fought was Tennessee's Andrew Jackson; the outstanding individual hero of the war for Texas independence was Tennessee's Davy Crockett; the outstanding individual hero of the Civil War was Tennessee's Sam Davis, and the outstanding individual hero of the great World War was Tennessee's Alvin York.

"In the World War the One hundred and fourteenth Field Artillery of Tennessee ranked first in the artillery units of the second army, while the Thirteenth Division, composed largely of Tennesseans, was the first to break the almost impregnable Hindenberg line. We would like to spend more time with the great characters that made Tennessee history and laid the foundation for her splendid citizenship. They will live in our hearts as long as life lasts. But as every yesterday must have its to-day, so must we come to the matter of knowing Tennessee as she is now and the delightful anticipation of what she will be to-morrow.

"The development of Tennessee has been amongst the outstanding features of this Nation. From the beginning of the settlement of this empire Tennessee has been essentially an agricultural section, and the vast wealth of crops of every known kind that can be grown in the latitude in which we are located are, in a large measure, developed and grown here, and they find easy access to and ready sale in the markets of the world. Tennessee produces 78 per cent of the food that her people consume. There are 252,669 farms in Tennessee, 218,020 operated by white farmers and the balance of a little more than 34,000 are operated by the colored race. We have 26,000,000 acres in our area, 17,911,025 acres in farm lands, with 11,185,302 acres in improved lands, the balance in woodland and pasture. There were, however, last year 1,271,171 idle acres in Tennessee. Our farm lands and buildings are valued at about $750,000,000, while the average price per acre is estimated at $42.50.

"PRINCIPAL CROPS

"Our principal crops are corn, oats, wheat, barley, white and sweet potatoes, cotton, tobacco, and fruits of many varieties. Our production of corn for 1925 was about 60,000,000 bushels, notwithstanding the unprecedented drought, but with redoubled energies and the active cultivation of more than 10 per cent of our improved land that was idle last year our possibilities for to-morrow are not 70,000,000 or 80,000,000 bushels but 100,000,000 bushels. It is estimated that corn fed to hogs at present value will net the farmer $3 per bushel. Compute in your mind the vast wealth for Tennessee from this one crop. What is true of corn is true in like proportion of the other grains we produce. There is nothing more inspiring than oceans of golden grain waving in the crisp air of a Tennessee day as it bows its head to the coming crop of red clover, giving from the field a rich yield to the owner and welcoming the coming of a legume that returns a fertility to the soil, guaranteeing to coming generations and even to those as yet unborn continued productivity of soil in the years that await.

"Commercial fruit growing has already passed the experimental stage in Tennessee, and many orchards and fields are yielding their owners a satisfactory income. We are fast becoming the leading truck-farming State of the South. We grow more strawberries than any of our sister States or, for that matter, any State in the Union. Millions and millions of dollars in green wrapped tomatoes are shipped from our borders in season; and what traveler away from home but that knows that every breakfast table of the East serves the rich-flavored, red-meat Tennessee cantaloupe? Canning plants dotted here and there over the State are sending Tennessee canned vegetables to the grocery shelves of the world.

"Tennessee ranks second in the Union in the number of colonies of bees kept on farms and seventh in the number of pounds of honey produced annually. We produced in 1920, in round numbers, $698,259 in honey and the half of the value of the bee culture is not told, because the bee is the pendulum that swings to and fro over orchard and field, giving a wealth of inestimable value to growing crops of fruit and vegetables.

"Livestock has been and will continue to be one of the greatest if not the greatest of our endeavors. There is no State in the Union that offers better advantages for the production of livestock than does Tennessee. We have an abundance of bluegrass, an unlimited supply of water, and all the lime in our soil for the development of bone. Hardly a county in the State but that is especially adapted to this industry. Our values for 1925 show a marked increase over 1920, but the half of our possibilities are yet untold.

"We are becoming a sheep-growing State and many farmers are obtaining wonderful results with the produce from their flocks. Our lambs and wool are ready for market long before those of Virginia and Kentucky, and as a result we get the earliest and best prices. It may interest you to be reminded that a bit of fleece from a Tennessee sheep won the grand prize at the London, England, exposition in 1856.

"We are short on hogs, but we challenge the world for a location better than ours for the production of hogs and the development of the swine industry. The present agitation for more hogs and the ton litter development idea with proper feeding and sure profits is one along educational lines, and we may soon come back to the honor that was ours in 1850, that of being the leading hog State in the Union.

"We have more purebred beef cattle than any other State in the Southeast. The three outstanding breeds of the beef type, Shorthorn, Aberdeen-Angus, and Hereford, being produced with signal success.

"DAIRY PROWESS

"The greatest dairy herds of the South are Tennessee herds. The dairy industry, yet in its infancy, produced $4,000,000 in 1925 from our creameries and cheese factories. Our cows are of unusual quality, and we are improving them every year. You may be interested in knowing that the first Jersey cow in the world to produce as much as 900 pounds of butter within a year was a Tennessee cow. The thirteenth gold-medal bull in the United States was developed in Tennessee.

Tennessee was the first State in the South to take up the eradication of bovine tuberculosis. In 1922 Bradley County in east Tennessee, Marshall County in middle Tennessee, and Shelby County in west Tennessee became tuberculosis-free areas. As a result our cows have been in heavy demand and we are shipping them by carload into the New England States, Canada, British Columbia, the Northwest, Mexico, Cuba, and throughout the South. After a while when the entire State is a free area we will be outstanding for health and high producing herds.

"We produce the greatest value of poultry and eggs in all States east of the Mississippi and south of the Ohio Rivers. We have the greatest hatchery center at Knoxville, the largest shipping center at Morristown, a trainload of poultry going from there to the East every Friday in the year, the greatest market-fattening center at Nashville. This interest is growing steadily in middle and west Tennessee, and with all natural and commercial advantages the future development of the poultry business on a standardized basis is bright. Our revenue from the poultry industry in 1924 was $29,000,000.

"The industrial development of Tennessee is astounding, once we appreciate its immensity. The manufactured products of the State for 1923 was $555,265,595. This was before the location of the two rayon silk plants in Tennessee, one at Old Hickory and the other at Johnson City. The rounded achievement of Tennessee in manufacturing is wonderful and the estimated value of the products for 1925 is $700,000,000. There is every good reason for the belief that the harnessing of more power from our waterways, our ideal labor conditions, will increase this amount to more than $1,000,000,000 within this good year.

"FOREST PRODUCTS

"The products of our forests reached $20,000,000 in 1923. Ninety-five per cent of the red cedar in the United States is within four counties of Tennessee. More children have learned to form the letters of the alphabet and more dotted lines have been signed by pencils made from Tennessee red cedar than from all other States of the Union combined.

"We are unable to compute the value of our mineral wealth, but we do know minerals of the country abound in the soil of our State. The output of the mines for 1925 was more than $46,000,000, and the surface of these rich deposits has hardly been touched.

"We are rich in our development of farming, manufacturing, and mines, the revenue derived from these three sources in 1925 being in excess of $2,000,000,000. Oh, if the knowing of Tennessee will only awaken a keener interest within our own borders it will bear fruit from out yonder, and with the influx of people into Tennessee we will build onto the splendid structure already begun and will grow on and on in the development of our limitless resources.

"The development of our water power is one of the big things before us to-day. It has been estimated by high authorities that the potential water power of the Tennessee River and its tributaries constitutes one-fifth of the entire water power of the United States. Fifteen years ago there were no hydroelectric developments in Tennessee. To-day the installed capacity is about 167,000 horsepower. If the present installation of equipment in hydroelectric plants in Tennessee continues, we should see about 330,000 horsepower within the next four years. It is estimated that there is yet available and awaiting development here something in excess of 1,000,000 horsepower.

"Tennessee is knitted together by a splendid system of railroads, fast destroying distances between given points and placing every section of the State not only in easy access of our own markets but within 24 to 36 hours of every available market.

"HIGHWAYS INCREASE

"We are taking high rank in the development of our highways, and splendid thoroughfares traverse most all counties of the State. We are just beginning this era of development. Where these highways go a better spirit of progress abounds, and Tennessee in growing out of the mud is staying high in the sunlight of splendid ideals, with the result that we are moving at a rapid rate in the development of every rural section of the State.

"Tennessee has ever been willing to open her purse strings to the boys and girls of the State. Thirty-three and one-third per cent of the gross revenue from all sources collected by the State are devoted to educational purposes. We have eight months' terms in our rural and elementary schools, a splendid high-school system, three splendid normals, one in each grand division of the State, the Polytechnic Institute at Cookeville, and the greatest institution of the kind in America in the University of Tennessee, at Knoxville. And this is not all; we have Peabody, Vanderbilt, Cumberland, and many other universities here and there over the State, and in Fisk we have the largest university in the United States for the colored race.

"The greatest development of our resources is in taking the raw material of childhood and passing it through our splendid educational institutions, making it a finished product in the manhood and womanhood of the State and sending them all over the Nation, where they are moulding sentiment and having their influence in controlling the destiny of the Republic.

"Tennessee has passed the dawn and shines resplendent. We have passed from the darkness of that overpowering poverty which rested like a pall on our State after the Civil War and reconstruction days. The clouds were heavy and lowering, but sunrise is here. We see the morning light and it will grow to meridian heights and flood the whole State with the glory of wide prosperity and progress.

"O Tennessee! You are wonderful in your scenic beauty. A land where tall trees lean together in friendly embrace, where the pink rambler and the American Beauty grow in profusion. You are wonderful in all your glory; your borders are a veritable garden of flowers. You are the coziest corner in nature's gallery of art.

"I have failed to dwell upon Tennessee's unequalled scenic wonders that have focussed the eyes of the world on her mountains, the highest, wildest, and grandest in eastern America. I have failed to picture, nor can I adequately do so now, the matchless all-year climate of Tennessee, with winters seldom too cold to interfere with work or play, summers seldom too hot for health or comfort, and spring and autumn seasons of delight such as no other sections enjoy.

"As for the opportunities of Tennessee—study her resources, survey her unparalleled possibilities, from where the majestic flow of the Mississippi waters, the dense verdure of alluvial plains, eastward to where the mid-high peaks of the Great Smokies tower into the chill upper reaches of a sapphire sky to catch the first kiss of morning sunlight. Dream dreams, see visions—then turn to the cold pages of Tennessee facts and find a place for the fulfillment of your heart's desire!

"Tennesseeans! Fellow citizens of the State that gave me birth and within whose borders I hope to live and work till my final summons comes, let us appreciate the greatness of our own home State; let us realize her splendid past, her inspiring present, and from these combined catch a vision of a Tennessee of the future which shall along every line of endeavor surpass the Tennessee of 1926 even as the latter surpasses the broken, bleeding, ruin which was Tennessee in 1866. Let us forget narrow prejudices, wipe out sectional lines, drop our 'hyphenated' titles of east Tennessee, middle Tennessee, and west Tennessee, and, like the three musketeers of Dumas's romance, join our hearts and hands in a sacred pledge of 'one for all and all for one'—Tennesseeans dedicated to the upbuilding and development of Tennessee!"

COLORADO RIVER BRIDGE NEAR BLYTHE, CALIF.

Mr. SHORTRIDGE. I ask unanimous consent for the present consideration of the bill (S. 3103) authorizing the construction of a bridge across the Colorado River near Blythe, Calif.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with an amendment, to strike out all after the enacting clause and to insert:

That the consent of Congress is hereby granted to John Lyle Harrington, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Colorado River at a point suitable to the interests of navigation, near the city of Blythe, Calif., in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act. The construction of this bridge shall not be commenced, nor shall any alteration in such bridge be made either before or after its completion, until the plans and specifications for such construction or alteration have been submitted to the Secretary of War and the Chief of Engineers and approved by them as being adequate from the standpoint of the volume and weight of traffic which will pass over it.

SEC. 2. The said John Lyle Harrington, his heirs, legal representatives, and assigns, is hereby authorized to fix and charge tolls for transit over such bridge, and the rates so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in such act of March 23, 1906.

SEC. 3. After the date of completion of such bridge, as determined by the Secretary of War, either the State of California, the State of Arizona, any political subdivision of either of such States, within or adjoining which such bridge is located, or any two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and approaches, and interests in real property necessary therefor, by purchase or by condemnation in accordance with the law of either of such States governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 20 years after the completion of such bridge it is acquired by condemnation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and approaches, less a reasonable deduction for actual depreciation in respect of such bridge and approaches, (2) the actual cost of acquiring such interests in real property, (3) actual financing and promotion costs (not to exceed 10 per cent of the sum of the cost of construction of such bridge and approaches and the acquisition of such interests in real property), and (4) actual expenditures for necessary improvements.

SEC. 4. The said John Lyle Harrington, his heirs, legal representatives, and assigns, shall, immediately after the completion of such

bridge, file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and approaches, including the actual cost of acquiring interests in real property and actual financing and promotion costs. Within three years after the completion of such bridge the Secretary of War may investigate the actual cost of such bridge, and for such purpose the said John Lyle Harrington, his heirs, legal representatives, and assigns, shall make available to the Secretary of War all of his records in connection with the financing and construction thereof. The findings of the Secretary of War as to such actual original costs shall be conclusive.

SEC. 5. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

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

RECESS

Mr. JONES of Washington. I move that the Senate take a recess, in accordance with the unanimous-consent agreement entered into on the 16th instant.

The motion was agreed to; and the Senate (at 5 o'clock and 30 minutes p. m.), under the unanimous-consent agreement heretofore entered into, took a recess until to-morrow, Wednesday, March 24, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 23 (legislative day of March 20), 1926

POSTMASTERS

ALABAMA

Harry L. Jones to be postmaster at Bay Minette, Ala., in place of H. L. Jones. Incumbent's commission expired February 14, 1926.

Henry M. Gay to be postmaster at Lanett, Ala., in place of H. M. Gay. Incumbent's commission expired March 22, 1926.

Arthur G. Smith to be postmaster at Opelika, Ala., in place of A. G. Smith. Incumbent's commission expired March 22, 1926.

Joseph J. Langdon to be postmaster at Reform, Ala., in place of J. J. Langdon. Incumbent's commission expires March 23, 1926.

Dona M. Dees to be postmaster at Repton, Ala., in place of D. M. Dees. Incumbent's commission expired March 23, 1926.

CALIFORNIA

Nellie Pellet to be postmaster at Brawley, Calif., in place of Nellie Pellet. Incumbent's commission expired March 22, 1926.

Walter D. Neilson to be postmaster at Del Monte, Calif., in place of W. D. Neilson. Incumbent's commission expired October 8, 1925.

Ray G. Brackett to be postmaster at Geyserville, Calif., in place of R. G. Brackett. Incumbent's commission expired November 23, 1925.

Tracy Learnard to be postmaster at Gilroy, Calif., in place of Tracy Learnard. Incumbent's commission expired March 22, 1926.

Frank L. Huff to be postmaster at Mountain View, Calif., in place of F. L. Huff. Incumbent's commission expired March 22, 1926.

John W. G. Mauger to be postmaster at Standard, Calif., in place of J. W. G. Mauger. Incumbent's commission expired March 22, 1926.

COLORADO

Hoyt D. Whipple to be postmaster at Berthoud, Colo., in place of H. D. Whipple. Incumbent's commission expired March 22, 1926.

Frank M. Whalen to be postmaster at Deertrail, Colo., in place of F. M. Whalen. Incumbent's commission expired December 14, 1925.

Albert Neuman to be postmaster at Elbert, Colo., in place of Albert Neuman. Incumbent's commission expired February 17, 1926.

Norman P. Beckett to be postmaster at Lafayette, Colo., in place of N. P. Beckett. Incumbent's commission expired March 22, 1926.

Thomas S. Percy to be postmaster at Tabernash, Colo., in place of T. S. Percy. Incumbent's commission expired March 22, 1926.

DELAWARE

Samuel S. Dennison to be postmaster at Yorklyn, Del., in place of S. S. Dennison. Incumbent's commission expired November 15, 1925.

FLORIDA

William T. DuPree to be postmaster at Citra, Fla., in place of W. T. DuPree. Incumbent's commission expires March 24, 1926.

Homer B. Rainey to be postmaster at Wauchula, Fla., in place of H. B. Rainey. Incumbent's commission expires March 24, 1926.

ILLINOIS

Emma H. Paine to be postmaster at Alpha, Ill., in place of E. H. Paine. Incumbent's commission expired November 17, 1925.

Gustav H. Beckemeyer to be postmaster at Beckemeyer, Ill., in place of G. H. Beckemeyer. Incumbent's commission expired March 21, 1926.

Lacey D. Irwin to be postmaster at Kane, Ill., in place of L. D. Irwin. Incumbent's commission expired February 24, 1926.

Peter F. Moore to be postmaster at Lake Forest, Ill., in place of P. F. Moore. Incumbent's commission expires March 24, 1926.

Ray F. Tribbett to be postmaster at Mount Pulaski, Ill., in place of R. F. Tribbett. Incumbent's commission expires March 24, 1926.

Henry W. Schilling to be postmaster at Noble, Ill., in place of H. W. Schilling. Incumbent's commission expired March 21, 1926.

Edward F. Guffin to be postmaster at Pawpaw, Ill., in place of E. F. Guffin. Incumbent's commission expires March 24, 1926.

INDIANA

Jennette Mertz to be postmaster at Bunker Hill, Ind., in place of Jennette Mertz. Incumbent's commission expires March 23, 1926.

Earl R. Shinn to be postmaster at Mentone, Ind., in place of E. R. Shinn. Incumbent's commission expires March 23, 1926.

Omer R. Metz to be postmaster at South Whitley, Ind., in place of P. A. Edwards. Incumbent's commission expired January 30, 1926.

Othor Wood to be postmaster at Waldron, Ind., in place of Othor Wood. Incumbent's commission expires March 23, 1926.

William W. Schmidt to be postmaster at Wanatah, Ind., in place of W. W. Schmidt. Incumbent's commission expired January 18, 1926.

IOWA

Mikel L. Larson to be postmaster at Callender, Iowa, in place of M. L. Larson. Incumbent's commission expired March 22, 1926.

George E. Gates to be postmaster at Edgewood, Iowa, in place of G. E. Gates. Incumbent's commission expired March 2, 1926.

Weber B. Kuenzel to be postmaster at Garnavillo, Iowa, in place of W. B. Kuenzel. Incumbent's commission expired December 14, 1925.

Anna M. Wilhelmi to be postmaster at Garwin, Iowa, in place of A. M. Wilhelmi. Incumbent's commission expired October 20, 1925.

Ralph A. Dunkle to be postmaster at Gilman, Iowa, in place of R. A. Dunkle. Incumbent's commission expires March 24, 1926.

Jay E. Beemer to be postmaster at Gravity, Iowa, in place of J. E. Beemer. Incumbent's commission expires March 24, 1926.

William Hayes to be postmaster at Harlan, Iowa, in place of William Hayes. Incumbent's commission expired March 22, 1926.

Isabelle A. Boyle to be postmaster at McGregor, Iowa, in place of I. A. Boyle. Incumbent's commission expires March 24, 1926.

Elmer L. Langlie to be postmaster at Marquette, Iowa, in place of E. L. Langlie. Incumbent's commission expired December 14, 1925.

Harley S. Rittenhouse to be postmaster at Monona, Iowa, in place of H. S. Rittenhouse. Incumbent's commission expired March 2, 1926.

Marshall W. Maxey to be postmaster at Riverton, Iowa, in place of M. W. Maxey. Incumbent's commission expired January 18, 1926.

George H. Kinney to be postmaster at Stacyville, Iowa, in place of G. H. Kinney. Incumbent's commission expired March 22, 1926.

Simon C. V. Blade to be postmaster at Stanton, Iowa, in place of S. C. V. Blade. Incumbent's commission expired March 22, 1926.

KANSAS

Frank E. George to be postmaster at Altamont, Kans., in place of F. E. George. Incumbent's commission expired December 21, 1925.

Benjamin F. Liebst to be postmaster at Greeley, Kans., in place of B. F. Liebst. Incumbent's commission expired October 20, 1925.

KENTUCKY

William H. Sergent to be postmaster at Jenkins, Ky., in place of W. H. Sergent. Incumbent's commission expired November 15, 1925.

MAINE

Anna T. Douglass to be postmaster at Yarmouthville, Me., in place of A. T. Douglass. Incumbent's commission expired November 15, 1925.

MICHIGAN

Verl L. Amsbaugh to be postmaster at Camden, Mich., in place of V. L. Amsbaugh. Incumbent's commission expires March 24, 1926.

Fred G. Rafter to be postmaster at Decatur, Mich., in place of F. G. Rafter. Incumbent's commission expired March 22, 1926.

Claude E. Hyatt to be postmaster at Linden, Mich., in place of C. E. Hyatt. Incumbent's commission expired March 22, 1926.

Otto J. Benaway to be postmaster at Orion, Mich., in place of O. J. Benaway. Incumbent's commission expired March 22, 1926.

Charles J. Gray to be postmaster at Petoskey, Mich., in place of C. J. Gray. Incumbent's commission expired March 22, 1926.

Hattie B. Baltzer to be postmaster at Scottville, Mich., in place of H. B. Baltzer. Incumbent's commission expired March 22, 1926.

Grover J. Powell to be postmaster at Washington, Mich., in place of G. J. Powell. Incumbent's commission expired March 22, 1926.

Joseph L. Kelly to be postmaster at Watersmeet, Mich., in place of J. L. Kelly. Incumbent's commission expired March 22, 1926.

MINNESOTA

Pearl M. Hall to be postmaster at Ah-Gwah-Ching, Minn., in place of P. M. Hall. Incumbent's commission expired March 21, 1926.

Edith A. Marsden to be postmaster at Hendrum, Minn., in place of E. A. Marsden. Incumbent's commission expired November 22, 1925.

William Pennar to be postmaster at La Porte, Minn., in place of William Pennar. Incumbent's commission expires March 24, 1926.

MISSISSIPPI

Mable C. Brashears to be postmaster at Gunnison, Miss., in place of M. C. Brashears. Incumbent's commission expired February 17, 1926.

Florence Brady to be postmaster at Lula, Miss., in place of Florence Brady. Incumbent's commission expired March 21, 1926.

MISSOURI

Ada M. Pattee to be postmaster at Amsterdam, Mo., in place of Marie Amyx. Incumbent's commission expired December 21, 1925.

Carl F. Sayles to be postmaster at Laclede, Mo., in place of C. F. Sayles. Incumbent's commission expired February 17, 1926.

Herbert H. A. Redeker to be postmaster at Morrison, Mo., in place of H. H. A. Redeker. Incumbent's commission expired February 17, 1926.

Charles O. Vaughn to be postmaster at Weaubleau, Mo., in place of C. O. Vaughn. Incumbent's commission expired February 17, 1926.

William P. Murphy to be postmaster at Wheatland, Mo., in place of W. P. Murphy. Incumbent's commission expired February 2, 1926.

NEBRASKA

Lillian M. Longan to be postmaster at Bartley, Nebr., in place of L. M. Longan. Incumbent's commission expired January 16, 1926.

Francis E. Davis to be postmaster at Homer, Nebr., in place of F. E. Davis. Incumbent's commission expires March 24, 1926.

Edward A. Walker to be postmaster at Stuart, Nebr., in place of E. A. Walker. Incumbent's commission expires March 24, 1926.

NEVADA

Bert M. Weaver to be postmaster at Goldfield, Nev., in place of B. M. Weaver. Incumbent's commission expires March 24, 1926.

NEW JERSEY

Adrian P. King to be postmaster at Beachhaven, N. J., in place of A. P. King. Incumbent's commission expired January 21, 1926.

William Q. Schoenheit to be postmaster at Long Valley, N. J., in place of W. Q. Schoenheit. Incumbent's commission expired March 22, 1926.

Rae B. Cook to be postmaster at Mount Arlington, N. J., in place of R. B. Cook. Incumbent's commission expired March 22, 1926.

Lucius C. Higgins to be postmaster at Mountain Lakes, N. J., in place of L. C. Higgins. Incumbent's commission expired March 22, 1926.

Otis F. Lee to be postmaster at Ocean Grove, N. J., in place of O. F. Lee. Incumbent's commission expired March 22, 1926.

Harold Chafey to be postmaster at Point Pleasant, N. J., in place of Harold Chafey. Incumbent's commission expires May 16, 1926.

NEW YORK

La Dette G. Elwood to be postmaster at Alden, N. Y., in place of L. G. Elwood. Incumbent's commission expires March 23, 1926.

Joseph F. Krampf to be postmaster at Allegany, N. Y., in place of J. F. Krampf. Incumbent's commission expires March 24, 1926.

Robert H. MacNaught to be postmaster at Hobart, N. Y., in place of R. H. MacNaught. Incumbent's commission expired November 8, 1925.

Clinton D. Drumm to be postmaster at Malverne, N. Y., in place of C. D. Drumm. Incumbent's commission expires March 23, 1926.

Jesse W. Lewis to be postmaster at Petersburg, N. Y., in place of J. W. Lewis. Incumbent's commission expires March 23, 1926.

Robert L. Wilcox to be postmaster at Port Leyden, N. Y., in place of R. L. Wilcox. Incumbent's commission expires March 24, 1926.

Sutherland Lent to be postmaster at Sloatsburg, N. Y., in place of Sutherland Lent. Incumbent's commission expired March 20, 1926.

Isaac Bedford to be postmaster at Thiells, N. Y., in place of Isaac Bedford. Incumbent's commission expired March 20, 1926.

Henry W. Osborn to be postmaster at Ulster Park, N. Y., in place of H. W. Osborn. Incumbent's commission expired November 23, 1925.

Wilma B. Scott to be postmaster at West Valley, N. Y., in place of W. B. Scott. Incumbent's commission expires March 24, 1926.

NORTH CAROLINA

Malpheus F. Hinshaw to be postmaster at Randleman, N. C., in place of M. F. Hinshaw. Incumbent's commission expires March 23, 1926.

Wade E. Vick to be postmaster at Robersonville, N. C., in place of W. E. Vick. Incumbent's commission expires March 23, 1926.

Bertie L. Matthews to be postmaster at Vass, N. C., in place of B. L. Matthews. Incumbent's commission expires March 23, 1926.

Warren G. Elliott to be postmaster at Wilmington, N. C., in place of W. G. Elliott. Incumbent's commission expires March 24, 1926.

NORTH DAKOTA

George Klier, jr., to be postmaster at Bisbee, N. Dak., in place of George Klier, jr. Incumbent's commission expires March 24, 1926.

Charles A. Jordan to be postmaster at Cogswell, N. Dak., in place of C. A. Jordan. Incumbent's commission expires March 24, 1926.

William E. Bowler to be postmaster at Noonan, N. Dak., in place of W. E. Bowler. Incumbent's commission expired August 4, 1925.

Rolfe H. Hesketh to be postmaster at St. John, N. Dak., in place of R. H. Hesketh. Incumbent's commission expired March 21, 1926.

John K. Diehm to be postmaster at Schafer, N. Dak., in place of J. K. Diehm. Incumbent's commission expires March 24, 1926.

OHIO

Nellie E. Beam to be postmaster at Ansonia, Ohio, in place of N. E. Beam. Incumbent's commission expires March 23, 1926.

Jacob W. Simon to be postmaster at Bloomdale, Ohio, in place of J. W. Simon. Incumbent's commission expires March 23, 1926.

James B. Jones to be postmaster at Canfield, Ohio, in place of J. B. Jones. Incumbent's commission expires March 24, 1926.

Vashti Wilson to be postmaster at Corning, Ohio, in place of Vashti Wilson. Incumbent's commission expires March 23, 1926.

William H. Pfau to be postmaster at Hamilton, Ohio, in place of W. H. Pfau. Incumbent's commission expires March 23, 1926.

William R. Poulson to be postmaster at Holgate, Ohio, in place of W. R. Poulson. Incumbent's commission expires March 24, 1926.

Edward W. Williams to be postmaster at New Carlisle, Ohio, in place of E. W. Williams. Incumbent's commission expires March 23, 1926.

Albert W. Davis to be postmaster at Norwalk, Ohio, in place of A. W. Davis. Incumbent's commission expires March 23, 1926.

Edwin M. Stover to be postmaster at Oakwood, Ohio, in place of E. M. Stover. Incumbent's commission expires March 23, 1926.

Fred J. Wolfe to be postmaster at Quaker City, Ohio, in place of F. J. Wolfe. Incumbent's commission expires March 23, 1926.

OKLAHOMA

Albert M. Dennis to be postmaster at Frederick, Okla., in place of A. M. Dennis. Incumbent's commission expired March 22, 1926.

Merrel L. Thompson to be postmaster at Hartshorne, Okla., in place of M. L. Thompson. Incumbent's commission expired March 22, 1926.

Roscoe C. Fleming to be postmaster at Tishomingo, Okla., in place of R. C. Fleming. Incumbent's commission expired March 21, 1926.

OREGON

Polk E. Mays to be postmaster at Joseph, Oreg., in place of P. E. Mays. Incumbent's commission expired March 22, 1926.

John N. Williamson to be postmaster at Prineville, Oreg., in place of J. N. Williamson. Incumbent's commission expired March 21, 1926.

Ida M. Clayton to be postmaster at Rockaway, Oreg., in place of I. M. Clayton. Incumbent's commission expired March 22, 1926.

PENNSYLVANIA

Joseph F. Dolan, jr., to be postmaster at Bala-Cynwyd, Pa., in place of J. F. Dolan, jr. Incumbent's commission expires March 24, 1926.

Lemuel A. Bosserman to be postmaster at Barnesboro, Pa., in place of L. A. Bosserman. Incumbent's commission expired March 21, 1926.

Helen H. Rodgers to be postmaster at Fredericktown, Pa., in place of H. H. Rogers. Incumbent's commission expires March 24, 1926.

Claude E. Savidge to be postmaster at Northumberland, Pa., in place of G. L. Van Alen. Incumbent's commission expired November 22, 1925.

Daniel L. Kauffman to be postmaster at Oley, Pa., in place of D. L. Kauffman. Incumbent's commission expires March 24, 1926.

Thomas Powell to be postmaster at Patton, Pa., in place of Thomas Powell. Incumbent's commission expires March 24, 1926.

Philip W. Hunt to be postmaster at St. Davids, Pa., in place of P. W. Hunt. Incumbent's commission expires March 24, 1926.

RHODE ISLAND

Charles J. Baron to be postmaster at Centerdale, R. I., in place of C. J. Baron. Incumbent's commission expired March 22, 1926.

SOUTH CAROLINA

John R. Tolbert to be postmaster at Abbeville, S. C., in place of J. R. Tolbert. Incumbent's commission expired March 22, 1926.

Clyde H. Culbreth to be postmaster at Landrum, S. C., in place of C. H. Culbreth. Incumbent's commission expired March 22, 1926.

Cary Smith to be postmaster at Manning, S. C., in place of Cary Smith. Incumbent's commission expired March 4, 1926.

SOUTH DAKOTA

Sherman T. Wickre to be postmaster at Andover, S. Dak., in place of S. T. Wickre. Incumbent's commission expires March 24, 1926.

Cornelius N. Trooien to be postmaster at Astoria, S. Dak., in place of C. N. Trooien. Incumbent's commission expires March 24, 1926.

Harry E. Kjenstad to be postmaster at Brandt, S. Dak., in place of H. E. Kjenstad. Incumbent's commission expires March 24, 1926.

Frank Bowman to be postmaster at Eagle Butte, S. Dak., in place of Frank Bowman. Incumbent's commission expires March 24, 1926.

Mary G. Bromwell to be postmaster at Mount Vernon, S. Dak., in place of M. G. Bromwell. Incumbent's commission expires March 24, 1926.

Mary V. Breene to be postmaster at Seneca, S. Dak., in place of M. V. Breene. Incumbent's commission expires March 24, 1926.

James Gaynor to be postmaster at Springfield, S. Dak., in place of James Gaynor. Incumbent's commission expired March 21, 1926.

John D. Smull to be postmaster at Summit, S. Dak., in place of J. D. Smull. Incumbent's commission expired March 21, 1926.

TENNESSEE

James G. McKenzie to be postmaster at Big Sandy, Tenn., in place of J. G. McKenzie. Incumbent's commission expires March 24, 1926.

Bethel C. Brown to be postmaster at Cleveland, Tenn., in place of B. C. Brown. Incumbent's commission expires March 24, 1926.

Glenn C. Hodges to be postmaster at Cowan, Tenn., in place of G. C. Hodges. Incumbent's commission expires March 24, 1926.

William F. Campbell to be postmaster at Decatur, Tenn., in place of W. F. Campbell. Incumbent's commission expired March 9, 1926.

John L. Sullivan to be postmaster at Lexington, Tenn., in place of J. L. Sullivan. Incumbent's commission expires March 24, 1926.

Will F. Sherwood to be postmaster at Petersburg, Tenn., in place of W. F. Sherwood. Incumbent's commission expires March 24, 1926.

John A. Wilson to be postmaster at Sharon, Tenn., in place of J. A. Wilson. Incumbent's commission expires March 24, 1926.

Fred Hawkins to be postmaster at Tellico Plains, Tenn., in place of Fred Hawkins. Incumbent's commission expires March 24, 1926.

Warren S. Yell to be postmaster at Wartrace, Tenn., in place of W. S. Yell. Incumbent's commission expires March 24, 1926.

TEXAS

John F. Furlow to be postmaster at Alvord, Tex., in place of J. F. Furlow. Incumbent's commission expires March 23, 1926.

James I. Carter to be postmaster at Arlington, Tex., in place of J. I. Carter. Incumbent's commission expired February 9, 1926.

Emma L. McLaughlin to be postmaster at Blanket, Tex., in place of E. L. McLaughlin. Incumbent's commission expires March 23, 1926.

Arthur H. Johnson to be postmaster at Eastland, Tex., in place of A. H. Johnson. Incumbent's commission expired March 2, 1926.

Frank W. Dusek to be postmaster at Flatonia, Tex., in place of F. W. Dusek. Incumbent's commission expires March 23, 1926.

Tom Pringle to be postmaster at Goose Creek, Tex., in place of M. A. Grant, removed.

William D. McGowan to be postmaster at Hemphill, Tex., in place of W. D. McGowan. Incumbent's commission expires March 23, 1926.

Leonard M. Kealy to be postmaster at Lewisville, Tex., in place of L. M. Kealy. Incumbent's commission expires March 23, 1926.

Homer Howard to be postmaster at Lockney, Tex., in place of Homer Howard. Incumbent's commission expires March 23, 1926.

Fred M. Carrington to be postmaster at Marquez, Tex., in place of F. M. Carrington. Incumbent's commission expires March 23, 1926.

Mary S. Ray to be postmaster at Midland, Tex., in place of M. S. Ray. Incumbent's commission expires March 23, 1926.

William F. Neal to be postmaster at Overton, Tex., in place of W. F. Neal. Incumbent's commission expires March 23, 1926.

VIRGINIA

Edmund S. Hooker to be postmaster at Nokesville, Va., in place of E. S. Hooker. Incumbent's commission expires March 24, 1926.

WASHINGTON

Austin I. Dickinson to be postmaster at Riverside, Wash., in place of A. I. Dickinson. Incumbent's commission expired March 9, 1926.

Andrew J. Diedrich to be postmaster at Valley, Wash., in place of A. J. Diedrich. Incumbent's commission expired February 10, 1926.

Herbert K. Rowland to be postmaster at Zillah, Wash., in place of H. K. Rowland. Incumbent's commission expired November 23, 1925.

WEST VIRGINIA

John O. Stone to be postmaster at Davy, W. Va., in place of J. O. Stone. Incumbent's commission expires March 23, 1926.

Ira Greathouse to be postmaster at Flemington, W. Va., in place of Ira Greathouse. Incumbent's commission expires March 23, 1926.

George A. Brooks to be postmaster at Pineville, W. Va., in place of G. A. Brooks. Incumbent's commission expired March 14, 1926.

John C. Smith to be postmaster at Tralee, W. Va., in place of J. C. Smith. Incumbent's commission expires March 23, 1926.

John W. Mitchell to be postmaster at Wayne, W. Va., in place of J. W. Mitchell. Incumbent's commission expired March 21, 1926.

Belfrad H. Gray to be postmaster at Welch, W. Va., in place of B. H. Gray. Incumbent's commission expires March 23, 1926.

WISCONSIN

John Lindow to be postmaster at Manawa, Wis., in place of John Lindow. Incumbent's commission expired December 22, 1925.

Elmer O. Trickey to be postmaster at Vesper, Wis., in place of E. O. Trickey. Office became presidential October 1, 1923.

CONFIRMATIONS

Executive nominations received by the Senate March 23 (legislative day of March 20), 1926

COLLECTOR OF CUSTOMS

A. Lincoln Acker to be collector of customs at Philadelphia.

PUBLIC HEALTH SERVICE

Marion F. Haralson to be surgeon.
John F. Mahoney to be surgeon.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY

John Laing De Pew to be second lieutenant, Cavalry.

Theodore Anderson Baldwin, 3d, to be second lieutenant, Cavalry.

Wiley Thomas Moore to be second lieutenant, Field Artillery.

Raymond Cecil Conder to be second lieutenant, Field Artillery.

Russell Thomas Finn to be second lieutenant, Field Artillery.

PROMOTIONS IN THE ARMY

John Calvin Sandlin to be captain, Infantry.

MARINE CORPS

John C. Beaumont to be colonel.
Walter N. Hill to be lieutenant colonel.
Clyde H. Metcalf to be major.
Albert B. Sage to be captain.
John D. Lockburner to be captain.
James M. Smith to be first lieutenant.

POSTMASTERS

CALIFORNIA

Christian F. Richter, Auburn.
Vada M. Slye, Cucamonga.
Ed Lewis, Marysville.
Charles H. Silva, Newcastle.
Forest E. Paul, Pacific Grove.
Roy E. Copeland, San Jacinto.
Clarence Beckley, Santa Paula.
Samuel F. Ellison, Vacaville.
Clifford M. Moon, Victorville.

CONNECTICUT

William E. Hazen, Georgetown.

HAWAII

James D. Ackerman, Kealakekua.

ILLINOIS

Clarence L. Kiger, Cisne.
Arthur F. Eberlin, Hardin.
Maurice Z. Moore, Industry.
Edwin W. Perkins, Newark.
Myron W. Hughes, Wauconda.

IOWA

Fred P. Carothers, Nodaway.
Earl P. Tucker, Panora.

KENTUCKY

John P. Perkins, Albany.
Luther G. Bernard, Jamestown.
Maude E. Gatrell, Midway.

LOUISIANA

Harry R. Mock, Baskin.
Eugenie L. Richard, Bayou Goula.
Russell A. Dilly, Clinton.
H. Ernest Benefiel, Kenner.
Theodore A. Rains, Marthaville.
Leonard L. Thompson, Montgomery.

MISSOURI

Lester C. Snoddy, Ash Grove.
Edward Early, Baring.
Fred L. Mills, Commerce.
Elizabeth Middleton, Kingsville.
Gussie C. Henneke, Leslie.
Albert G. Reeves, Lucerne.
Hubert Lamb, Pineville.
Joseph G. Gresham, Queen City.
Clarice C. Lloyd, Valley Park.

MONTANA

James S. Honnold, Joliet.

NEBRASKA

Erma L. Thompson, Dunning.
Charles Leu, Elkhorn.
Bert L. Strauser, Madrid.
Philip Stein, Plainview.

NORTH CAROLINA

Lawson M. Almond, Albemarle.
Minnie T. Moore, Atkinson.
Madison L. Wilson, Bakersville.
Wayne E. Bailey, Chadbourn.
James D. Andrews, Fairmont.
Herbert H. Miller, Hickory.

NORTH DAKOTA

Kathryn Savage, Braddock.
Charles E. Harding, Churchs Ferry.
Anna A. Bjornson, Kulm.
Anthony Hentges, Michigan.
Andrew D. Cochrane, York.

OREGON

Elsie R. Johnson, Florence.

PENNSYLVANIA

Erma E. Moyer, Bechtelsville.
Harry N. Beazell, Belle Vernon.
Effie M. Lang, Fort Washington.
Thomas H. Probert, Hazleton.
Mary V. Clemens, Linfield.
James R. Davis, McAllisterville.
Charles B. Lengel, Newmanstown.
Harry Z. Wampole, Telford.

WISCONSIN

Ilma Dugal, Cadott.
William A. Roblier, Coloma.
Roy E. Lawler, Gordon.
William L. Chesley, Lena.
Fred S. Thompson, Superior.

HOUSE OF REPRESENTATIVES

TUESDAY, *March 23, 1926*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, about Thy holy name cluster many of the affections of the human heart. Thy love toward us never fails of its fulfillment. Again do Thou persuade us that a defeated life means an undiscovered God. Establish for us a right-away that leads to wisdom, truth, and peace. At all times and in all situations enable us to withstand criticism without bitterness or resentment. Continue to help us to be the quality of men that our country needs, and on which it depends for its stability and growth. Help us to move with rare discernment among the forces of this work-away world. In sickness and in health may we look for the light which the shadows prove. Amen.

The Journal of the proceedings of yesterday was read and approved.

WAR DEPARTMENT APPROPRIATION BILL

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8917) making appropriations for the War Department, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Kansas asks unanimous consent to take from the Speaker's table the bill H. R. 8917, disagree to all the Senate amendments, and ask for a conference. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, has the gentleman from Kansas consulted with the minority members of the committee?

Mr. ANTHONY. I have conferred with the gentleman from Kentucky [Mr. JOHNSON], the ranking minority member, and he said it was entirely agreeable to him to send the bill to conference.

The SPEAKER. The Clerk will report the title to the bill.

The Clerk read as follows:

H. R. 8917. An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. Is there objection?

There was no objection, and the Chair appointed as conferees on the part of the House Mr. ANTHONY, Mr. BARBOUR, Mr. CLAGUE, Mr. JOHNSON of Kentucky, and Mr. HARRISON.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment the bill (H. R. 7979) granting to the Yosemite Valley Railroad Co. the right of way through certain public lands for the relocation of part of its existing railroad.

The message also announced that the Senate had passed with amendments bills of the following titles in which the concurrence of the House of Representatives was requested:

H. R. 9341. An act making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions and offices for the fiscal year ending June 30, 1927, and for other purposes;

H. R. 7741. An act to construct a bridge across the Choctawatchee River, near Geneva, Geneva County, Ala., on State road No. 20;

H. R. 8040. An act granting the consent of Congress to the reconstruction, maintenance, and operation of an existing bridge across the Missouri River at or near Fort Benton, Mont.;

H. R. 8514. An act granting the consent of Congress to Missouri State Highway Commission to construct a bridge across Black River;

H. R. 8598. An act granting the consent of Congress to the police jury of Morehouse Parish, La., or the State highway commission of Louisiana to construct a bridge across the Bayou Bartholomew at or near Point Pleasant in Morehouse Parish;

H. R. 8771. An act to extend the time for commencing and completing the construction of a bridge across Detroit River within or near the city limits of Detroit, Mich.;

H. R. 8909. An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River;

H. R. 8910. An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River; and

H. R. 9599. An act granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3662. An act creating the offices of assistants to the Secretary of Labor.

STATE TAXATION OF NATIONAL BANKS

Mr. BURTON. Mr. Speaker, I move the adoption of House Resolution 171, reported by the Committee on Rules.

The Clerk read as follows:

House Resolution 171

Resolved, That upon the adoption of this resolution it shall be in order 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. 9958, entitled "A bill to amend section 5219 of the Revised Statutes of the United States." That after general debate, which shall be confined to the bill and shall continue not to exceed four hours, to be equally divided and controlled between the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule. At the conclusion of such consideration 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 ordered on the bill and amendments thereto to final passage.

Mr. BURTON. Mr. Speaker, I shall ask that an amendment be adopted to this resolution, the reason for which I will explain. I ask first that the amendment be read.

The Clerk read as follows:

Amendment to House Resolution 171 offered by Mr. BURTON: Page 1, after the word "*Resolved*," strike out lines 1 to 5, inclusive, and the word "States," in line 6, and insert in lieu thereof the following: "That upon the adoption of this resolution it shall be in order to call from the Speaker's table the bill S. 3377 and move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of said bill."

Mr. BURTON. Mr. Speaker and gentlemen of the House, the reason for that amendment is this: Two bills identical in phraseology were pending, one in the House and one in the Senate. After the report by the Committee on Rules the Senate bill passed that body, and now it is desired to substitute the Senate bill for the House bill.

This measure, the consideration of which is asked, pertains to the taxation of the shares of national banks. Under the statutes of 1863 there was no provision for the taxation of national banks or their income in the hands of the shareholders of estates. It may be said in this connection that national banks are agencies of the Federal Government, and can not be taxed, except by the consent of Congress.

In 1864 permission was given the States to tax the shares of national banks. This was coupled with a provision to the effect that the rate of taxation should not be higher than that of other similar kinds of moneyed capital.

Mr. GARRETT of Tennessee. Will the gentleman yield to me for a moment?

Mr. BURTON. Certainly.

Mr. GARRETT of Tennessee. Do I understand that the gentleman is moving to amend the rule?

Mr. BURTON. Yes; by substituting a Senate bill identical with the House bill.

Mr. GARRETT of Tennessee. Mr. Speaker, of course, I can not interfere, but the Committee on Rules had this matter under consideration at the time when the gentleman was not present. The committee gave the rule unanimously for consideration of the bill, but it never thought of amending the rule. Now the gentleman says that he is proposing to amend the rule for the consideration of a bill.

Mr. BURTON. By substituting a Senate bill that has already passed which is absolutely identical with the House bill.

Mr. GARRETT of Tennessee. Well, after the gentleman concludes I want to ask the gentleman from New York, the chairman of the Committee on Rules, a question.

Mr. BURTON. He is not here. I hope the gentleman from Tennessee will not interpose an objection on this ground, because this procedure is so clearly desirable for the dispatch of business. It can prejudice no possible right to take up a bill already passed in the Senate, so that when it is passed in the House it goes immediately to the President for approval instead of going through the needless formality of passing the House bill.

Mr. GARRETT of Tennessee. Mr. Speaker, if the gentleman will yield further, I think there will be interposition of objection, because we dealt with what the committee had before us at the time. There was no disagreement in committee

about giving a rule for the consideration of this bill, and it was known that it would be open to amendment in every way.

Mr. BURTON. Mr. Speaker, there is every right to amend the Senate bill that is secured by the resolution reported by the Committee on Rules. Let me call the attention of the gentleman from Tennessee to the portion that would be left in the resolution reported by the Committee on Rules, if amended as proposed. The amendment merely provides for the substitution of the Senate bill, and then this resolution states that after general debate, which shall be confined to the bill and which shall continue not to exceed four hours, to be equally divided, and so forth, the bill shall be read for amendment under the five-minute rule. There is no possible right of any Member of the House that could be lost by the adoption of this amendment, no possible right of any nature. Of course, if the objection of so technical a nature should prevail, it would be necessary to abandon this proposed amendment and then pass the House bill and see what can be done by way of substitution between the two Houses, but I take it, Mr. Speaker, that this amendment is in order. I did not think it necessary to consult the members of the Committee on Rules in regard to it. The amendment was suggested by the chairman of the Committee on Banking and Currency, and it seemed to me so simple and so natural a proceeding that I presented the amendment as I have presented it this morning.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Certainly.

Mr. STEVENSON. Mr. Speaker, I agree that the legislation is urgent, and that the bill as passed by the Senate is identical with the bill as proposed in the House; and we are confronted here with the proposition that it is exceedingly important in the way of legislation; so much so that the legislatures are waiting for it, and it is proposed to pass it here now without the Banking and Currency Committee passing upon it at all. I suggest to the gentleman that that is a very radical departure from our ordinary procedure. I do not like to have that kind of thing done. I do not want to establish such a precedent. I suggest that we adopt the rule as issued by the Committee on Rules, and in the meanwhile the Banking and Currency Committee between now and the time the discussion is ended—and it will be to-morrow before it is finished—can meet and report this Senate bill, and then the gentleman can bring in his rule to-morrow morning to substitute the Senate bill for the House bill and pass it. I do not want to be put in the attitude of letting a bill be rushed in here from the Senate that ought to go to the Committee on Banking and Currency in order to be passed on by that committee, even if we do say that it is identical, because that establishes a precedent that takes away from the Committee on Banking and Currency of the House a safeguard, and I think it is objectionable.

Mr. BLACK of Texas. Mr. Speaker, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BLACK of Texas. Is it not a frequent practice in the House, where a Senate bill is on the Speaker's table, that the Senate bill is taken up and a similar House bill, being on the calendar, laid on the table in order to expedite the legislation? If this bill were in any essential respect different from the House bill, of course I would take the attitude which the gentleman from South Carolina takes, but it is identically the same bill, word for word and line for line, and I think no rights would be lost and that it is nothing out of the way to do what the gentleman from Ohio proposes. In fact, I think the House could do it by unanimous consent.

Mr. HASTINGS. And had not the Committee on Banking and Currency carefully considered and reported the identical House bill?

Mr. BLACK of Texas. Every line of it is the same. There is absolutely not the difference of a syllable in the two bills.

Mr. STEVENSON. Mr. Speaker, I am not contesting that question, but it is establishing a precedent which can be avoided very readily by taking the course which I suggest. I do not want that precedent established here of going by the Committee on Banking and Currency on important legislation like this and taking up a bill which that committee has not seen until they come upon the floor of the House.

Mr. CHINDBLOM. Mr. Speaker, I would like to ask, as a parliamentary proposition, whether after the rule has been adopted it is in order to move that the House consider the pending House bill under the ordinary rules of the House and substitute for it the Senate bill which had come over here.

Mr. BURTON. Is that inquiry directed to me or to the Speaker?

Mr. CHINDBLOM. I direct it first to the gentleman from Ohio.

Mr. BURTON. Mr. Speaker, the gentleman from Ohio thinks that this is a very technical question of form and believes in going to the substance of the proposition. There is another consideration. There is a certain comity due the Senate from the House and from the Senate to the House. The Senate has passed a bill, and it has come to us. It came to us before any consideration was given to it by the House. Is it quite in accord with that comity to say that we will brush aside the Senate bill, although that body has in every way adopted what we recommend and take up a bill of our own? It seems to me that is a very slender assertion of the prerogatives of the House.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Yes.

Mr. O'CONNOR of New York. How can we possibly take up for consideration to-day in this House a matter which has not lain on the table for one day, having been reported from the Committee on Rules? I can conceive of the propriety of passing this amendment of substitution, but I believe under the rules requiring one day's notice the bill would have to lay over until to-morrow. How does the gentleman square himself with that position?

Mr. BURTON. Mr. Speaker, I did not consider at all the time that it had been over here. Indeed, I do not know how long it has been here. May I ask at the desk when this Senate bill came in?

The SPEAKER. March 19.

Mr. BURTON. The bill came over from the Senate on March 19 and has been on the Speaker's table since that time?

The SPEAKER. Yes.

Mr. BURTON. The bill came over from the Senate on March 19 and has been here now for four days.

Mr. STEVENSON. I was referring to the Committee on Banking and Currency. How are you going to get it away from the Committee on Banking and Currency and consider it?

Mr. O'CONNOR of New York. If the gentleman will yield for a question, I take it he did not follow my statement completely; probably my fault. I am talking about the rule in its final form must remain over one day. If you amend it now, its final form will not have been here one day until to-morrow.

Mr. BURTON. That is, if the rule is amended it must lie over for a day? I do not so understand it.

Mr. STEVENSON. The question I propound is, How are we going to consider a bill which is referred to the Committee on Banking and Currency without its being referred back here? I am perfectly willing to act informally and report the bill, but I am not willing to begin to pass important banking legislation right hot from the Senate without the Committee on Banking and Currency reporting it.

Mr. BURTON. Does not the gentleman know that in every word, in every comma and punctuation point it is the same as the House bill?

Mr. STEVENSON. I have not had a chance to read it and I do not know; but I am not speaking of that, but the fact that it is now being in the Banking and Currency Committee, you can not take it away from that committee except by proper procedure in this House. However, I am willing to report it out at once.

Mr. CHINDBLOM. Will the gentleman yield further?

Mr. BURTON. Certainly.

Mr. CHINDBLOM. I would like to submit this situation: Here is a bill which has passed the Senate, now properly upon the Speaker's table, and a similar bill has been reported by the House committee. Why can not the House committee, if its chairman receives recognition, call up the Senate bill under the well-known rule, Rule XXIV, paragraph 2, which provides:

> But House bills with Senate amendments which do not require consideration in a Committee of the Whole may be at once disposed of as the House may determine, as may also Senate bills, substantially the same as House bills already favorably reported by a committee of the House, and not required to be considered in Committee of the Whole, be disposed of in the same manner on motion directed to be made by such committee.

This bill is not on the Union Calendar. This bill is on the House Calendar and may be called up, I venture to suggest, by the chairman of the committee if he gets recognition from the Speaker. I will address my inquiry to the Chair if the gentleman from Ohio [Mr. BURTON] will permit.

Mr. BURTON. Certainly.

The SPEAKER. The Chair is of the opinion this Senate bill could be called up as a matter of right.

Mr. STEAGALL. I submit that is entirely beside the question now under consideration. The question before us is

whether or not the rule reported by the Rules Committee for the consideration of a particular bill reported by the Banking and Currency Committee of the House can be set aside or amended so as to take up a Senate bill which has never been before any committee of this House, when in the nature of things the House can not know whether it is identical with the bill under consideration. As a matter of fact, the bill is very short and we do know the Senate bill is identical. A glance is sufficient to develop that fact. But suppose this were a long bill, like a revenue bill or a measure of that kind. It would be utterly impossible for the House to know if the two bills were identical.

The SPEAKER. This is different from a revenue bill, because this bill is on the House Calendar.

Mr. STEAGALL. I was not fortunate in my illustration. What I mean is, suppose it was a lengthy bill that the House could not readily determine was identical with the other bill——

The SPEAKER. The Chair will say that the rule is absolutely clear, that where a bill from the House Calendar has been reported favorably by a committee and an identical bill is sent over from the Senate, the chairman of the House committee can, as a matter of right, call up for consideration the Senate bill.

Mr. STEAGALL. I take no issue with the Chair about that, I am sure that is true. It seems to me clear and I have no controversy whatever about that, but this is an entirely different matter from bringing that up, a Senate bill, under a rule which provides for the consideration of a House bill. I think it a bad precedent to permit a substitution where the matter is of such great importance and where a special rule is offered to afford consideration.

Let the chairman of the committee call up the Senate bill, if he sees fit, under the rule, if that is right and there is no objection; but the precedent should not be established of attempting a substitute in this manner.

Mr. BURTON. As a member of the Committee on Rules, I will say that I desire to bring to an end this sort of a controversy, because there is nothing more unprofitable in this House than to engage in a long parliamentary discussion in which there is no substance, but in which certain technical ideas are advanced.

Now, Mr. Speaker, it seems to me perhaps the best way is to withdraw my amendment, with an invitation to the chairman of the Committee on Banking and Currency that just as soon as this rule is adopted he may move to substitute the Senate bill. That will relieve me from the necessity of answering a great many questions, and I think it will bring to an end a discussion here from which there is nothing very much to be gained.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Certainly.

Mr. GARRETT of Tennessee. Why, then, does the gentleman ask that the rule be considered at all?

Mr. BURTON. Because it is essential in order that we may consider this question.

Mr. GARRETT of Tennessee. But the Speaker has just announced that the bill having been reported from the House, and it being on the House Calendar and a similar bill having been passed by the Senate, it is in order for the chairman of the committee having it in charge to call up the Senate bill without a rule. Now, why should the rule be adopted? The question is pretty technical; but why should it?

Mr. BURTON. If that is the ruling of the Speaker, I see that there is no necessity of any explanation of the bill from the Committee on Rules.

Mr. GARRETT of Tennessee. I wonder if I am accurate in my statement that that is the ruling of the Speaker?

The SPEAKER. The Chair understands that the rule was brought in before the Senate acted on the bill. Therefore the Chair thinks it is desirable that this bill be called up under the rules of the House.

Mr. BURTON. Without any adoption of the rule?

The SPEAKER. The Chair understands that the Senate bill is identical with the House bill.

Mr. WINGO. Mr. Speaker, if the gentleman will yield——

Mr. BURTON. Certainly——

Mr. WINGO. I think it would be infinitely better that the original agreement with reference to this bill be carried out. I understand the gentleman knows what that agreement is, that as soon as the rule is adopted the gentleman from Pennsylvania, the chairman of the committee, shall ask that the Senate bill be considered in lieu of the House bill. I see no reason why that agreement should not be carried out, and, speaking for the Democratic side, I will say we shall carry out the agreement that has been made.

Mr. BURTON. I understand that the gentleman desires to amend the provisions provided in the rule adopted for guidance in the general debate that two hours shall be allowed on each side.

Mr. STEVENSON. I understand that the rule is necessary in order to make the consideration of the House bill in order to-day. The chairman of the committee would not have the right to the floor to-day but for the rule. The rule having been adopted, that makes in order the House bill. Then, if the chairman of the committee will ask unanimous consent to consider the Senate bill, there would be no trouble here at all.

Mr. BURTON. I think, Mr. Speaker, it is best to adopt this rule because it removes any question as to the consideration of this bill at this time and also specifies the circumstances under which the bill is to be discussed.

Now I had intended to explain somewhat the reasons for this bill, the reasons for its passage, the modifications in the Revised Statutes, section 5219, and the act of 1923. But so much time has been exhausted in the discussion of the parliamentary situation that, Mr. Speaker, I ask for the previous question on the resolution.

Mr. CHINDBLOM. Before the gentleman proceeds with that, will he permit a question as to the status of the Senate bill?

Mr. BURTON. Certainly.

Mr. CHINDBLOM. It has been suggested that the Senate bill has already been sent to the Committee on Banking and Currency. Is that correct?

Mr. STEVENSON. No. I was mistaken in my statement as to that.

Mr. BURTON. Mr. Speaker, I ask for the previous question on the adoption of the resolution. The amendment was only read for information, but I withdraw the amendment in order to clear the situation, if it has any status.

The SPEAKER. The amendment is withdrawn. The gentleman from Ohio moves the previous question on the resolution. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to substitute the Senate bill in lieu of the House bill.

Mr. WINGO. That is to consider the Senate bill under the rule.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to consider the Senate bill in lieu of the House bill. Is there objection?

There was no objection.

Mr. McFADDEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the Senate bill (S. 3377) to amend section 5219 of the Revised Statutes of the United States.

The SPEAKER. The gentleman from Pennsylvania moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the Senate bill 3377. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Iowa [Mr. GREEN] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of the bill S. 3377, with Mr. GREEN of Iowa in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 3377, which the Clerk will report.

The Clerk read as follows:

A bill (S. 3377) to amend section 5219 of the Revised Statutes of the United States

Be it enacted, etc., That section 5219 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 5219. The legislature of each State may determine and direct, subject to the provisions of this section, the manner and place of taxing all the shares of national banking associations located within its limits. The several States may (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

"1. (a) The imposition by any State of any one of the above four forms of taxation shall be in lieu of the others, except as hereinafter provided in subdivision (c) of this clause.

"(b) In the case of a tax on said shares the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: *Provided*, That bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

"(c) In case of a tax on or according to or measured by the net income of an association, the taxing State may, except in case of a tax on net income, include the entire net income received from all sources, but the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits: *Provided, however*, That a State which imposes a tax on or according to or measured by the net income of, or a franchise or excise tax on, financial, mercantile, manufacturing, and business corporations organized under its own laws or laws of other States and also imposes a tax upon the income of individuals, may include in such individual income dividends from national banking associations located within the State on condition that it also includes dividends from domestic corporations and may likewise include dividends from national banking associations located without the State on condition that it also includes dividends from foreign corporations, but at no higher rate than is imposed on dividends from such other corporations.

"(d) In case the dividends derived from the said shares are taxed, the tax shall not be at a greater rate than is assessed upon the net income from other moneyed capital.

"2. The shares of any national banking association owned by nonresidents of any State shall be taxed by the taxing district or by the State where the association is located and not elsewhere; and such association shall make return of such shares and pay the tax thereon as agent of such nonresident shareholders.

"3. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof to the same extent, according to its value, as other real property is taxed.

"4. The provisions of section 5219 of the Revised Statutes of the United States as heretofore in force shall not prevent the legalizing, ratifying, or confirming by the States of any tax heretofore paid, levied, or assessed upon the shares of national banks, or the collecting thereof, to the extent that such tax would be valid under said section."

Mr. McFADDEN rose.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield there for a question?

Mr. McFADDEN. I will.

Mr. GARNER of Texas. Is there any opposition from any source to this bill that the gentleman knows?

Mr. McFADDEN. I do not know of any serious opposition.

Mr. GARNER of Texas. As I understand, the rule provides for four hours' debate to be confined to the bill.

Mr. McFADDEN. So I understand.

Mr. GARNER of Texas. I was wondering how it was going to take four hours on a bill with a unanimous report and no opposition from any quarter.

Mr. McFADDEN. It was a unanimous report. I will say to the gentleman from Texas that I have no calls for time on my side. If no other gentlemen want additional time, it is not my purpose to have a lengthy discussion of the bill.

Mr. WINGO. I would like to talk two hours about banking and currency matters, but not on this bill. I had intended to talk for two hours about banking and currency matters in general and the operation of the Federal reserve system.

Mr. McFADDEN. Mr. Chairman, a brief word in regard to the purposes of this amendment. The purpose of this proposed amendment to section 5219, Revised Statutes, is to enable States that have adopted income-tax methods to abandon the ad valorem taxation of the shares of national banks and apply income-tax methods to national banking associations within their limits, without thereby favoring national banks and their shareholders, as compared with other corporations generally and their stockholders. In other words, to make it possible for income-tax States to tax national banking associations and their shareholders on a complete taxing parity with other corporations and their stockholders.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. MOORE of Virginia. Will the gentleman explain exactly what the present law is before he comes to a discussion of this amendment?

Mr. McFADDEN. Yes; section 5219, as enacted in 1864 and substantially continued down to 1923, provided only one method for the taxation of national banks by the States, to wit, the inclusion of the shares "in the valuation of the personal property of the owner or holder of such shares." But that permission to the States was upon the condition that such taxation—

Shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State.

This restriction was construed in the Mercantile Bank case and in the prior decisions therein cited as only including moneyed capital in the hands of individual citizens directly or indirectly coming into competition with the business of national banks. Therein the United States Supreme Court said (121 U. S. 138, p. 157):

The terms of the act of Congress, therefore, include shares of stock or other interests owned by individuals in all enterprises in which the capital employed in carrying on its business is money, where the object of the business is the making of profit by its use as money. The moneyed capital thus employed is invested for that purpose in securities by way of loan, discount, or otherwise, which are from time to time, according to the rules of the business, reduced again to money and reinvested. It includes money in the hands of individuals employed in a similar way, invested in loans, or in securities for the payment of money, either as an investment of a permanent character or temporarily with a view to sale or repayment and reinvestment. In this way the moneyed capital in the hands of individuals is distinguished from what is known generally as personal property.

Now, in regard to the Richmond, Va., decision, in the gentleman's State.

The Richmond case involved the validity of taxes on national bank shares at the rate of $1.75 per $100 as compared with taxes at the rate of $0.95 per $100 on bonds, notes, and other evidences of indebtedness in the hands of individual citizens.

Held (256 U. S. 635, at pp. 638, 641):

It also was shown by evidence without dispute that moneyed capital in the hands of individuals invested in bonds, notes, and other evidences of indebtedness comes into competition with the national banks in the loan market.

* * * * * * *

No decision of this court to which our attention is called has qualified that rule or construed section 5219 as leaving out of consideration the rate of State taxation imposed upon moneyed capital in the hands of individual citizens invested in loans or securities for the payment of money, either for permanent or temporary purposes, where such moneyed capital comes into competition with that of the national banks. * * * It follows that, upon the undisputed facts the ordinance and the statute under which the stock of plaintiff in error was assessed, as construed and applied, exceeded the limitation prescribed by section 5219, Revised Statutes, and hence that the tax is invalid.

Now, in 1923, because of the decision of the Supreme Court, known as the Richmond case, we, in 1923, passed an amendment, which amendment codified the above holdings in the Mercantile and Richmond cases, as to the ad valorem taxation of national-bank shares, with a proviso making it plain that the restriction, as thus construed and applied, did not apply to intangibles generally but only to those that normally enter into the business of national banks in the sense of those decisions. The act of March 4, 1923, in addition extended the powers of the States by providing two other alternative methods of taxation for the benefit of those States which had adopted income taxes, as follows:

(a) In the alternative, national-bank shares dividends might be included in taxable income of individuals on a parity with other taxable income, or

(b) National banks might be taxed directly upon net income to the extent that other corporations were taxed thereon.

In other words, States could under the act of March 4, 1923, select one of the three above methods for taxing national banks or their shareholders.

The three alternative methods of taxing national banks are retained and a fourth one added:

National banks may be taxed "according to or measured by net income," in which case "net income received from all sources" may be included in the same manner and to the same extent as included in the taxation of other corporations by the taxing State.

The purpose of this added fourth alternative method is fully explained as follows in Report No. 526, accompanying H. R. 9958:

In the States which now apply the net income-tax method to corporations generally and denominate it an excise or a franchise tax, the practice is to include income from all sources, including income from tax-exempt securities, in arriving at the measure of the tax

based on the net income. Therefore, it is desirable, in order to establish complete taxing parity, to remove any question as to the inclusion of the income from tax-exempt securities as part of the measure of the tax based on the net income of national-banking associations; so that the same basis of measuring the tax according to net income for corporations generally may be applied to national-banking associations by the taxing State.

One additional change is also made by H. R. 9958 permitting States having both the above method of taxing corporations and a personal income tax, which includes corporate dividends as taxable income of individuals, to include national-bank dividends as part of the taxable net income of residents, in the same manner and to the same extent that corporate dividends generally are so included. This is an exception to the alternative features of the present methods for the taxation of national banks or their shareholders and authorizes the taxation of both in the manner mentioned.

The special reason for immediate action in regard to this is because of the situation pending particularly in the States of New York and Massachusetts. In the State of New York the legislature is now in session and is proposing to remedy the situation. They have had more or less difficulty in interpreting what constitutes moneyed capital coming in competition with banking. It has resulted in much litigation, and because of the fact that the State of New York and the State of Massachusetts have adopted an income tax law they are very desirous of having it apply also in this particular instance as regards the taxation of national banks. The legislative committee has recommended to the Legislature of the State of New York that this be done, and a bill is now pending there to permit this thing to be done, but the Legislature of New York can not pass the bill until they first get authority from Congress.

In that connection I want to read two telegrams I received this morning. But before doing so I want to say to the Members of the House that before I introduced this bill I saw to it that it was approved by the American Bankers' Association's special tax committee; it was approved by the National Tax Association; and the heads of the State tax departments of both New York and Massachusetts appeared before the House Banking and Currency Committee and approved of this legislation. In further support of it I will read these two telegrams. One reads as follows:

ALBANY, N. Y., *March 23, 1926.*

Hon. LOUIS T. MCFADDEN,
Chairman Banking and Currency Committee,
House of Representatives, Washington, D. C.:

Favorable action by the House on the Pepper-McFadden bill, in relation to taxation of national banks, is urged. This bill subtracts nothing from the power of any State to tax banks, but does materially enlarge powers of income-tax States like Massachusetts, New York, and others. Its enactment will enable States to develop tax systems along desirable lines.

ALFRED E. SMITH,
Governor of New York.

The other telegram reads as follows:

BOSTON, MASS., *March 23, 1926.*

Hon. LOUIS T. MCFADDEN,
House of Representatives, Washington, D. C.:

I earnestly desire the passage of the bill amending chapter 5219 of the United States Revised Statutes as agreed to before the Committee on Banking and Currency, and urge its passage at this session.

ALVIN T. FULLER,
Governor of Massachusetts.

Unless there is some question that is to be raised, I do not care to discuss the bill any further. Does any gentleman on this side of the House desire time?

Mr. WASON. Will the gentleman yield for a question?

Mr. McFADDEN. I will.

Mr. WASON. Why should not the States have the right to assess the assets of national banks at the same rate that they assess the personal property of the inhabitants of the States?

Mr. McFADDEN. Because the law prohibits that. Section 5219 was enacted for the purpose of protecting national banks in an excessive manner.

Mr. WASON. The effect of it is that under this law they have a privileged status as compared with other moneys in many of the States.

Mr. McFADDEN. No. I would say it is not a privileged status but a protective status, so that the States can tax national banks in an amount not exceeding the tax levied on other banks and other moneyed capital coming in competition with the banks, which might be almost identical with the gentleman's question. Now, the amendment particularly before us proposes that they shall not be taxed at a higher rate than net income of manufacturing industries within the State or at a higher rate than other banks within the State are taxed, and the national banks feel that is perfectly right, especially in view of the turn to the income-tax method now pursued by these two particular States, and which undoubtedly will be followed by many of the other States.

Mr. WASON. Then the gentleman thinks that the bill which his committee has reported will have a tendency to equalize the right of States in getting more taxes out of the assets of banks?

Mr. McFADDEN. Yes; I do think so.

Mr. MORTON D. HULL. Will the gentleman yield for a question?

Mr. McFADDEN. Yes.

Mr. MORTON D. HULL. In States which do not permit income taxes, as, for instance, Illinois, is not the stock of a national bank in rather a preferred status? It can not be taxed, can it?

Mr. McFADDEN. No. I will say to the gentleman that this simply adds another proviso as a method of taxation. It does not interfere with the present methods. There are now some three or four methods of taxation by the several States. In other words, the States that do not now tax on the basis of net income can choose one of the other methods in the present law.

Mr. MORTON D. HULL. I am referring now to State taxes. Illinois has no income tax, but it has a property tax which applies to intangibles, stocks among them. Is it not true under the present law national-bank stocks are not subject to that State tax?

Mr. McFADDEN. Not perhaps in the form the gentleman refers to but they are taxed on the same basis as other moneyed capital is taxed coming in competition with banks under the now existing law. I do not think there is any special favoritism shown to national banks by the States. I know the State of Pennsylvania, for instance, has a 4-mill tax on money at interest and has a 4-mill tax on the value of the shares of national banks.

Mr. MORTON D. HULL. Your State?

Mr. McFADDEN. My own State, and our State is one that does not have an income tax law.

Mr. RAMSEYER. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. RAMSEYER. Taking his own State, which the gentleman has just referred to, are the State banks there taxed the same as the national banks?

Mr. McFADDEN. Yes; and I will say to the gentleman that most of the States tax their national banks practically on the same basis as the State banks.

Mr. RAMSEYER. Is there anything in the law now or will there be anything in the banking laws after this bill becomes a law that will prevent any State, irrespective of the system it has of taxing its State banks, from taxing the national banks on the same basis?

Mr. McFADDEN. Unless they levy a higher tax on national banks than they do on their own banks or higher than they levy on industry. No; there would be nothing in this act that would permit that, I will say to the gentleman.

Mr. RAMSEYER. So the State can tax the national banks the same as they do their own State banking corporations?

Mr. McFADDEN. Yes; or, if as this bill provides, then on a net income basis, but no higher than they tax their own industries on their net incomes.

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. McFADDEN. Yes.

Mr. COOPER of Wisconsin. Suppose this bill becomes a law, as it probably will, will there be anything then in existing law to permit a State to levy higher taxes upon national banks than upon any other bank or any other property?

Mr. McFADDEN. Yes; that is the present law. In other words, in 1923 we said that the States could tax national banks, but not to an amount in excess of what they were taxing their own banks. By this provision we are adding a new method of taxing the income, but it must not be at a greater rate than they tax their own industries; manufacturing industries and State banks.

Mr. COOPER of Wisconsin. I so understood from reading the law and from a conversation which I had last night on this subject. If there were an opportunity for discrimination against national banks, the States might destroy the national banking system in that way.

Mr. McFADDEN. That is the reason the act was passed in the first instance.

Mr. WINGO. If the gentleman will permit, I think either the gentleman from Pennsylvania misunderstood the first

question of the gentleman from Wisconsin or I did. Did not the gentleman ask if this law passed you might tax a national bank at a higher rate than a State bank?

Mr. COOPER of Wisconsin. If this should become a law, would the law then existing permit a higher taxation by the States of national banks than of other property in the States?

Mr. McFADDEN. My answer to that is no.

Mr. HALE. Will the gentleman yield?

Mr. McFADDEN. Yes.

Mr. HALE. How does this bill leave the real estate of national banks to be taxed?

Mr. McFADDEN. In the same method as heretofore.

Mr. HALE. It is taxed locally?

Mr. McFADDEN. Yes; it is taxed locally.

Mr. HALE. At the local property rate?

Mr. McFADDEN. Yes.

Mr. HALE. And must be done in that way?

Mr. McFADDEN. Yes.

Mr. Chairman, I reserve the balance of my time.

Mr. WINGO. Mr. Chairman——

The CHAIRMAN (Mr. DOWELL). The gentleman from Arkansas is recognized for two hours.

Mr. WINGO. I will state frankly I had hoped some time during the session and so expressed myself when the rule for this bill was discussed in the committee, to have at least two hours to discuss the Federal reserve system and its operation, as well as some of the present activities of the Federal reserve system, but the rule under which this bill is being considered limits the debate to the bill, so I am not permitted to speak on that subject to-day.

The Committee on Appropriations can come in here and under general debate they can talk about everything under the sun—prohibition, evolution, Veterans' Bureau, and run for three days, as they did at one time on a bill, with an average of 10 or 15 people present. That is perfectly all right; but whenever we want to discuss something that is causing a good deal of criticism in the country at the present time and undertake to cover a detailed analysis of the operations of the banking and currency system of the country, for some reason there are some gentlemen connected with the steering committee or the Rules Committee that are afraid to turn us loose, and therefore they always limit us to a discussion of the bill.

Mr. Chairman, I would not have said anything at all on this matter except some gentlemen have asked me to state in the RECORD what I have told them privately about this bill. There is but one change that is made in existing law by this bill and that is to give the States one additional method of taxation of national banks to what they already have under existing law. That is the only change that is made.

You can criticize the text of the bill and I could myself criticize a great many things that are there, but they are in the existing law. Every criticism that can be leveled against this bill can be now leveled against existing law. None of the evils which people complain of with reference to the restrictions on the taxation of banks can be said to be new evils authorized by this bill—they already exist.

The additional legislation in this bill is of a liberalizing character both from the standpoint of liberality to the State, taking off restrictions—and I use the word liberality in that sense—and the further feature that it permits the States, if they wish, to adopt a more modern method of taxation.

Mr. BRIGGS. Will the gentleman yield for a question?

Mr. WINGO. Yes.

Mr. BRIGGS. Can the gentleman give the House any idea of what additional taxes it is estimated will be raised by the States through taxation under the additional authority which this bill carries?

Mr. WINGO. Not a cent; and possibly reduce it in New York. Does that give the gentleman the information he wants? My answer requires an explanation.

They have a situation in both New York and Massachusetts, one or the other or both, where there is some question whether or not the present amount they are claiming can be sustained, and I think there is some litigation going on in one or the other States.

Here is the disputed point, I will say to the gentleman from Texas. Under existing law there are three ways by which the State of New York or Texas can tax national-bank stock. They can either tax the stock directly or they can tax the income of the individual shareholders, including the income that comes from the shares of stock, or you can tax the income of the association. If you do one you can not do the other. In other words, there are three alternative methods. The bill retains every one of the alternative methods, but goes further and says that a State, if it desires, may levy a tax—that is, not an income tax in the direct sense of the word, but really an excise tax measured by the income. In other words, the amount of the excise tax, or the franchise tax, or whatever you call it, will be determined by the standard that is fixed by the volume of the income from all sources.

Mr. HASTINGS. And that would include the other methods.

Mr. WINGO. That makes four alternatives. The last one is not altogether exclusive and some people are complaining about it. Under the existing law they undertake to levy in one State a tax upon income of the National Banking Association, but the question arises under the present existing law, under the three alternatives of the present law, there is a grave doubt whether they can include in the income that from tax-exempt securities.

Let me show you what the effect is. Here is a bank with a capital stock say of $100,000. Suppose it had more than $100,000 in tax-exempt securities, and you can find banks like that. You can see where the factor of doubt comes in. We meet this situation in this bill by saying you may levy a tax upon the bank that is measured by the income, and when you do that you can take the income from whatever source you please. The Supreme Court has rendered a decision which leaves in the mind of the proponents of this bill, they say, no doubt at all that under the language of the bill if they undertake to fix the excise tax or the franchise tax, if they word it so that it is measured by the income of the banks, they can include the income that comes from tax-exempt securities.

That is the only change we make in the existing law.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. COOPER of Wisconsin. Does not that involve a contradiction of terms, if not of law?

Mr. WINGO. At first blush it looks like that is true, but let me repeat what the decision is. It is not an income tax. You are going to put a tax on the corporation doing business, or its right to do business; you can call it whatever name you wish.

You are going to say, How can we arrive at a fair and equitable measure of what that tax should be in the case of each corporation? Naturally the basic factor is the ability to pay, is it not? That is one of the basic factors in levying a tax.

Now the State may say, in order to determine what the amount of this peculiar tax shall be, we will use a standard that will determine its ability to pay, the amount it shall pay, shall be the standard fixed by the volume of its income. It is not a tax on the income, it is a tax on the corporation for doing business and the amount is measured by a yardstick called the "income," and that includes all income because of the ability of the bank to pay.

Mr. COOPER of Wisconsin. Will the gentleman again yield?

Mr. WINGO. Certainly.

Mr. COOPER of Wisconsin. Is not that a use of words to conceal an idea? You are fixing a measure which includes a tax on the income of tax-exempt securities, and so you are taxing tax-exempt securities. The language is not important but the idea is.

Mr. WINGO. Does the gentleman think it is a bad idea?

Mr. COOPER of Wisconsin. I am not called upon to express an opinion.

Mr. WINGO. I am not criticizing the gentleman.

Mr. COOPER of Wisconsin. That is not germane to the point whether it is right or not. I made the point that there was a contradiction of terms in the argument of the gentleman in explaining this bill. He said that you fix the measure by the total revenue, and that includes the income-tax-exempt securities. If you fix it in that way, you tax tax-exempt securities.

Mr. WINGO. I have to be candid with the gentleman. I confess that the decision of the Supreme Court which arrived at the same conclusion gave me a headache, and it took me considerable time to be able to comprehend it. I am quite aware of my lack of ability to express it in a way that is really satisfactory to myself. My argument is crude even though measured by my own conception of it. It is a difficult thing to express, but I think the gentleman will get at what I am driving at; and if he will read the decision of the court which is referred to in the report, he will see that they have done that.

Is that a wise thing to do? Why not? I am not one of those that wants to bait corporations and jump all over organized capital because they have certain privileges, and I am not going to do that; but I suggest this to the gentleman from Wisconsin [Mr. COOPER], that, say what you please, it is only with rare exceptions that organized capital in the form

of corporate wealth in this country is discriminated against in the ultimate payment of taxes. That does not sound good to some folks, but it is true. I can not be accused of being an enemy of banks, but there is not a bank in America that can justly complain that its burden of taxation is exceptional. It may complain properly that perhaps its particular form of corporate wealth, the bank, is discriminated against, as measured by the tax burden that is levied upon some other corporation. It may do that, but why not permit the States to do this? As a matter of fact, when it comes down to the last analysis, are we called upon to determine either the wisdom or the morality of any system of State taxation affecting national banks? We are not.

The only duties that we owe to the national bank is to say to the States, "You may put upon the national banks any tax you see fit; it may be an uneconomic tax; it may be an unwise tax; it may be an immoral tax; but Congress will not restrain you as long as you impose the same burden upon your State banks and other corporate organizations in your State; use the same method and have the same burden; it may be an unconscionable tax, but that is not the concern of Congress," because Congress, after all, must recognize that if a State does put an unjust burden upon any group that is wealthy the people of that State sooner or later can be brought to see the injustice of it and, in addition, they have their remedy in court against the State collector. In other words, Congress must always proceed upon the theory that we must presume that the States are not going to act foolishly in the taxing of their own corporations and the property of their own citizens for a very long time, that the power and influence and political prestige of the very people who are affected will sooner or later right the evil. Of course, if you deny that rule, then you deny our system of Government and take from under it the assumption of the capacity of the people to govern themselves.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. COOPER of Wisconsin. Without entering into the merits of the proposition to make all securities subject to taxation—in other words, to do away with all tax-exempt securities; throwing that question aside—the proposition has evoked a considerable discussion in the country, and Congress has thus far refused to enact legislation of that sort. Is this bill an attempt, nevertheless, to establish by law the taxation of what has been heretofore tax-exempt securities? Is this the beginning of it?

Mr. WINGO. No; I think not. The gentleman will recall that I was against that proposition. It is a wholly different proposition. The proposition we had up was to authorize the Federal Government to tax the issues of the different States and the different political subdivisions of the States. We declined to do that, and I was with the gentleman on that proposition.

I did not agree with the argument of the proponents of it, but I say this to the gentleman, that the securities of the State of Arkansas are to-day susceptible to taxation and the income from them can be taxed by the gentleman's own State. The Federal Government can not tax them. New York can tax them, but New York will not tax them. I am willing to give the Legislature of New York or the Legislature of Massachusetts all of the power that may be necessary to tax the national banks of the State of New York just so long as they will not discriminate against the Federal agency, the National Bank. If they want to put an unconscionable burden upon the banks of their States and all corporations of their States, that is the business of the people in New York State. Upon the other hand, if they want to grant favoritism to the banks and the corporate wealth to the corporations in their State, what business is that of the Federal Government? Is not that a State question? In other words, the only concern of Congress—and I reiterate it—with reference to national banks which are made an agency of the Federal Government, is to say to the State that it must not discriminate against them, that it can be unjust to them, because the question of injustice is one of opinion and has to be settled by the people of the respective States. We say, very well, be unjust if they want to, or exercise undue favoritism toward these banks if they want to, because that is a question for them to settle, but when it comes to affecting national banks we say that they must treat them just as they treat the other forms of corporate wealth in the States—mercantile establishments, State banks, and so forth.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. SPROUL of Kansas. Just why does this bill propose three or four different methods of assessment and taxation?

Mr. WINGO. So as to give the people of the States a wider latitude.

Mr. SPROUL of Kansas. I have been wondering whether it is because the different States have different plans or methods.

Mr. WINGO. They have. Up to the statute of 1923 the only way that you could tax national banks in the States was to tax the shares. Then confusion arose. The decision of the Supreme Court in the Richmond case I have never been able to comprehend; I do not know what they mean. I disagree with most lawyers. I do not think that the Supreme Court said anything new. I think possibly the learned jurist who wrote that decision was not as familiar with banking operations as possibly he might have been.

I understand that he decided and was intending really to reiterate all the philosophy that had gone in all the decisions reviewed by the court before, but in 1923 we passed the present law. That is not satisfactory. Those of you who were here remember that we were in a deadlock in the closing hours of the Congress because the Senate adopted the Kellogg amendment. The present Secretary of State was then a Member of the Senate and he offered what is known as the Kellogg amendment. That was unsatisfactory to the House. The older Members remember the pressure brought to bear upon the House to recede, and the gentleman from Pennsylvania and myself and the other conferees stood pat and said, "We leave you where you are." Do you remember what the State of New York stated at that time? It was being asked to amend its laws so as to treat the national banks upon terms of equality.

Now in order to get any law at all and get our viewpoint we had to compromise and accept something in the present law that we did not like, and as practical men we can not rewrite this law if we try to eradicate the very things of which we complain of by possibly a majority of the Members on my side and some of the Members on your side. But that question is not involved in this bill because it does not touch any of those evils. We simply go one step further along the line of the bill of 1923, and I think that answers the gentleman's question. We said having permitted the States to tax as heretofore if those States want to tax by an income tax, want to get away from a property tax, a direct tax on personal and real property—of course the tax on real property is left the same all the time as far as national banks' real property is concerned—if the State wants to get away from the old system of a direct tax, it may tax the income on shares and tax the net income of the national bank itself, but as we say, if it does one it can not do the other. There can not be a duplication of taxes. Now we find there is question of tax-exempt securities, whether the so-called franchise method set up in New York and possibly Massachusetts, whether that should stand in the face of the decision of the Supreme Court. The Supreme Court has decided that the tax which I have enumerated and explained, the fourth additional one, does not violate the tax-exempt provisions. You can not exactly enumerate or measure the yardstick with which you are going to measure this franchise, or whatever tax it is. So we simply give the States another alternative. I think it is wise to do so because I am one of those who believe that thoughtful business men, men who own property in this country are sooner or later going to look to the future and not to present benefits. They are going to come in some way to a recognition of the absolute absurdity and injustice of putting a discriminatory burden of the old direct property tax on the land of this Nation.

The farmer may have times of drought or times of flood, and he may not have made a dollar during the year, and yet under the present system of taxation that land must bear the burden. Take a great office building in the city, and there may be a time of great distress, and it may not have made sufficient to cover the operating expenses and to pay the tax charges. Then why let the tax gatherer come along and push him over the precipice of bankruptcy? I think the States sooner or later are going to revise their tax laws and are going more and more to recognize the basic factor, the controlling factor in levying taxes. It is going to be the ability of the man to meet the burden which is laid upon him.

It is ridiculous, it is absurd, to say that a man who is struggling all the year, either on a farm or in mercantile business or in an industrial enterprise of any kind, and his business has been so bad that he is facing bankruptcy—it is absurd for the sovereignty to come in and shove him over the brink with the weight of an additional tax burden imposed on him. [Applause.]

I hope we may get away from it in time, and that is why I, as a practical man, am not now trying to amend the whole general law when it is confessedly bad. But when the State comes along and says, "We must have another alternative," I answer "I will give you the right to tax the national banks any way you wish, provided you do not discriminate against them."

If you adopt this franchise method, then you may, in addition thereto, in the same State require a man, where there is a personal income tax in the State, to include the dividends on the stock of that bank in his income-tax return that is subject to taxation. I think it is right, gentlemen. Lawyers differ with me and say that I am wrong. I have not looked it up lately. But I never was much afraid of double taxation when it comes to the question of banks. I have never been so scared about it as some gentlemen have been. I have represented banks and sat on their directorates. There are other communities in the United States like mine. There is no unjust burden laid on us. We might dominate the community in which we live if we so chose, because the directors are business men and preachers and retired farmers, and we dominate the community. But it is said—and I do not contend that you can not do it—under the old law if you tax the shares of stock, then you could not also put an income tax on the individual. The Supreme Court held in one case that if a man owns a share of stock in a corporation, that is property, and he is subject to a tax on it. The bank is a separate piece of property in itself, a separate taxing entity, and I am not afraid of the bugaboo of double taxation.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. MOORE of Virginia. If this legislation is passed, is it not discretionary with a State whether it will do it or not? Is it not a question of State law?

Mr. WINGO. Yes. I do not think that is bad. I would be perfectly willing for my State to tax me on any income on any bank stock, if I had it. I have not had any since I have been a member of this committee. I got rid of it. But that is to be left with the State, if the State wants to do it; and if it says at the same time that it will tax a sawmill, put the same franchise tax upon it, measured by its income, then if it says that a man who owns stock in that sawmill he shall pay an income tax and include in his income the dividend received from that stock—I say, if the State does that, I am willing that it shall do it with the banking interest.

All that we do in this bill is to follow the same old rule of protecting these banks against discrimination. Just so you use the same yardstick in measuring the volume or the extent on the taxes of the national bank that you use for other corporations in the State all right.

Mr. SPROUL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. WINGO. Yes.

Mr. SPROUL of Kansas. A State not only levies a tax on the unincorporated concern or estate, but subsequently lays a tax on the income from such investment. In that case would that be discriminating?

Mr. WINGO. I repeat what I said many times before, that every criticism that you can urge against this bill lies against the existing law. It just gives the State one other method in addition to the three already existing by which they can tax corporate wealth invested in national banks and keep them down to the same old restriction to prevent discrimination against this Federal agency.

Mr. HALE. Mr. Chairman, will the gentleman yield there?

Mr. WINGO. Yes.

Mr. HALE. Suppose a man has some shares in a national bank. I assume it is left to the State to determine the standard of value of those shares, provided it does not discriminate?

Mr. WINGO. Surely.

Mr. HALE. And in determining that standard of value may the State include the tax-exempt securities of the national banks in arriving at the value of the shares to be taxed? If they can do that in a matter of income, my query is whether, in arriving at the value of the shares, we must lay a tax on the principal, as we do in my little State of New Hampshire, or whether you can include, if you set up the standard, say, of the capital, surplus, and undivided profits, you can include the tax-exempt securities to establish the value of the shares to be taxed?

Mr. WINGO. I think I understand what the gentleman is driving at, although I think he is a little bit unfortunate in his expression of it.

Here is the thought I have in mind: When you use the share method you can not touch anything else. In other words, if the gentleman owns a thousand shares in his national bank up there, I think the State has the right, in arriving at what proportion of the burden of the taxation his State shall bear, to take into consideration the actual value of that stock, just as it has the right to take into consideration the value of a sawmill concern or anything else.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield again?

Mr. WINGO. Yes.

Mr. MOORE of Virginia. In getting at the value of the shares of bank stock, everything is to be taken into consideration, whether consciously or unconsciously; everything that is an element of value?

Mr. WINGO. Yes; I think so, and I was just coming to that. I will tell you what the practice is in one State. In arriving at the values of it the bank deducts the value of the real estate that is assessed for real purposes.

Mr. HALE. That was going to be my next question. Having arrived at the value, whether or not under this bill, if it were passed, there would be any obligation on the part of the State to consider the value of the real estate in fixing the value of the stock.

Mr. WINGO. I do not think so, but I think most of them do it. I have insisted in my State that it was not right to do it, and I told my own bank so, because you are taxing personal property in the hands of an individual and the banks are only paying it as agents of the stockholders. So I do not think it is right, but they do it in my State. They deduct the value of the real estate in fixing the value of the stock.

Mr. HALE. But the gentleman thinks that is not necessary.

Mr. WINGO. I do not think it is right.

Mr. STEVENSON. But they tax the real estate?

Mr. WINGO. I know, but that is a separate proposition. They arrive at the value of my personal property, and as a separate tax proposition I do not think I ought to be credited with the value of the real estate that belongs to the corporation of which my stock is a segregated part. They do it, though, I will say to the gentleman.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. COOPER of Wisconsin. The gentleman has made a most interesting statement and argument. He instanced a little while ago the similarity, in his opinion, between the tax on a bank and the tax on a sawmill. The gentleman used those by way of illustration. Now, a bank may be a bank of issue; it may issue notes which circulate throughout the country.

Is there any possibility under this bill of a State so taxing a bank of issue as to interfere with the value of its notes which are in other States?

Mr. WINGO. I can not see how it possibly could, if I gather what the gentleman has in mind. I do not see how it affects that question at all.

Mr. COOPER of Wisconsin. They are supported by bonds, I suppose, and that protects them?

Mr. WINGO. Oh, yes; they are put up with the Federal Government. I do not think it would have any moral effect on that, and I know there is no legal effect. [Applause.] I reserve the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman has used 35 minutes.

Mr. WINGO. Mr. Chairman, I yield 20 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, I do not speak on this bill because there is any opposition to it, but there are certain things related to it that ought to be put into the record, so that hereafter we may not have cries from people to the effect that we did so-and-so when they did not know it. There are some things about this bill which some people will criticize. I think they are all right, but I want to explain the situation from my standpoint.

The taxation of national banks has been a development. When they were first organized they were Government institutions, and immediately claimed exemption from taxation. Then in 1864 Congress provided that the shares in national banks should be taxed as other personal propery and provided how they should be taxed. A controversy immediately arose as to whether that was taxing United States bonds, because the capital of national banks was invested entirely in United States bonds, and on those filed with the Secretary of the Treasury they issued the national-bank bills which became the current money of the country. The question, as I say, was raised that the attempt to tax the shares was the taxation of United States bonds, which constituted the entire capital of the bank. The Supreme Court of the United States very promptly held that that was not true and that under this act they could tax the real estate as real estate, at its value as

valued, and then the balance, after deducting the real estate, the value of the shares of the bank, the net value, should be divided up amongst the shares, and they could value those shares and tax them as other personal property; and the fact that the money which they produced was invested in United States bonds was no shield from it at all, but it was held that they could not tax it higher than they taxed other moneyed capital. The Supreme Court of the United States wrote into the statute this provision:

Other moneyed capital coming in competition with the national-bank capital.

That was not embraced in the statute at first. It stood that way until 1923, but during the World War there was great agitation. The banks were asked to buy the bonds of the United States, which, with the exception of small surtaxes, were exempt from taxation. A drive was made on the Banking and Currency Committee to get it to report a resolution which would authorize the banks that held the United States bonds to deduct from the value of their stock the bonds which they held and only tax the balance, which would have meant that the banks would have escaped taxation in that day and time entirely.

They undertook to get that through the Banking and Currency Committee. Having in mind the fact that the shares of the banks, as the Supreme Court of the United States said, were subsequently wonderfully increased by the fact that the money was invested in United States bonds and other tax-exempt bonds, the Banking and Currency Committee refused to report any such resolution. Then through the Ways and Means Committee the Comptroller of the Currency got a bill reported allowing them to do that. It was riddled here on the floor of the House, but it was finally passed through the House in a very much modified way, to wit, that a certain proportion could be deducted. However, the bill was killed in the Senate, and so it stood until 1923, when many of the States had adopted the income-tax method, and they came to us asking to be allowed to tax the national banks in that same way. After many hearings, Congress acceded, to a certain extent, to that request and added two alternatives. You could tax the net income of the bank or you could tax the dividends declared in the taxable income of the stockholder, but you could not do both. You could do one or the other, and therefore you had the right to tax the shares on their value or you had the right to tax the net income of the bank or you had the right to tax the dividends in the hands of the stockholder, if he had a taxable income. That is what we did in 1923.

The States of New York and Massachusetts have been in litigation with the banks. They had an entirely indefensible method of taxing them before, a discriminatory method as between them and other moneyed capital. They have attempted to remedy their defects, but under the law as we passed it and as it stands to-day the method of taxing the incomes of corporations in those two States is entirely out of harmony with the method prescribed here for the taxation of banks.

Now what do we do by this bill? They came to us with this proposition: Allow us to use the entire income of the bank as the yardstick upon which to measure the levy of a tax on the right to do business, and the entire income includes income from tax-exempt securities and those that are not tax exempt, and then allow us to tax the dividends in the hands of the stockholder who is a resident of the State in his taxable income; allow us to do both of those things and not make it in the alternative. In doing that, however, we agree that we will not tax them higher than we do the income and the dividends from mercantile and manufacturing and other business corporations.

We have written that into the law. That is what this adds to the methods of taxation. Instead of having it exclusively that you can tax the income of the corporation and nothing else or you can tax the income of the individual on his stock and nothing else, we provide that you can put a tax on them measured by the entire income and also make the stockholder include in his income his dividend derived from that stock.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. STEVENSON. Yes.

Mr. COOPER of Wisconsin. If the total income of the bank is the measure, that includes the income of the bank from tax-exempt securities.

Mr. STEVENSON. Yes, sir; it does.

Mr. COOPER of Wisconsin. Then this is the beginning of the taxing of hitherto tax-exempt securities.

Mr. STEVENSON. The Supreme Court of the United States has held in the case of Flint *v.* The Stone Tracy Co. (220 U. S. 108) that that can be done; that it is not a tax on the exempts, but it is a tax on the corporation for the privilege of doing business measured by its entire income, and you can embrace that in it.

Mr. COOPER of Wisconsin. If the gentleman will permit, as I said a moment ago, it occurs to me that is simply using language to obscure an idea. You take the entire income of the bank, including that which it receives from tax-exempt securities as the measure.

Mr. STEVENSON. Yes, sir; that is what you do.

Mr. COOPER of Wisconsin. And then you proceed to tax that which includes the income from tax-exempt securities.

Mr. STEVENSON. That is correct.

Mr. COOPER of Wisconsin. And the use of the word "franchise" does not obscure at all the fact that you are attempting to tax, and do tax, hitherto tax-exempt securities.

Mr. STEVENSON. That is correct, and I am glad to hear a gentleman of such standing in this House, as well as in the country, state what we all know, that the Supreme Court of the United States frequently obscures ideas by language as well as statesmen when they are on the stump. That is correct, but this is not the first time it has been done. When they held that the stock was taxable, although every dollar of it was invested in United States bonds, which were expressly exempt from taxation, they held practically the same thing.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. JOHNSON of Texas. Is this law designed primarily to give the States who tax incomes the power to tax banks the same as any other corporation; is that the primary purpose?

Mr. STEVENSON. Yes, sir; that is the primary purpose, and it is to enable them to make their tax systems harmonious and understandable and enforceable.

Now, there are one or two other things to which attention ought to be directed. The question is raised immediately that this is double taxation. Here is a man who owns $10,000 of stock in a million-dollar bank. The bank is taxed on its income and then it declares its dividend and the man gets $1,000 of dividends on his $10,000 of stock.

When he goes to make his income-tax return in the State, if he lives in that State he has to embrace that in his income-tax return, and you have taxed the income of the bank and you are taxing the income of the individual. That is what you are doing. But looking at the situation as it is and as it has developed, it has developed that the sum of the tax laid on the stockholder and the sum of the tax laid on the income of the bank is not exceeding the tax which is being laid on the old ad valorem process, and the banks are entirely satisfied, because they can not afford to tax out of existence the banks and the other corporations that must be taxed in the same way as the banks, and therefore there is not any very great danger about it.

There is one other thing that ought to be stated clearly for this record, and that is with respect to the nonresident stockholder in a State where they tax the shares and not the income. Take Connecticut, for instance, the State of my friend the gentleman from Connecticut [Mr. FENN]. Connecticut taxes the shares and possibly will continue to do so, because Connecticut is an exceedingly conservative State that believes in maintaining the status quo even as to the Constitution and everything else. There the stock of a stockholder is taxed by the ad valorem method, and under the experience that has been shown us it is probably taxed more than the tax that will be laid on the banks in New York all told under the income method. But if the stockholder lives in New York, his stock is taxed in Connecticut the full amount of all other stockholders and then he gets his $1,000 of dividends in New York and they make him put that in his income return and it is taxed there. That is one of the things that ought to be known when you vote on this bill. I am for the bill. I am not afraid of the man who has $10,000 of stock in a national bank not being able to take care of himself. There are a number of ways he can do it; but I want you to know that that feature is in the bill and one of the claims that will be made in reference to the bill is that you are providing double taxation in this way, because you have taxed his stock in Connecticut and his dividend in New York. I think the average man, the average stockholder of a national bank, will be able to take care of himself and to transfer his stock to a trustee in Connecticut and get rid of that. But that is a mere matter of detail, and that is what we do. We are conferring the additional right to tax the income and dividends both. We are conferring that additional right, and limit it by the provision that you can not tax one of the banks at a greater rate than you are taxing the ordinary busi-

ness corporation, and that is their protection. National banks have been a shield to the State banks in many instances in this country because at a time when there is great excitement and unrest in the country there is frequently a tendency to load the load on the banks, but no State has ever been found that would discriminate against its State bank or put a heavier burden on that than on the national banks.

Now we have this provision so that the business corporations of the country will be a protection and a shield against discriminatory and confiscatory legislation against the national banks. I do not think there is any danger of the impairment of the right of these banking associations, but we ought to make possible progressive taxation methods in States, allowing them to proceed in a more businesslike way and maintain their institutions.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. COOPER of Wisconsin. The gentleman says he does not think there is any serious danger of harm to the rights of national banks.

Mr. STEVENSON. I do not think there is any danger at all. I think this is a perfectly safe bill in the interest of progressive taxation methods which have got to come in the States, or the States themselves are going to be in a state of eruption about the archaic methods now in vogue.

Mr. BLANTON. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BLANTON. As long as our great Committee on Banking and Currency bring in a unanimous report on a bill, as it has in this instance, a bill with no one against it, we need not be very much afraid of its doing any harm.

Mr. STEVENSON. No; I do not think the people will be harmed by it. The members of the Committee on Banking and Currency are not bankers and they have been looking out for the safety and rights of the people as much as any other committee. They do not belong to the banks, but they stand for the rights as between the banks and the people. [Applause.]

Mr. McFADDEN. If there is no one else who wants to speak on the bill——

Mr. BLANTON. Will the gentleman yield for a question?

Mr. McFADDEN. Yes.

Mr. BLANTON. If we get through with this bill soon, does the gentleman propose to adjourn?

Mr. McFADDEN. My understanding is that the House is going on with the legislative appropriation bill.

Mr. BLANTON. Then we shall get no reward for helping the gentleman to expedite matters.

Mr. McFADDEN. I would be glad to reward the gentleman in any way I could.

Mr. PRALL. Mr. Chairman, I yield three minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman, I desire to address the House on the subject of the words "High crimes and misdemeanors." We have had so few impeachments in the House—and I ask to extend my remarks on this subject.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD.

Mr. MADDEN. I understand that that would be a violation of the rule for the gentleman to ask for the right to extend remarks on any subject except the subject which is under consideration. That has to be done in the House. I have no objection to the gentleman extending his remarks.

Mr. HAWES. I think the rule is wise and will make my request later.

Mr. McFADDEN. Mr. Chairman, we have no further speeches on the bill and I believe the rule provides that the bill shall be read under the 5-minute rule.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read the bill.

The CHAIRMAN. Under the rule, the committee will rise and report the bill to the House.

Accordingly the committee rose; and Mr. MADDEN having taken the chair as Speaker pro tempore, Mr. GREEN of Iowa, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 3377, to amend section 219 of the Revised Statutes, and had directed him to report it back without amendment with the recommendation that the bill do pass.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill. The bill was ordered to be read a third time, was read the third time and passed.

On motion of Mr. MCFADDEN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

By unanimous consent the bill H. R. 9958 was laid on the table.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 3662. An act creating the offices of assistants to the Secretary of Labor; to the Committee on Immigration and Naturalization.

LEGISLATIVE APPROPRIATION BILL

Mr. DICKINSON of Iowa. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 10425) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1927, and for other purposes.

Mr. BLANTON. Mr. Speaker, pending that motion, will the gentleman yield?

Mr. DICKINSON of Iowa. Yes.

Mr. BLANTON. The House is practically a month ahead of the Senate, and pretty soon we are going to have to adjourn three days at a time in order to let the Senate catch up with our work. It was generally understood that the banking bill which we have just passed was going to take up four hours, or practically the whole day. Why does not the gentleman give us the remainder of the day in which to catch up with our work in the office? This is the last appropriation bill that we shall have to consider.

Mr. DICKINSON of Iowa. What we are trying to do is to accommodate a number of gentleman who desire to speak. There is the list that I have myself.

Mr. BLANTON. I shall not interpose an objection if there is any necessity for it.

Mr. DICKINSON of Iowa. We are doing this to accommodate the Members of the House.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Iowa that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the legislative appropriation bill, with Mr. HAWLEY in the chair.

The Clerk reported the title of the bill.

Mr. DICKINSON of Iowa. Mr. Chairman, I yield 30 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman and gentlemen, I do not run or operate a coal mine and I have no financial interest in any railroad.

More than 18 months ago the Pittsburgh Coal Operators' Association, Pittsburgh Vein Operators' Association of Ohio, and others instituted a proceeding before the Interstate Commerce Commission against the Ashland Coal & Iron Railway Co. and about 50 other railroads, the chief of which were the Chesapeake & Ohio, Norfolk & Western, Louisville & Nashville, Pennsylvania, Baltimore & Ohio, and New York Central.

These coal operators of the Pittsburgh and Ohio coal districts urged the Interstate Commerce Commission to reduce the freight rates on their coal to the Lake Erie ports at Toledo and Sandusky, ranging all the way from 11 to 28 cents per ton, according to the location, and requested the commission to increase the freight rates on coal shipped from Kentucky, West Virginia, Virginia, and Tennessee to these ports all the way from around 28 to 40 cents per ton over the present rates. I might add that under present freight rates Kentucky, West Virginia, Virginia, and Tennessee now pay from 25 to 40 cents more on each ton shipped to these lake ports than is paid by Pennsylvania and the eighth Ohio districts. These operators wanted to make it range from 53 to 84 cents a ton.

All of these railroads except the Wheeling & Lake Erie, located in the State of Ohio, opposed this change in rates sought by the Pittsburgh and Ohio coal operators. The coal operators of Kentucky, West Virginia, Virginia, and Tennessee, and the public-service commissions in the States of Michigan, Minnesota, Wisconsin, and many of the large consumers of coal in Chicago and other cities, entered their protest against this change of rates on coal to the Lake Erie ports. The commission held exhaustive hearings, covering more than 30 days; and after several days of argument before the commission, the commission, on July 16, 1925, rendered a decision denying the petition of the Pittsburgh and Ohio coal operators.

I am advised there were only three members of the commission that favored the proposition of the Pittsburgh and Ohio coal operators. The other eight opposed it. Because of this decision the commission has been criticized in some journals and newspapers in Pennsylvania and Ohio favorable to the Pittsburgh and Ohio coal operators' contention.

Some time ago these same operators requested the commission to reopen the case for further argument, and the commission entered an order reopening the case for further argument and gave the parties 20 days to show cause whether other testimony should be taken. Distinguished Senators from Pennsylvania and Ohio and others have frequently criticized the commission's decision in this case. Neither the Senate nor the House is the forum in which to try this case. Congress delegated the rate-making power to the Interstate Commerce Commission. Intimations are made from day to day in the Senate that some great injustice has been done to the coal operators of Pittsburgh and Ohio; that the commission has taken some great vested rights from the coal operators of Pittsburgh and Ohio and given these rights to Kentucky, West Virginia, Virginia, and Tennessee; that the commission has not used its discretion fairly and justly, and it is also broadly intimated that Pennsylvania is getting the worst of this deal because she has no one on the commission. I am firmly convinced that much of the opposition to the confirmation of the reappointment of Mr. Woodlock as a member of the Interstate Commerce Commission has been inspired by the fact that he was one of the majority that decided this case against the Pittsburgh and Ohio coal operators last July. These attacks have been kept up with such frequency and persistency that many persons in and out of Congress have come to believe that the commission committed a very grievous error and has done a very great wrong to the coal operators of Pittsburgh and Ohio. All of these charges are misleading and are far from the facts, and I rise in my place to present some facts in relation to this case for the information of the Congress and the country.

No one from Kentucky, West Virginia, Virginia, or Tennessee is a member of the commission. Kentucky did have a member on the commission, but he did not decide any coal-rate case for Kentucky. Is it the thought of Pennsylvania that if she had a man on that commission that it would be his duty to be a special advocate for the State of Pennsylvania? Let us indulge the hope that the commission may never be influenced by any motive except to do justice to the whole country and to those who may appear before it, and when they have conscientiously and honestly performed that duty they may be free from attack from those in high places.

LAKE CARGO RATE CASE DOCUMENT NO. 15007

The matter in question is known as the Lake Cargo Rate cases. From a mere reading of the statements in the CONGRESSIONAL RECORD from day to day made for those who speak for the Pittsburgh and Ohio coal operators, you would be led to believe that Kentucky, West Virginia, Virginia, and Tennessee have lower coal freight rates to Toledo and Sandusky than the rates from the Pittsburgh-Ohio coal districts, and you would be led to believe that the Interstate Commerce Commission in its decision last July took away something from the Pittsburgh and Ohio districts and gave it to the Kentucky-West Virginia, and so forth, districts, and that this has been done in order to favor the operators in these States because it is claimed less wages are paid there than in the Pittsburgh and Ohio districts. These statements are contrary to the facts. Let us examine the rates that now prevail and have prevailed between these coal fields and the lake ports from 1903 to the present time.

Lake cargo rates per ton, with differentials in favor of Pittsburgh and Ohio districts since 1903

Year	Pittsburgh district	No. 8 and southern Ohio districts	East Kentucky, Kanawha, Thacker districts	Differential	Pocahontas, New River	Differential
				Cents		*Cents*
1903-1907	$0.83	$0.80	$0.92	9	$1.07	24
1907-1912	.88	.85	.97	9	1.12	24
1912-1917	.78	.75	.97	19	1.12	34
1917	.93	.90	1.18	25	1.33	40
1918-19	1.30	1.27	1.55	25	1.70	40
1920 (Aug. 26)	1.86	1.83	2.11	25	2.25	40
1921 (May 4)	1.58	1.55	1.83	25	1.98	40
1921 (Nov. 1)	1.86	1.83	2.11	25	2.26	40
1922 (July 1)	1.66	1.63	1.91	25	2.06	40
1923	1.66	1.63	1.91	25	2.06	40
Present	1.66	1.63	1.91	25	2.06	40

You will observe that during the period from 1903 to 1912 the Pittsburgh and Ohio districts had a rate to Toledo and Sandusky at least 9 cents per ton lower than part of the West Virginia district and 24 cents per ton lower than the other part of the West Virginia district and the Pocahontas, Va., district. Kentucky began shipping coal to the Lake ports in 1912.

The Pittsburgh and Ohio coal district, evidently jealous of the growing coal business in Kentucky, West Virginia, Virginia, and Tennessee, in 1912 urged the Interstate Commerce Commission to cut down their rates and to increase the rates on coal to the Lake Erie ports from Kentucky, West Virginia, Virginia, and Tennessee. The commission granted this request, and you will observe that the differentials then ranged from 19 to 34 cents per ton. These rates continued during the period from 1912 to 1917.

The Pittsburgh and Ohio coal operators, finding that this action on their part failed to strangle and destroy the coal business in Kentucky, West Virginia, and so forth, in 1917 again appeared before the Interstate Commerce Commission and again urged an increase in the spread in the rates to the lake ports between the Pittsburgh and Ohio district on the one hand, the Kentucky-West Virginia, and so forth, districts on the other hand, and their request was granted and differentials were again increased so that they ranged from 25 to 40 cents per ton. During the entire period from 1903 to 1917 coal from Kentucky, West Virginia, Virginia, and Tennessee paid all of the way from 9 to 40 cents per ton more freight to the lake ports than was paid on the coal to these ports shipped from the Pittsburgh and Ohio districts. You will also observe that during the period of the war the rates from all of these points to the Great Lakes were increased but the differentials ranging from 25 to 40 cents per ton were maintained. On July 1, 1922, the rates from all of these points to the Lakes were reduced but the differentials ranging from 25 to 40 cents per ton remained the same, and to-day the rate from the Ohio district is $1.63 per ton, the rate from the Pittsburgh district is $1.66 per ton, and the rate from east Kentucky and parts of West Virginia is $1.91 per ton, and the rate from other West Virginia districts, Virginia, and Tennessee is $2.06 per ton. As years have come and gone the differentials in favor of the Pittsburgh and Ohio coal districts have increased and at no time has anything been taken from them. They made this new effort about 18 months ago to increase this spread and to add to their already great advantages.

Proposed lake cargo rates per ton from Kentucky, West Virginia, Virginia, Tennessee, and Maryland

To lower Lake Erie ports from following districts	Present rates	Proposed rates	Differential over Pittsburgh	
			Present	Proposed
			Cents	*Cents*
Thacker, W. Va.-Ky.	$1.91	$1.98	25	53
Cumberland-Piedmont, Md.-W. Va.	1.93	1.98	27	53
Gauley, W. Va.	1.93	1.98	27	53
Kanawha, W. Va.	1.91	1.98	25	53
Tug River, W. Va.	2.06	2.09	40	64
New River, W. Va.	2.06	2.09	40	64
Pocahontas, W. Va.	2.06	2.09	40	64
Big Sandy, Ky.	1.91	1.98	25	53
South Jellico, Ky.-Tenn.	1.91	2.09	25	64
Hazard, Ky.	1.91	2.09	25	64
Harlan, Ky.	1.91	2.18	25	73
McRoberts, Ky.	1.91	2.18	25	73
Clinch Valley No. 1, Va.	2.06	2.18	40	73
Clinch Valley No. 2, Va.	2.06	2.23	40	83
Stonega, Va.	2.06	2.28	40	83
Radford, Va.	2.41	2.28	75	83
Oakdale, Tenn.	2.06	2.23	40	83

A study of these proposed rates will disclose that the coal operators in the Pittsburgh district were insisting that their rates be decreased from $1.66 to $1.45 per ton, or a reduction of 21 cents on each ton. Proposed reductions in Pennsylvania were even greater. The proposed reductions in the Ohio district average around 21 cents lower than the present rates. At the same time the Pittsburgh and Ohio operators urged that the rate of $1.91 for the Harlan and McRoberts (Ky.) fields be increased to $2.18 per ton, an increase of 27 cents, and in some of the Virginia and Tennessee fields the increases range from 18 to 22 cents. This made an increase in the spread between the Harlan (Ky.) field and the Pittsburgh field of 48 cents per ton, and an increase in the spread of some of the West Virginia, Virginia, and Tennessee districts even greater than this, and therefore if the commission had granted the re-

quest of the Pittsburgh and Ohio coal operators, eastern Kentucky would pay 73 cents more per ton than would be paid by the Pittsburgh and Ohio coal operators to the lake ports, instead of 25 cents more per ton, as the rate now is, and some of the Virginia, Tennessee, and other districts would pay 83 cents more per ton to the lake ports than would be paid by the Pittsburgh and Ohio coal operators. This demand meant an increase in the spread ranging from 100 per cent to nearly 200 per cent over the present rate. In other words, the Pittsburgh and Ohio operators wanted the commission to fix the rates on coal shipped to Toledo and Sandusky so that the rates from Kentucky, West Virginia, Virginia, and Tennessee would be from 50 cents to 83 cents per ton more to these lake ports than the Pittsburgh and Ohio coal districts to the same ports. The commission refused to do this. This is the first time that Pittsburgh and Ohio coal operators have failed in their efforts to strangle their competitors in Kentucky, West Virginia, and so forth. They had been so accustomed to win, and because they did not win this time they and their spokesmen flew into a rage and denounced the commission, and in order to bolster up their alleged claims, a distinguished Senator from Pennsylvania calls upon us to look at the rate from Clearfield, Pa., to the lake ports. It is greater than the rate from Kentucky-West Virginia district.

The fact is that the Clearfield, Pa., district never did ship coal to the lake ports and has made no effort to enter that market. They have made no request, as I understand it, to have their rates adjusted, and if they should, I am sure that the Kentucky-West Virginia people would make no objection. The Clearfield (Pa.) district has large markets in other directions. They did not even join or appear in this request on the part of the Pittsburgh and Ohio coal operators. Again the Senator exclaims that coke is shipped to Philadelphia from districts in West Virginia near the Pennsylvania coke fields for a less rate than is paid by the Pennsylvania coke, but again we find that the commission has fixed no rate on coke from West Virginia; that there is practically no coke produced in West Virginia and shipped to Philadelphia or elsewhere. The Senator wants to know how the commission can explain such great inconsistencies as these. We realize the weakness of the case of the Pittsburgh and Ohio operators when their distinguished spokesmen must go out "mouse tracking" in this way. The coke rate, whatever it may be, is not involved in the Lake Cargo case.

MINERS AND SOFT COAL OPERATORS HARD HIT

We have heard much said about unsatisfactory conditions in the soft-coal business in Ohio and Pennsylvania. The truth is the soft-coal business throughout the country has been hard hit during the last three years or more. Owing to the stimulation of high prices during and following the war, the soft-coal business was overdeveloped. America has too many soft-coal mines and miners. If the soft-coal mines of America should operate with reasonable full time during the entire year they would produce between about 900,000,000 tons of soft coal. The country has a market for about 500,000,000 tons of soft coal annually and about 85,000,000 to 90,000,000 tons of anthracite coal. It will be seen that with the present personnel of miners and the developed soft-coal mines, America can produce about 80 per cent more soft coal than the country can consume and export. This means that the soft-coal mines can not run anything like full time, or much more than half full time, and therefore the soft-coal producers of Ohio and Pennsylvania, as well as other sections, can not enjoy the prosperity that they once enjoyed. The soft-coal mines and miners must be idle a considerable part of the time.

It is said by the spokesmen for the Ohio and Pittsburgh operators that the miners in Kentucky, West Virginia, Virginia, and Tennessee receive less pay for their work than the miners in Ohio and Pittsburgh districts, and they seem to express great concern for our miners. I am very sorry this is true, but why is it necessary for our miners to receive less pay? It is because under the present freight rates all the coal shipped from these four States must pay 25 to 50 cents per ton more freight than is paid on the coal shipped from the Pittsburgh and Ohio districts. This means that the miners of Kentucky, Tennessee, Virginia, and West Virginia must receive less pay and the operators from these States must receive less profits in order to compete in the market with the coal from the Pittsburgh and Ohio districts. Now, if the Interstate Commerce Commission should grant the petition of the Pittsburgh and Ohio operators and add to this increase, and instead of it ranging from 25 to 40 cents higher the freight on each ton should range from 53 to 83 cents higher on the ton, what would become of the poor miners in Kentucky, West Virginia, Virginia, and Tennessee? This would cause our miners to work at starvation wages or be thrown out of employment entirely. We can see that the spokesman for the Pittsburgh and Ohio operators are merely shedding "crocodile tears" for the poor miners of Kentucky, West Virginia, and so forth. Because of the continued increase that the Pittsburgh and Ohio operators have received in freight rates our miners have had to work for less, and now these same Pittsburgh and Ohio operators are denouncing the Interstate Commerce Commission because it does not put such a high freight rate on coal shipped from Kentucky, West Virginia, Tennessee, and Virginia as will put the mines of these four States out of business and make it impossible for the poor miners of these States to earn a support for their wives and their children. If these spokesmen for the Pittsburgh and Ohio operators were really interested in the miners of our States they would ask to have the freight rates on our coal reduced rather than increased.

Kentucky, West Virginia, Tennessee, and Virginia are not now and have not been enjoying the great prosperity that some of the distinguished spokesmen for the Pittsburgh and Ohio operators claim. For the most part of the years 1924 and 1925 the coal operators of Kentucky lost money instead of making money. The average cost of a ton of coal was around $1.85 to $2 per ton; the average price received at the mines for much of that time would not exceed $1.50 per ton, run of mine. A great many of the mines were run at a loss so that the miners would have an opportunity to make a living for their families. I spent much of the summer and fall of 1925 in what is known as the Harlan coal field, which is in my district, and out of the 90 coal mines in Bell County only about 6 were running anything like good time, and these 6 had railroad contracts—that is, furnishing coal to the railroads. Six others were running from one to three days per week. The other 78 were not operating at all, and many of them had not run any coal for more than a year. More than 20 had gone into bankruptcy. The J. B. Straight Creek Coal Mining Co. at Fourmile owned 500 acres of coal in fee and had spent approximately $175,000 for improvements and equipment. This plant sold for $15,000. The Mathel Coal Co., near Tejay, cost approximately $125,000, with fine Harlan coal; sold for $30,000 at public sale. The Utilities Gas Co., of St. Louis, had a 500-acre lease on some splendid coal and on which they had spent $100,000 for improvements and equipment; were offering the entire plant for $10,000 without takers. I found many other coal plants being offered for sale at 10 cents on the dollar.

There is perhaps no mining property in Bell and Harlan Counties assessed for taxes that could not be bought for less than its assessed value for taxes. The Fox Coal Co., of Harlan County, whose property was assessed at $61,690 for taxes, sold for $21,000. The Harlan Coal & Coke Co.'s property, assessed at $82,000 for taxes, sold for $60,000. The Darby Harlan Coal Co., whose property was assessed for taxes at $25,400, sold for $6,000. In another section of eastern Kentucky the Maynard Coal Co. had property assessed for taxes at $600,000, and this was sold for $275,000. The Jewett & Bigelow Co. had property assessed for taxes at $221,000, but was sold for $43,500. The Black Joe Coal Co., of Perry County, had property listed for taxes at $38,720, but at sale only brought $26,500.

I call attention to the property of the Bell Jellico Coal Co. A very few years ago, after a most careful investigation of the property by the representatives of a bank and trust company, they loaned to this company more than $200,000 and took a first mortgage. Only a few months ago this same property at public sale sold for $35,800. This list could be multiplied at great length, but I merely point these out to show that the depressed condition in the soft-coal business is not confined alone to Ohio and Pittsburgh districts.

Run-of-mine coal for the months of December, 1925, and January and February, 1926, from the Harlan, Ky., field sold on an average at less than $2 per ton. This is as fine bituminous coal as there is in the Nation, and all the coal could be had now that is desired for much less than $2 per ton, run of mine, yet the Pittsburgh and Ohio operators want the Interstate Commerce Commission to place a freight rate from the Harlan field to the lake ports to $2.06 a ton.

FEDERAL CONTROL UNNECESSARY

Many bills have been introduced in the House and Senate urging Congress to pass some act authorizing the President or the Federal Government to take over the coal mines and operate them in case of an emergency. So far as the bituminous-coal industry is concerned this is entirely unnecessary. As heretofore pointed out, America can produce with the mines that she has now equipped and the miners employed therein something like 900,000,000 tons annually, and this production comes from many States. We do not have a market for more

than about 500,000,000 tons annually. An emergency can not arise in the bituminous coal fields that would threaten the Nation if these mines are furnished sufficient transportation.

The House has passed the Parker-Watson railroad bill. It takes the Government out of the business of running the railroads. I can not see why we should put the Government into the business of running the coal mines.

ANTHRACITE MONOPOLY

Nature gave to Pennsylvania a monopoly as to anthracite coal. The people of the Nation are not very well satisfied with the manner in which they have exercised this monopoly. But Pennsylvania is not satisfied with a monopoly on the anthracite-coal supply; they want the Interstate Commerce Commission to do for them in the bituminous-coal business what nature did for them in the anthracite-coal business. The commission did not lend itself to this scheme, and hence they are denounced. The coal business involved in the Lake Cargo cases amounts to about 30,000,000 tons of bituminous coal annually. The records of 1923 show that the Pittsburgh and Ohio coal operators furnished about 20,000,000 tons of this business, and Kentucky, West Virginia, Virginia, and Tennessee supplied the other 10,000,000 tons. During the years of 1924 and 1925, when Pennsylvania and Ohio had some labor troubles, they furnished only about one-half of the lake cargo business.

The Pennsylvania and Ohio districts have other markets that are not accessible to the Kentucky, West Virginia, Virginia, and Tennessee districts. In the small triangle, using Pittsburgh as the southern apex, Cleveland, Ohio, the northern, and Rochester, N. Y., the eastern, this small region, right at the door of the Pittsburgh and Ohio coal field, consumes about 90,000,000 tons of coal every year. This is about one-fifth of all the coal produced in the Nation, and it is shown that about 20,000,000 tons more of coal are shipped down the Monongahela River. The Pittsburgh and Ohio districts have other large markets to the tidewater at Baltimore, Philadelphia, and New York, and also ship large quantities of coal to Detroit, Chicago, and to other points in the North and East. Kentucky, West Virginia, Virginia, and Tennessee have very limited markets. They must depend on the lake-port markets. We want the Pittsburgh and Ohio districts to have their reasonable share of the business. Pittsburgh and Ohio boast of their geographical position. They say that nature placed them near the lake-port markets and therefore they should have it all.

Kentucky, West Virginia, and so forth, can boast of their geological advantage. Nature gave to these States the very best bituminous coal, and the rates should not be fixed so as to deny them of this advantage, an opportunity of the markets, and deny the consumers of the benefit of this splendid coal. Pittsburgh and Ohio operators demand all of the business. They are willing, if necessary, to browbeat, bulldoze, and intimidate the Interstate Commerce Commission to grant them such coal rates to the lake ports as will make it impossible for Kentucky, West Virginia, and so forth, to compete with them. They are willing to destroy the coal industry in these other States.

CONSUMERS WANT COMPETITION, NOT MONOPOLY

The consumers of the Nation, as well as the coal operators, are vitally interested in the coal business. Kentucky, West Virginia, and so forth, have a high-grade bituminous coal. This coal is carried to Toledo and Sandusky on Lake Erie and is transported by water and rail to the Great Lakes cities throughout the States of Michigan, Minnesota, Wisconsin, North and South Dakota. The Pittsburgh and Ohio operators know if they can crowd our coal out of these markets that they then will have a monopoly, and it was for this reason that the Lake States and the Northwest States, through their public service commissions, intervened in these Lake Cargo cases and strongly urged the commission to deny the petition of the Pittsburgh and Ohio coal operators. These consumers know that if the differential is increased so that it will be from 53 cents to 83 cents per ton that it will drive Kentucky, West Virginia, and so forth, out of these markets and will give the Pittsburgh and Ohio operators a monopoly. In fact, some of the witnesses and spokesmen for the Pittsburgh and Ohio operators frankly admit that their purpose is to drive Kentucky, West Virginia, and so forth, out of these markets. If they should secure a monopoly of these markets, of course the consumers in the Great Lakes region, the North, and Northwest would be at the mercy of the Pittsburgh and Ohio coal operators.

RAILROADS DO NOT WANT INCREASE

The Pittsburgh and Ohio operators insist in their petition that the Interstate Commerce Commission grant an increase as high as 28 cents on a ton on coal shipped from Kentucky, West Virginia, Virginia, and Tennessee to these lake ports. The railroads that handle this business are the Chesapeake & Ohio, Norfolk & Western, and Louisville & Nashville Railroad Co. They appeared before the commission in this proceeding and resisted with all their power and influence this increase of rates to them. This is an amazing spectacle. The Pittsburgh and Ohio coal operators trying to force this tremendous increase of freight rates on these three great, prosperous railroads, while the country everywhere is demanding a decrease of freight rates. In this case an attempt is being made to force three prosperous railroads in America to accept an increase. Of course, the coal operators of Pittsburgh and Ohio have a motive in this generosity. They simply want to put the rate on coal so high that is carried by these railroads from Kentucky, West Virginia, Virginia, and Tennessee as to shut the coal from these four States out of the Great Lakes, North, and Northwest markets. They are willing to take any turn to destroy the coal industry in these four States; and when the commission refuses to lend itself to accomplish this purpose they fly into a rage.

MILLIONS INVESTED AND CITIES BUILT

So far as is reasonably possible and practicable, there should be stability of freight rates. Hundreds of millions of dollars have been invested in railroad development; other hundreds of millions of dollars have been invested in developing and equipping coal mines; villages, towns, and cities have been built; hundreds of banks and other business houses have been organized; thousands of schools and churches and community organizations have been brought into existence in the States of Kentucky, West Virginia, Virginia, and Tennessee on the present freight rate structure on coal.

In my own section of eastern Kentucky the Louisville & Nashville Railroad Co. alone has spent more than a hundred million dollars in building railroads, providing rolling stock and equipment to handle the coal business in northern, eastern, and southeastern Kentucky, and perhaps almost as large a sum has been spent in northern and northeastern Kentucky, and the Chesapeake & Ohio Railroad has spent millions for the same purpose, and a much larger sum has been expended in developing and equipping these coal mines in Kentucky that have been and are shipping coal to the Great Lakes, North, and Northwest markets. In my own State hundreds of villages and towns have been built; schools and churches, banking and commercial and other business institutions and enterprises by the hundreds have been brought into being and are being sustained and depend on this coal business. Countless thousands of persons are now employed in and about these mines and on these railroads, providing food, clothing, and shelter for their families and children.

The Interstate Commerce Commission has tremendous power and it should proceed with great caution when some group comes before it and asks it to disrupt the freight structure and commercial activities that have been long established. It is natural for the coal operators of Pittsburgh and Ohio to contend for all this business to the lake ports, but if Pittsburgh and Ohio could succeed in securing such a rate as to shut out the coal from Kentucky, and so forth, it would destroy these railroads, paralyze these industries, throw thousands and thousands of men out of employment; bring want and misery to countless thousands of women and children. It would wreck these villages, towns, and cities and fill the churches and schools with hoot owls and bats instead of bright, happy, contented, loyal American citizens. Is this what Pittsburgh and Ohio coal operators want? Must the Interstate Commerce Commission be denounced because it refuses to bring all of this destruction, want, and misery in order to give the Pittsburgh and Ohio coal operators a monopoly in the lake cargo coal business? I am thinking of the misery such action would bring to the miners and railroad men who depend on this industry to feed and clothe and educate the families, and for them as well as those who have invested their money I strongly protest. The commission has acted wisely and justly, and I protest against their being denounced.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. MURPHY. I yield the gentleman 10 additional minutes.

Mr. KELLY. If the gentleman will yield, all the Pittsburgh operators have ever requested was that there be no discrimination against them. With their natural advantages and their location 120 miles from the Lakes, they are certainly entitled to a less rate than Kentucky, which is 400 miles away.

Mr. ROBSION of Kentucky. You have got the advantage. A part of your district is about 275 miles from the Lakes, and you have a rate of $1.66, while a part of Kentucky and West Virginia districts are only about 260 miles from the Lakes, and they pay $1.91 rate.

Mr. MOORE of Ohio. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. MOORE of Ohio. I want to understand the gentleman, if I may. The gentleman spoke about some one denouncing the Interstate Commerce Commission. Is it not true that the gentleman, in his remarks at the last session of Congress, was the first person to start this agitation at the close of the other Congress?

Mr. ROBSION of Kentucky. I did not denounce the commission. I merely tried to call the attention of the coal people, the business people, and all the citizens of Kentucky, West Virginia, Virginia, and Tennessee to the fact that if the Pennsylvania and Ohio districts succeeded in putting in these new rates to the lake ports it would destroy the railroads, their mines, their towns, and their business.

Mr. MOORE of Ohio. Then it becomes a question as to whether the mines, railroads, towns, churches, and schools are destroyed in Kentucky or in Ohio and Pennsylvania; is that it?

Mr. ROBSION of Kentucky. No; not at all. Both sections have been built up on a certain freight-rate structure, but you folks in Ohio and Pittsburgh must not have all the business. That is what I am objecting to. Pennsylvania and Ohio want it all.

Mr. MOORE of Ohio. No.

Mr. ROBSION of Kentucky. That would be the effect of it.

Mr. MOORE of Ohio. No.

Mr. ROBSION of Kentucky. Yes; is not this true? One or two of the witnesses who appeared in that proceeding declared that their purpose and intention was to put the people of these other States out of the lake-ports coal business.

Mr. MOORE of Ohio. I do not care what one or two witnesses may have said. I am speaking about the general situation. Is it not true that within the last year or 18 months—I do not know exactly the number of months—the relative tonnage that has been produced as compared with other years has greatly increased in Kentucky and the other States the gentleman speaks about, while it has considerably decreased in Ohio and Pennsylvania?

Mr. ROBSION of Kentucky. In some districts in Ohio there has been an increase in production; Pennsylvania has lost some of the lake cargo business, but this is not due to rates, and it has other tonnage of 90,000,000 tons right at its doors and it has other markets.

Mr. MOORE of Ohio. I am speaking about what is being sold.

Mr. ROBSION of Kentucky. And I am also talking about what is being sold.

Mr. MOORE of Ohio. In my own district I know that one of the large mines has gone into the hands of a receiver; I know that of the approximately 10,000 men who ordinarily work in the mines three-fifths of them have been idle.

Mr. ROBSION of Kentucky. Let me read you some results of my investigations. In Bell County, which is next to my home county—and this was last summer and fall—there were 90 coal mines. Six of them were running reasonably full time, because they furnish coal to the railroads. Six others were running from one day to three days per week, while the other 78 were not operating at all, and most of them had not run any coal for more than a year. Have you conditions worse than that?

Mr. MURPHY. Yes; in Belmont County.

Mr. ROBSION of Kentucky. I do not think you have. Let me go a little further:

More than 20 have gone into bankruptcy. The J. B. Straight Creek Coal Mining Co. at Fourmile owned 500 acres in fee and had spent approximately $175,000 for equipment. This plant sold recently for $15,000. The Mathel Coal Co., near Tejay, costing approximately $125,000, with fine Harlan coal, sold for $30,000 at public sale last week, and the Utilities Gas Co., of St. Louis, has a 500-acre lease on which they have spent $100,000 for equipment, was offering the entire outfit for $10,000. Quite a number of other plants were offered for sale at 10 cents to the dollar. There is perhaps no mining property in Bell County assessed for taxes that can not be bought for much less than the then assessed value for taxes. The Fox Coal Co., of Harlan County, its property assessed for taxes at $61,690, sold for $21,000; the Harlan Coal & Coke property, assessed for taxes at $82,000, sold for $60,000; the Darby Harlan Coal Co., assessed for taxes at $25,514, sold for $6,000. In another section of the State the Maynard Coal Co. had a property assessed for taxes at $600,000, and this sold for $275,000.

And so I could go on and on. I am not trying to be unfair to Pittsburgh and Ohio. They have a right to a part of this market, but I say they have no right to a rate that will destroy the coal business in these four other States.

Mr. MURPHY. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. MURPHY. The rate has destroyed the coal business in eastern Ohio, and a great Canadian railroad that owns thousands of acres of coal as well as mines in my district has not mined a pound in a year's time. They are buying it in your country because they can buy it and ship it cheaper than they can pay the wages, to say nothing of the freight charges. That is the condition in eastern Ohio.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. MURPHY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. ROBSION of Kentucky. The gentleman spoke about the mine being down one year; we have a lot of good mines that have been down for two and three years.

Mr. MOORE of Ohio. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes; but I first want to emphasize this point. There are other folks who have an interest in the coal business besides those that produce it, and they are the consumers.

Mr. SCHAFER. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. SCHAFER. We find to-day that the coal operators throughout the country are in bankruptcy; has the gentleman who comes from a coal district investigated to ascertain who was making the money when we were paying $13 and $14 a ton for soft coal?

Mr. ROBSION of Kentucky. Yes; and I am glad to say here that during all last summer and fall you could buy run-of-mine coal, the very best soft coal in the world, at $1.50 a ton on board cars at the mine, and in January, 1926, the average price for run of mine would not run beyond $2 a ton.

Mr. SCHAFER. Will the gentleman yield further for just a short question?

Mr. ROBSION of Kentucky. Yes.

Mr. SCHAFER. I bought some soft coal day before yesterday at $11 a ton. Does not the gentleman think if these properties are selling way below their assessed valuation when the consumer is paying these extraordinary profits, that now is the time for the Government to take over the mines and own and operate them?

Mr. ROBSION of Kentucky. No. The Government should not take over the mines, but now is the time to prosecute these coal profiteers. I have heard so much on this floor about the soft-coal robbers and miners that I am made sick. That is not where the trouble is. As long as this country can produce 900,000,000 tons a year and can only consume 500,000,000 tons, you do not need anything to regulate the price at the coal mine.

The trouble is a lot of fellows over the country with just a set of books are getting more money per ton out of it than the man who furnishes the coal and the equipment and the miners who dig the coal all together. There is where the trouble is. [Applause.]

These are matters that concern all of you. You will not have very much trouble anywhere getting soft coal if the Interstate Commerce Commission will make such rates as will admit of the wide distribution of the soft coal of this country and active, honest, and fair competition. That will regulate the soft-coal business of America. That is not true as to anthracite, because the territory is quite small and they have a monopoly of the hard coal of the country.

Mr. MOORE of Ohio. Will the gentleman yield?

Mr. ROBSION of Kentucky. Yes.

Mr. MOORE of Ohio. The gentleman has spoken about objecting to this request that we made in this case for a change in the rates——

Mr. ROBSION of Kentucky. I am not objecting to your making the request, but I am objecting to the commission being denounced because they did not grant your request.

Mr. MOORE of Ohio. Did not the gentleman denounce, if he wants to use that word, or criticize either the commission or the representatives of the commission who sent out examiners who reported that this very thing we are asking for ought to be done?

Mr. ROBSION of Kentucky. I will say that some examiner went out——

Mr. MOORE of Ohio. Who sent him out?

Mr. ROBSION of Kentucky. I do not care who sent him out. I assume the commission.

Mr. MOORE of Ohio. The Interstate Commerce Commission. They were impartial men who investigated and reported.

Mr. ROBSION of Kentucky. I do not know if they were impartial. We send out some fellows to investigate and report, but we do not have to swallow their report.

Mr. MOORE of Ohio. Surely not.

Mr. MURPHY. We have had to swallow it in eastern Ohio. We have had to take it.

Mr. ROBSION of Kentucky. No.

Mr. MURPHY. Yes; we did.

Mr. ROBSION of Kentucky. No; you did not.

Mr. MURPHY. Facts are stronger than any statement made here.

Mr. MOORE of Ohio. If the gentleman will permit, I would like to get back to my original question. My friend has been kind in yielding to me. Right or wrong, the Congress has set up the Interstate Commerce Commission to adjust these freight rates; does the gentleman feel we ought to settle this question of rates here in Congress, or should the Interstate Commerce Commission settle it?

Mr. ROBSION of Kentucky. If the gentleman had heard my remarks in the beginning, he would have known I said this was not the forum, either here or in the Senate, in which to try this case.

Mr. MOORE of Ohio. Will the gentleman yield there?

Mr. ROBSION of Kentucky. And I only took the floor after the commission had been denounced and an attempt made to try this case in the Senate and Ohio and Pennsylvania newspapers and journals.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. DICKINSON of Iowa. Mr. Chairman, I yield the gentleman from Kentucky two additional minutes.

Mr. MOORE of Ohio. Mr. Chairman, if the gentleman from Kentucky will permit, I would like to ask him a few more questions. Although under a good deal of urging I have refrained from saying anything on the floor of this House about this matter, being old-fashioned enough to think the Interstate Commerce Commission is more or less a judicial body and ought to settle this case. I am willing for them to settle it under the facts, and if there is any responsibility for starting this agitation and threshing it out on the floor of the House, I think the gentleman was one of the first to start the agitation by his extension of remarks he put in the RECORD at the close of the last Congress which appeared after the Congress had adjourned.

Mr. ROBSION of Kentucky. Not at all.

Mr. MOORE of Ohio. Why not?

Mr. ROBSION of Kentucky. The gentleman misinterpreted my remarks.

Mr. MOORE of Ohio. Perhaps so.

Mr. ROBSION of Kentucky. My remarks were simply to call attention to the fact that this matter was before the Interstate Commerce Commission and that the commission would likely want to know the facts and conditions. I urged them to present the facts and they did, and the commission decided the case for them.

Mr. MOORE of Ohio. Yes; but there was a way to give them the facts.

Mr. ROBSION of Kentucky. And I urged that they should bring their proof in and try it out before the commission. I never suggested we try it out on the floor of the House or Senate.

But since the commission decided the case against your people an attempt has been made in another body by the Senators from Ohio and Pennsylvania to try this case out not before the commission but some other forum, and it is against this procedure I protest.

The CHAIRMAN. The time of the gentleman from Kentucky has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield three minutes to the gentleman from Montana [Mr. EVANS].

Mr. EVANS. Mr. Chairman, I have been much interested in the remarks of the gentleman from Kentucky [Mr. ROBSION], but I could not determine from his argument whether he meant to advocate some legislation on this question or bring some influence by his argument on the Interstate Commerce Commission to make a certain ruling.

When the interstate commerce law was passed in 1906 it was construed by the Interstate Commerce Commission that they might fix a greater charge for a shorter haul than a long haul over the same piece of railroad. That continued until during the war. I think 1918 they changed their ruling, and for the time being construing their authority to permit them to make no greater charge for a short haul than a longer haul over the same railroad. I want to talk to you on that subject.

An effort is being made to pass legislation clarifying and defining the authority of the Interstate Commerce Commission under the fourth section of the interstate commerce act.

The proposition means simply this, to prevent the charge of a greater freight rate for a shorter distance than for a longer distance when the freight is moved in the same direction over the same road and the shorter haul is included within the longer. This matter has been before the American people for many years and has been legislated on a number of times. In 1910 congressional action was taken largely by the efforts of Senator Joseph M. Dixon, of my State. It was then believed that the relief so manifestly denied the people of the great interior country would be granted.

Section 4 of the interstate commerce act has to do with the long-and-short haul. It provides that a common carrier may not charge in interstate commerce more for hauling goods a shorter distance than it may charge for hauling it a longer distance, the charges being for service in hauling cars going in the same direction and the shorter distance being part of the longer. There is a provision, however, in this law giving the Interstate Commerce Commission the power to make exceptions when it seemed that by reason of water competition an injustice would be imposed on the common carrier. It was not supposed, however, that the exception would come to constitute the dominant and controlling feature of the section. It was supposed that the proviso would take care of the unusual, of the extreme cases, but just the opposite occurred. The proviso came to be a controlling element of the paragraph, and the part of the paragraph which permitted the common carrier the right to charge more for the shorter distance than for the longer when the shorter is included within the longer distance became the dominant feature of the law.

Let me illustrate how it worked, and to make it plain let me localize my illustrations. I live in the little city of Missoula, in the western part of the State of Montana, about 800 miles east of Seattle, Wash. Two transcontinental railroads run through my town and on to Seattle. A man in my town wants to build a bridge for the county. He buys his steel at Chicago or Pittsburgh and ships to Missoula, and his freight is $1,500. If this same bridge was built in the vicinity of Seattle the freight bill would be approximately $1,000, though it was shipped 700 miles farther and right through my town.

Suppose, again, a city in Montana puts in a system of waterworks. A city on the Pacific coast of the same size puts in an equivalent system. In both these cities an equal number of tons of iron pipe was used, but the Montana city was compelled to pay $10,000 in excess freight rates alone, which must come from the people of that city, than was paid by the city on the Pacific coast that put in an identical water system, and the iron for which was hauled on the same railroad tracks that delivered the iron to the Montana city, but was hauled 700 miles farther.

Let me give you another illustration of the conditions under which we are laboring: Here is Spokane, Wash., and the Stanton Meat Packing Co. in business there. A few years ago the Stanton Meat Packing Co., having a surplus of lard, wanted to send it to Chicago, Ill., the packers there purchasing the lard. The carload weighed 62,100 pounds. Now, then, that called for an examination of the freight rates, and this is what they found: Rate from Spokane to Chicago was $1.25 per hundred; also rate from Spokane to Seattle, 50 cents; Seattle to Chicago, 60 cents; a total of $1.10. They found that they could send the quantity of lard from Spokane in one car to Chicago at $1.25 per hundred, or they could send the lard from Spokane to Seattle and then have their agent send it back again right through Spokane, making a round trip, or a joy ride, for the lard of 1,200 miles and on to Chicago for $1.10 per hundred. By doing this they could let the railroad company have the pleasure of hauling the lard from Spokane to Seattle, back to Spokane, on to Chicago, and do the whole thing $93.15 cheaper than they would do it if they hauled the carload of lard direct from Spokane to the city of Chicago.

If time would permit, I could multiply these illustrations a thousand times. Every merchant, every farmer, who shipped a pound of freight, every citizen who lives west of the Mississippi and east of the Cascade Range of mountains, must bear this burden—at least 13,000,000 of them. It was not confined to the great Northwest from where I come, but the same conditions apply to a greater or less degree to all interior points.

There can be no sound, economic reason for this artificial restraint upon trade and commerce. By what moral right, by what sort of reasoning do we reach the conclusion that it is just to charge more for hauling a shorter distance than a longer one on the same road and in the same direction when the shorter is included in the greater? Is a half a loaf greater than a whole loaf? Is a half dollar more valuable than a dollar?

The conditions, as I have illustrated, continued from about 1906 to 1918. The reason for this discrimination was because of water competition in favor of the coast points. When we became involved in the World War ships that had been carry-

ing freight from the east coast and through the Panama Canal were largely drawn off this service and naturally there was no water competition and the railroad rates were rearranged, wiping out this unjust discrimination. When the war was over the railroads again sought to put into effect this pre-war discrimination. They filed with the Interstate Commerce Commission an application which was from time to time modified, and on that application the Interstate Commerce Commission has recently rendered a decision denying the same, thus continuing in effect the rates published during the war.

There is now pending before both the House and the Senate a bill restricting the authority of the Interstate Commerce Commission on this question. The bill is commonly called the Gooding-Hoch bill. It will be voted on in the Senate to-morrow. It is not the purpose of this bill to disturb or upset any rates now in effect. Generally speaking, the present rates are not higher for a short haul than for a long haul. There are instances where the rates for a short haul are greater than for a long haul; but the rates being in effect, the proponents of this bill are willing to accept them and desire to avoid any industrial disturbance, and this measure is intended simply to stabilize the rates now in effect.

Very naturally you ask if we are not complaining of the present rates—why we want legislation on this subject, and the answer is that we live in fear and trembling that next month or next year the discrimination formerly practiced may be put into effect. The recent decision denying this discrimination was a divided opinion, and one of the commissioners while concurring in the decision stated that at some future time, when the conditions had become more settled and the Panama Canal business had revived, the commissioners would consider another application by the railroads to put into effect this discrimination. So, very naturally, with the sword of Damocles hanging over our heads we are restless and uneasy. We want our business conditions stabilized; we have suffered and we are suffering because of these discriminations. We are apprehensive at all times that the railroads may file a new application, and such application may be granted.

It was through legislation that Congress stopped the discrimination in freight rates between individuals and made it unlawful for roads to grant rebates or special privileges to favored shippers. We should now make it unlawful to permit the railroads to violate this section of the interstate commerce law, which is only another method of granting favors and rebates to favored communities. Everybody knows that a community can be destroyed by freight-rate discriminations, and of course when you destroy the community the opportunities of the people in that vicinity to develop its resources are destroyed. The intermountain country, which has suffered most from this discrimination, has great natural and potential resources, great mineral and agricultural resources, and great water power, but these resources can not be developed so long as they are discriminated against nor can they be developed so long as they live under fear and apprehension that at any time they may be discriminated against. No man will invest capital or build factories when he knows there is danger that to-morrow his investments may be wiped out by a ruling of the Interstate Commerce Commission.

Who in Billings, in Butte, in Helena, or Missoula would put money into a factory when he knows that a Government agency like the Interstate Commerce Commission can destroy his investment over night and without recourse from the owner? Congress never intended to abrogate its powers to control rates and no one is now heard to say that the proposition we have put forth is not economically right and morally right. Why, then, should we not make it legally right? Why not write it into the law and thus give all that interior country the same opportunity to develop that is given to other parts of the country?

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman from Missouri [Mr. HAWES] two minutes.

Mr. HAWES. Mr. Chairman, very shortly an impeachment will be brought in the House. As it is an unusual procedure, there are terms that are used, the words "High crimes and misdemeanors," upon which I should like to address the House, and ask unanimous consent that I may extend my remarks on the subject.

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAWES. Mr. Speaker, my excuse for occupying the time of the House this afternoon on a totally extraneous subject from the matter now under discussion is occasioned by the fact that shortly an unusual proceeding, an impeachment, will be before the House.

We have had but few impeachment trials since the foundation of our Government; so few that there is not a single textbook devoted exclusively to this subject.

The lawyer—excepting as a mere ornamentation to his profession or for his historical information—does not go into this subject extensively, because it has for him little practical use.

I doubt whether there are 50 men in the House and in the Senate who have given consideration to the subject.

Having initiated the original investigation of the conduct of Judge George W. English, it became necessary for me to go into the matter extensively.

At the outset I was confronted with the necessity of securing a proper definition of the term "high crimes and misdemeanors" in impeachment proceedings. The words have an ominous sound, apparently involving criminal conduct.

But in the light of authorities and precedents they have quite a different interpretation; and as the House will soon vote on this subject, it is the interpretation which has been given to this term by the House of Lords in England and our Congress to which I desire to direct your attention for your convenience.

The sections of the Constitution which relate to the subject are brief.

Article III, section 1, of our Constitution reads:

> The judicial power of the United States shall be vested in one Supreme Court and in such inferior courts as the Congress may from time to time ordain and establish.

And the term of the judiciary is set forth in the same article, as follows:

> The judges, both of the Supreme and inferior courts, shall hold their offices during good behavior.

We find in this, therefore, that the limitation of office is good behavior, resignation, or death.

Article II, section 4, reads:

> The President, Vice President, and all civil officers of the United States shall be removed from office on impeachment for, and conviction of, treason, bribery, or other high crimes and misdemeanors.

Article I, section 2, reads:

> The House of Representatives shall have the sole power of impeachment—

And further, in the same article, section 3, it is provided:

> The Senate shall have the sole power to try all impeachments.

But the Senate "sitting on oath or affirmation" was not clothed with the punitive power of the judiciary, in its strict sense; the authority of the legislative branch was limited to a remedy, and the Constitution specifically leaves to the judiciary the matter of a penalty.

The Senate action is defined as follows:

> Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under the United States; but the party convicted shall nevertheless be subject to indictment, trial, judgment, and punishment, according to law. (Art. I, sec. 3.)

And so, having only remedial authority, the Constitution provides that the Senate may hear impeachment trials without the formality of a jury.

> The trial of all crimes, except in cases of impeachment, shall be by jury. (Art. III, sec. 2.)

Again, recognizing impeachment as a remedial process in which Congress is to have sole authority, Article II, section 2, reads:

> The President * * * shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment.

This exhausts the constitutional reference to impeachments. It discloses that a Federal judge can not be removed from office in any other way.

We have in the United States over 5,000 judges representing the States and municipalities in various courts. Any one of these judges may be removed from office in various ways.

In some States there is the recall; in others the governor has power; in others the governor, upon address of the legislature; in some removal may be had by legislative vote; in others by the joint act of the legislature and the governor.

And in every case these State judges serve for a fixed term of years, and at the conclusion of that term a tyrannical, oppressive, or corrupt judge can be removed or defeated for reelection by the electorate of the States.

Quite a different situation is presented in the matter of our Federal judges. There are in this class—including the Supreme

judges, judges of the Court of Claims, appeals, Territorial judges, judges of the District of Columbia—only 222 members.

No courts in the world have been freer from scandal, public assault, or condemnation than the American judge, and especially the Federal judge.

These general observations are made in order that attention may be directed to the fact that no matter how corrupt a Federal judge may be or what crimes he may commit or what acts of tyranny he may engage in there is but one remedy, and that is removal by impeachment.

I wish to draw attention to the fact that if a Federal judge has not been guilty of a crime, if he has violated no law, if his acts may not be within the scope of the meaning of "crime," but if he has so demeaned himself as to bring the high office to which he has been elevated into disrepute—he still may, and should be, removed by impeachment.

An "impeachment" is not necessarily a criminal proceeding.

It will be impossible here to trace all the impeachment trials of England and America in order to exhaust authority for this view, but it is possible to pick out of these trials some of the more salient facts that leave no doubt as to this question.

A review of the English and American impeachment trials reveals that the remedy of impeachment is rather to protect the sanctity of the office involved than to inflict punishment upon the offending official, whether judicial or executive.

The Constitution leaves to the courts the matter of punishment. Judgment in impeachment cases is removal from office.

The Constitution provides that the House may impeach for "treason, bribery, or high crimes and misdemeanors."

The Constitution defines treason; usage and statutory enactments define bribery. But for the exact meaning of "high crimes and misdemeanors" we must turn to legislative authorities.

Mr. Alex Simpson, jr., who prepared an excellent brief on this subject for the trial of Judge Robert W. Archbald of the Commerce Court in 1912, furnishes the House with probably the best analysis on the subject that has been written.

Mr. Simpson says, among other things:

> Clearly also the offense must be one in some way affecting the administration of the office, from which it is sought to exclude the offender. This does not necessarily mean that it must have been an offense committed while performing the duties of the office; but it does mean that the character of the offense or that which flows therefrom must tend to bring the office, if the incumbent is continued therein, into ignominy and disgrace.

TERM OF "GOOD BEHAVIOR"

In further argument on this point Mr. Simpson says:

> The standard of conduct required of a public officer in a highly civilized community may be different from that required of another in a place peopled only by miners, cowboys, and the like. A public officer, especially a judicial one, who without cause persists in parading the streets and appearing in his office in grossly fantastic costume, or who insults or abuses all of those who have public business to transact with him, might well be impeached for a willful disregard of those proprieties recognized by the community in which the business of the office is transacted and which are necessary to be observed in order that the office may be properly served.

I contend that if a judge, for instance, with no idea of corruption, should array himself in the garments of a clown and hold court in that costume, he could, and should be, impeached and removed from office.

But there are many more concurring views, some of which I will cover briefly. All show that impeachment is not a criminal proceeding, but a remedy provided by the framers of the Constitution to protect high offices from acts of men who may stay within the actual limit of statutory law.

Manifestly there is a synonymity between the terms "good behavior" and "high crimes and misdemeanors," and unless we are to throw away a part of the Constitution as superfluous this conclusion is unavoidable.

As Manager NORRIS in the Archbald case points out, "misbehavior" is not "good behavior," and where a judge is guilty of "misbehavior" in office, or in acts which have to do with the character or reputation of that office, he violates the constitutional requirement of "good behavior" and may be impeached for "high crimes and misdemeanors."

As a matter of fact, "high crimes and misdemeanors" has a meaning all its own as associated with impeachments.

It was first used, so far as is known, in 1388, and in that case in connection with an impeachment. From that time it was used in parliamentary impeachments, and the records of our constitutional convention show that when we borrowed the law of impeachments and placed it into our own Constitution we borrowed also the term "high crimes and misdemeanors."

In Holmes *v.* Jennison (14 Peters 570, 1840) the Supreme Court said:

> In expounding the Constitution of the United States every word must have its due force and appropriate meaning, for it is evident from the whole instrument that no word was unnecessarily used or needlessly added. * * * No word in the instrument, therefore, can be rejected as superfluous and unmeaning.

If we accept that doctrine—and the record of the Constitutional Convention warrants its acceptance—then we can eliminate nothing from the phrase "high crimes and misdemeanors."

If we say that "misdemeanors" refer only to "crimes," then the word as used in the Constitution is superfluous and useless.

If the Constitution had said "high felonies and misdemeanors," there might have been argument of force supporting the theory that impeachments were to be limited to "crimes" at law.

The term "crimes" ordinarily includes "misdemeanors," as the Constitution (Art. IV, sec. 2) reads:

> A person charged in any State with treason, felony, or other crime, who shall flee from prison, and be found in another State, shall on demand * * *.

This section was construed by the Supreme Court in the case of Kentucky *v.* Dennison (24 How. 66, 1860) as follows:

> * * * The word "crime" of itself includes every offense, from the highest to the lowest in the grade of offenses, and includes what are called "misdemeanors," as well as treason and felony.

Therefore the framers of the Constitution, in borrowing the term "high crimes and misdemeanors," mean to include in the matter of impeachment something more than "crime."

They gave the phrase its meaning as applied to impeachments, and that meaning, in the precedents of Congress and in the precedents of English cases, is a social meaning, as well as criminal, and is not limited to criminal acts.

AUTHORITIES SUPPORTING THIS VIEW

Historically, there is nothing to limit the meaning of the term "misdemeanor" as applied to impeachments, and in the Constitution there is no limitation.

Therefore it should be, and has been, taken to mean just what it means when standing alone, "misbehavior," or failure to continue in "good behavior."

Lord Coke, in England, declared there was no limitation on the term "disdemeanor" in impeachments.

He said the term was—

> so large and capricious that he could not place bounds upon it either in space or time.

And after citing this opinion, Lord Brougham at the trial of Queen Caroline said:

> In short * * * wherever mischief is done, and no remedy could otherwise be obtained, it is competent for Parliament to impeach.

Judge Story, in Commentaries on the Constitution, says:

> In examining the history of impeachments, it will be found that many offenses not easily definable by law and many of purely political character have been deemed high crimes and misdemeanors worthy of this extraordinary remedy [impeachment]. Lord chancellors and judges and other magistrates have not only been impeached for bribery, and for acting grossly contrary to the duties of their office, but for misleading their sovereign by unconstitutional opinions and for attempting to subvert the fundamental laws and introduce arbitrary power.

Only brief reference is made to the English authorities, as there are so many it would be useless to go into them extensively. Impeachment under the British procedure was not limited to civil officers and all sorts of persons were impeached. In the noted cases, however, it may be said that there were always charges not involving the commission of crimes, and in many resulting in conviction there were no charges involving a criminal act.

One of the authorities in the Archbald case in a brief declared after exhaustive survey that—

> if we take only the cases in which "high crimes and misdemeanors" are charged, we find that, so far as the records show, no respondent was acquitted prior to the adoption of our Constitution, because the offenses named in the articles were not indictable.

It is shown that in the cases of the Earl of Suffolk, Sir Giles Mompesson, Sir Francis Mitchell, Lord Treasurer Middlesex, George Benyon, Sir Richard Gurney, the Earl of Northampton, Archbishop Laud, and the Earl of Macclesfield the respondents were convicted, among other things, of offenses not indictable

under the law. Impeachment trials involving treason and bribery, of course, do not come within the scope of the question involved.

I have mentioned these English cases at some length, for the purpose of pointing out that the framers of our Constitution, who borrowed the language of our impeachment provisions from the English, must have known what the precedents were and must have, logically, intended to preserve both the language and the meaning.

SOME AMERICAN CASES

The American cases are even more forceful in establishing the precedent. It may be noted in passing that while counsel for respondents have many times argued that a violation of law is necessary to impeachment, there never has been a claim that any such interpretation of the phrase "high crimes and misdemeanors" was made by the framers of the Constitution.

The House of Representatives, since the first impeachment trial in this country, has always maintained its right to impeach for other than indictable offenses.

In fact, with but two exceptions, the impeachments were upon charges not involving an indictable offense, and in the two exceptions—Senator Blount and Secretary of War Belknap—the question as to whether the House had such authority did not form an issue.

In the case of Senator Blount, the first American impeachment case, the Senate decided that one of its members was not a civil officer and therefore not open to impeachment. Belknap was impeached for bribery.

Judge Samuel Chase was impeached for interfering with counsel who attempted to argue a point of law before a jury, and for refusing to excuse a juror, for making an improper award legally, for rushing a case to trial. Not one of the charges involved an indictable offense.

Judge Pickering was indicted for intoxication and profanity while on the bench, for making an erroneous release of a vessel without a certificate from the collector of a port, and for refusing an appeal. These charges did not involve an indictable offense.

Judge Peck was impeached for wrongfully citing an attorney for contempt over certain newspaper publications in which the attorney pointed out an error of the court at law. There was no charge of an indictable offense.

President Johnson was impeached for his part in an alleged conspiracy to remove a Secretary of War, and by this act to secure control of certain properties of the United States and thus disburse certain moneys already appropriated and for usurping the right to give certain orders to certain military officers and for an alleged vilification of Congress. There was no charge of an indictable offense.

Judge Swayne was accused of riding in a car in the possession of a receiver of his appointment, of charging an excessive amount in the way of traveling expenses, and for nonresidence of the district in which he lived. It was not argued that any of the charges constituted an indictable offense.

Judge Archbald was convicted by the Senate as were Judges Pickering and Humphreys on nonindictable offenses.

The Archbald case should remove from the realm of doubt the question as to whether the House may impeach and the Senate convict upon acts not necessarily a violation of law.

Mr. Taft, now Chief Justice, in an address before the American Bar Association, said of this case:

> The trial was a liberal interpretation of the term "high misdemeanor" * * *. It was most useful in demonstrating to all incumbents of the Federal bench that they must be careful in their conduct outside of court as well as in the court itself, and that they must not use the prestige of their official position, directly or indirectly, to secure personal benefit.

And it should be remembered that in the Archbald case the managers for the House stated they did not impeach Judge Archbald's ability, integrity, or impartiality.

In the conviction of Judge Archbald the Senate upheld the contention of the Simpson brief that—

> A judge ought not only to be impartial, but he ought so to demean himself, both in and out of court, that litigants will have no reason to suspect his impartiality; and that repeatedly failing in that respect constitutes a "high misdemeanor" in regard to his office.

The Senate, in convicting Judge Archbald upon the House charges, upheld Manager NORRIS's position when he said:

> If, therefore, we give full life and vitality to both of these provisions of the Constitution, we must hold that lack of good behavior, or misbehavior mentioned in section 1, Article III, is synonymous with the word "misdemeanor" in section 4, Article II, in all cases where the offense is less in magnitude than an indictable one.

In this argument there were cited as upholding this view of the Constitution John Randolph Tucker's Commentaries on the Constitution, George Ticknor Curtis's Constitutional History of the United States, and Watson's Constitution.

Manager Edwin Yates Webb, in the Archbald case, after stating that the Senate had to decide whether or not an impeachment could be had on offenses not indictable at law, went into a lengthy discussion of the term "good behavior."

He declared that if judges hold their offices on "good behavior" they must be removed on "bad behavior," and then pointed out that impeachment is the only remedy under that theory. Mr. Webb, in a masterly brief, cited Watson on the Constitution to uphold his theory, and Elliott on Debates on the Constitution.

Quoting Judge Lawrence at the trial of President Johnson, Mr. Webb pointed out that—

> Impeachment was deemed sufficiently comprehensive to cover every proper case for removal.

Mr. Manager Clayton, on behalf of the House, made this argument:

> Good behavior is made the essential condition on which the tenure to the judicial office rests and any act committed or omitted by the incumbent in violation of this condition necessarily works a forfeiture of the office. The Constitution provides no method whereby a civil officer of the United States can be removed from office save by impeachment. It follows, therefore, that the framers of our Constitution must have intended that Federal judges, who are civil officers, should be removable from office by impeachment for misbehavior, which is the antithesis of good behavior. Otherwise the constitutional provision limiting the tenure of the judicial office to "during good behavior" would be entirely without force and effect.

Argument was made by counsel for respondent against any such interpretation of the terms "high crimes and misdemeanors" and "good behavior," but the Archbald case, resulting in the conviction of the judge, on the charges made against him, finally decided this issue.

A significant and impressive statement in the Archbald case was that of Manager Webb when he said:

> The right to inquire into the conduct of public officials has been reserved to the people themselves, and this great Senate is the tribunal in which such questions must be tried, and necessarily and properly the powers of this court are broad, strong, and elastic so that all misconduct may be investigated and the public service purified.

And again:

> The fathers of the Constitution realized the importance of reserving unto the people the right to remove an unworthy or unsatisfactory official, and they were indeed wise in not attempting to define or limit the powers of the court of impeachment, but left that power so plenary that no misconduct on the part of a public official might escape its just punishment.

In addition to the cases reviewed heretofore, four Federal judges have been impeached by the House and have resigned to avoid trial by the Senate.

In the case of one of these, Judge Durell, of Louisiana, the judge was criticized with one Norton, official assignee in bankruptcy, in connection with the affairs of bankruptcy cases, for which he was impeached by the House, forcing his resignation.

The committee investigating the conduct of the judge said:

> The manner in which Norton was managing these affairs and the extortionate charges he was making were the subject of severe criticism in the newspapers of New Orleans. The most intimate social relations existed between Judge Durell and Norton during all of this time. Judge Durell spent much of his time at Norton's house in New Orleans. They traveled North together in the summer and spent much of their time together while North, returning South again together when the summer was over. These facts, so notorious in regard to the management of matters so important as those of the bankrupt estates, when taken in connection with the order hereinbefore referred to, lead to the inevitable conclusion by your committee that Judge Durell must have been cognizant of them and therefore a corrupt party thereto, or that he was grossly negligent in the discharge of his official duties so that qua cumque via data he comes under a like condemnation.

Judge Durell was also charged with usurpation of authority in making an order for the United States marshal to take over the statehouse of Louisiana.

Of this the committee said:

> Such action, from whatever motive, is at variance with every principle of good government, is calculated to confound and subvert the distinctions between State and Federal Governments, and to overthrow

the Constitution itself, without which neither Judge Durell nor any other judge has any rightful authority whatever.

This House, gentlemen, possesses the only power of initiating the removal of an ignorant, incompetent, tyrannical, or corrupt judge.

Without interposition of its power, a Federal judge actually convicted of crime or actually insane could not be removed from office.

Death or resignation are the limitations of the tenure of office of a Federal judge unless the House acts.

It alone can define and bring into effect the limitation of "good behavior."

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 25 minutes to the gentleman from New York, a member of the committee [Mr. GRIFFIN].

Mr. GRIFFIN. Mr. Chairman, this House will soon be called upon to decide upon a matter of very great importance to the country; namely, the extension of the waterway transportation system. The Members from the northwestern States and Lake region are necessarily interested in the problem, but it is of even greater importance than mere sectional advantage, as it affects the entire people of the United States.

When this issue comes before the House, it will require the greatest study, thought, and even patriotism on the part of the Members of the House as to what action should be taken. Several Members of this House have extended their remarks in the RECORD on this subject. On Friday, March 19, Mr. KVALE, of Minnesota, printed the brief of the Great Lakes-St. Lawrence Tidewater Association filed with the Board of Engineers of the United States Army. Yesterday, Monday, March 22, the gentleman from New York [Mr. DEMPSEY] extended his remarks by printing in the RECORD his brief in favor of the all-American plan. To-day I want to supplement what has gone in the RECORD and add, I think materially, to its value by printing in the RECORD a letter from the great Governor of the Empire State, who reviews the problem in a dispassionate and statesmanlike manner. I will ask the Clerk to read the letter of Governor Smith, of New York, in my time. [Applause.]

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

STATE OF NEW YORK, EXECUTIVE CHAMBER,
Albany, March 15, 1926.

Hon. ANTHONY J. GRIFFIN,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: For more than a century and a half this country has talked of connecting the Great Lakes with the Atlantic Ocean by a ship canal. One hundred years ago this desire was partially met by the construction of the old Erie Canal, and it is doubtful if any transportation project was ever a greater success. Up to 1883, the year tolls were abolished, the Erie Canal, together with its branches, chiefly the Oswego Canal, had repaid the State not only all it had cost for construction, operation, and maintenance, but it had turned in the handsome profit of $43,599,717 over and above these charges. What was of greater benefit, however, than mere dollars, the Erie Canal fostered the growth of that great industrial zone which with its chain of cities and many factories extends from Buffalo to Troy and on down the Hudson River to end at greater New York. When the railroads appeared they followed this well-established trade route, so that as a traffic line to the West it was not only the first in point of time but it has remained the first in importance in this country.

As the population of our Middle and Western States increased lake commerce grew in proportion, and the agitation for a deep waterway between our inland seas and the ocean became more pronounced. Then without warning came the World War and with it the necessity for transporting hundreds of thousands of tons of supplies from our Middle and Western States to the Atlantic seaboard, and for the first time it was proven beyond dispute that our railroads were not adequate to meet such an emergency.

To relieve the overburdened railroads, the Federal Government hastily designed and built barges to be used on the New York State Barge Canal and, though boat operators disagree as to whether or not these vessels were of the proper type, none deny that they did carry many tons of bulk freight and that they did serve to relieve rail congestion.

The war having clearly shown the necessity for a ship canal, both political parties heeded the warning and have given their promise to the American people that such a canal will be built.

A ship canal, however, is not needed solely to meet emergencies. Our five Great Lakes make up the largest body of inland waters in the world; the States bordering them are large in area, population, and production. These Lake States, with the more westerly ones—North and South Dakota, Nebraska, Iowa, Kansas, and Missouri—now produce an enormous tonnage of both agricultural and manufacturing products, and as the years go by this output of farm and factory will surely increase and the demand for the cheaper water transportation to the markets of the world will become more insistent.

POSSIBLE ROUTES

In the discussion of a ship canal from lakes to ocean, I shall deal with the subject solely as a transportation propostion divorced from the question of hydroelectric development, which is an entirely different problem, one which should stand by itself and not be permitted to befog the question of transportation.

There exists three possible routes for such a canal: One from the east end of Lake Ontario through the St. Lawrence Valley to the Gulf of St. Lawrence and thence to the sea. A second route leaves the St. Lawrence River at Lake St. Francis, runs through Canadian territory to Lake Champlain, thence to the Hudson River and the sea. The third route leaves Lake Ontario at Oswego, passes through the Mohawk Valley to the Hudson, and thence down the Hudson to the sea. It is this last, the so-called American route, that I believe should be built.

It is natural and proper that every American should wish the supremacy of American ports continued; to accomplish this, a ship canal to the Lakes, through American territory, is a necessity.

The Canadian-St. Lawrence Canals in 1900 carried only 1,309,066 tons; in 1925 their business had increased to 6,206,988 tons. During the last eight years (1918–1925) the St. Lawrence canals carried 14,575,180 tons of freight that originated in the United States. Every ton of this should have been carried on an American canal to or through an American port.

The American canal will not only provide the cheaper water rates desired by our Western States, but it will make Erie, Pa., Cleveland, Toledo, Detroit, Chicago, Milwaukee, Superior, Duluth, and other lake cities seaports, having the shortest water route to every Atlantic port, and to the West Indies and Central and South American markets.

I say these lake cities will be seaports in spite of the contention so often heard that ocean ships will not go to nor navigate upon the Lakes. The large and ever-increasing tonnage handled at Montreal proves that so far as the success of a ship canal to the Lakes is concerned it is not necessary for ocean steamers to enter the Lakes at all. What is necessary is to provide a junction point where fresh and salt water tonnage may be exchanged, a port where the lighter-built Lake steamers may meet and transfer cargo to the ocean vessel.

That the American route is practical from the engineering standpoint has been certified by the Army engineers, who recently reviewed the exhaustive report of the special board which surveyed and reported on this route in 1900. To my way of thinking, the advantages of the American route are so evident that only a few arguments are necessary to convince anyone not having some personal advantage to gain through the Canadian route that the American route is the one for this country, at least, to build.

The distance from the Lakes to the Hudson is only 166 miles. It has been argued that canal navigation is too slow to meet modern traffic requirements, but a rate of 5 miles an hour is admitted to be practiced on the canal proposed; this means that the actual canal journey can be made in 33½ hours. The trip on the broad and deepened Hudson to Sandy Hook is 165 miles. Here steamers can run at full speed, let us say 10 miles an hour; the entire trip, then, from Lakes to ocean can be made in 50 hours.

The American route runs through territory seldom troubled by fogs and ends at New York Harbor where the ocean is free from the menace of icebergs. Finally, the success of any line of transportation depends upon the tonnage carried, and as the American canal will serve a region that, per square mile, produces more potential freight than any other territory in the country, this canal should, and in all probability will, carry more freight than any other inland waterway.

NATIONAL DEFENSE

To say that a ship canal to the Lakes would be an aid to our national defense in time of war is to state a fact as obvious as that rations are needed for troops. In recent letters to the chairman of the Rivers and Harbors Committee of Congress both the Secretaries of War and of the Navy so declared themselves. It is of small moment that, following the visit of certain politicians to the White House, the wording of their first letters was somewhat modified; the fact remains that the Secretary of War stated:

"In the event of a great war the transportation of the agricultural products and raw material of the Middle West to the Atlantic seaboard and to the thickly populated industrial areas of the Eastern and New England States would impose a great burden on the railroads. The probable resulting congestion could be relieved by the further development of the waterways connecting the Great Lakes with the Hudson River."

And the Secretary of the Navy said:

"I am of the opinion that the proposed all-American deeper waterway, connecting the Hudson River with the Great Lakes, would be a very important addition to the transportation system of the country, and would be, therefore, an important asset to the national defense."

CONCLUSIONS

In my consideration of this subject, that phrase so convenient to the vacillating, "an open mind," has no place. I am convinced that a ship canal from Lakes to sea has become a necessity to the commercial needs of our country; that it will some day be built is inevitable; that the promise of both our major parties should be kept; that the time to fulfill that promise is now; that the route of the American canal, following the long-established line of traffic, is the best one to build; and that an American canal is the only one for which American capital should be spent.

Very truly yours,

ALFRED E. SMITH.

[Applause.]

Mr. GRIFFIN. Mr. Chairman, the importance of waterway transportation can be shown at a glance by the following figures which I quote from the Ohio River and Inland Waterways Magazine. A ton of freight can be carried for $1 by the following methods the following number of miles: By motor truck, 20 miles; by railroad, 100 miles; by waterways, 300 to 1,000 miles; I will now put the meaning of the figures I have just quoted into concrete shape. The cost of transporting 1,000 bushels of wheat via the Great Lakes is twenty to thirty dollars, via the Mississippi, sixty to seventy dollars, via the railways, one hundred and fifty to two hundred dollars. That is the calculation of Mr. Herbert Hoover in a statement made before the Committee on Rivers and Harbors on January 30 of this year. It is evident from these figures that the question of water transportation is a vital economic consideration and is becoming more so every hour.

The Board of Engineers of the United States Army have before them now for consideration a report which to my mind shows a degree of bias that is unexplainable.

The engineering feasibility of the all-American project is admitted, but doubt is expressed as to whether the probable traffic will justify the outlay. Of course, this is a palpably unjustifiable and gratuitous speculation.

It is obvious that if the probable traffic from the Great Lakes region will justify the St. Lawrence project, it will justify the all-American canal.

The potential use of either lies in the products of the great American States in the northwest seeking an outlet to the sea. They will, of course, use either. It is ridiculous to suggest that they would not use the all-American canal if it were built. The only question, therefore, is which project an American should support.

I confess I can not understand why any patriotic American should lend his influence to the building of a canal with American money on foreign soil. It is absolutely inconceivable how or why a real American could possibly be cozened or dragooned into supporting such a proposition.

ANALYSIS OF THE REPORT

It estimates that the probable tonnage on the all-American waterway will be only 15,000,000 tons annually and yet is apparently willing to concede that the tonnage on the proposed St. Lawrence canal will be 30,000,000 annually.

Why the difference in the guess? It is simply a case of the wish being father to the thought. It is no argument to say that the St. Lawrence canal will be a feeder to European markets, for that is no more true of one project than of the other.

Does not the present barge canal, insufficient as it is in this present day, feed the European market, and is it reasonable to suggest that if it is enlarged it will cease to function in that respect? The idea is preposterous.

But worse than that is the utter neglect of the tremendous factor that the all-American canal will supply the market of the New England States and the Atlantic seaboard, markets which will be utterly unavailable and out of practical reach of the St. Lawrence Canal.

In view of this serious flaw in the report it ought to be obvious to any impartial mind that its conclusions are permeated with an unaccountable bias.

Governor Smith points out that in the last eight years—1918–1925—the St. Lawrence Canal carried 14,575,000 tons of freight which originated in the United States. Why should not this immense tonnage go through American canals or through American ports? There is no answer. To permit this condition to continue or, incredible as it seems, lend our aid to making it the fixed policy of the future, as seems to be the purpose of the St. Lawrence advocates, is little short of sheer treason to American interests.

Another thing. How is it possible for the same men to conclude that an all-American waterway following the line of the barge canal down the Hudson River is going to have less of a market than the St. Lawrence Canal project could possibly have? The thing is absurd upon its face.

This question sooner or later must resolve itself down to an American question, a patriotic question. This one-sided "report" dwells on the enhanced cost entailed in the extension and enlarging of the barge canal so as to make it a waterway avenue of traffic. That is all guesswork.

Mr. MADDEN. What is guesswork?

Mr. GRIFFIN. The figures which they give as to the cost of the two plans, the comparative statement of cost.

Mr. MADDEN. Would the gentleman be willing to build either of them until we had something more than guesswork?

Mr. GRIFFIN. I do not think I would.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. WAINWRIGHT. Would the gentleman think it would be a wise plan to build the so-called Canadian canal until the Canadian Government has shown a little more interest in that project and a little more indication that they assent to it or are willing to cooperate with the United States in the construction of a canal through their territory?

Mr. GRIFFIN. Of course not. The gentleman has struck the vital spot. There is no assurance that we will have the cooperation of the Canadian Government, except at such a sacrifice of our own interest and self-respect that it will make it impossible for us to enter into any agreement at all.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. WEFALD. The gentleman spoke about patriotism. Will it be those who are furnishing the freight who will also furnish the patriotism? It will certainly not be New York that will be reaping the benefit of it.

Mr. GRIFFIN. Benefit of what?

Mr. WEFALD. The canal.

Mr. GRIFFIN. I do not imagine that New York is going to derive material benefit from either plan. I think that New York may very well claim the credit of taking the dignified stand throughout its entire history that it has never selfishly commercialized any of its great undertakings, least of all the barge canal, which it built at its own expense at a cost of over $200,000,000, and it does not charge a cent of toll.

Mr. WEFALD. For myself, I am here with an open mind, and I am going to vote for the route that I conceive to be the best one; and at this early stage of the game to bring in the question of patriotism seems to me strange, and it ought to be clearly understood that we out West who will be furnishing the tonnage will also be furnishing the patriotism.

Mr. GRIFFIN. I believe the gentleman is sincere, but he ought to see the import of this proposition, whether American money should be expended for the building of a canal on foreign soil for the benefit of a foreign people mostly.

Mr. WEFALD (interposing). Mr. Chairman, will the gentleman yield further?

Mr. GRIFFIN. And in that respect I claim that patriotism does properly enter into the question. I yield to the gentleman.

Mr. WEFALD. May I ask this question: Will the planting of flags along the route of the barge canal overcover the handicaps it has compared with the other routes?

Mr. GRIFFIN. The planting of flags?

Mr. WEFALD. Yes; the gentleman is speaking about patriotism, wrapping this thing up in the flag.

Mr. GRIFFIN. Oh, the gentleman is taking an exaggerated viewpoint and indulging himself in a little satire.

Mr. WEFALD. Will it overcome the natural handicaps?

Mr. GRIFFIN. I do not admit there are any.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. I yield to the gentleman from Wisconsin.

Mr. SCHAFER. Does the gentleman mean to convey to the House the impression that the St. Lawrence canal will be used mainly for the benefit of the people of a foreign country or of a foreign country?

Mr. GRIFFIN. No; I do not; but I mean this, that Canada, speaking bluntly, will derive the greatest benefit.

Mr. SCHAFER. Does the gentleman think that if the St. Lawrence canal were built some of the traffic which goes to the great port of New York will be diverted? In fact, that more traffic will be diverted from New York by the building of the St. Lawrence canal than by the building of the other canal?

Mr. GRIFFIN. Undoubtedly that is so, but the traffic that will be diverted is of no value to New York, because it is transcontinental traffic. The only thing that happens in New York in respect to freight of that character is transshipment, and under the project for the building of an American all-waterway canal the transshipment will be made perhaps at Albany rather than at New York City.

Mr. SCHAFER. But the great railroads which come to New York, and whose financial heads and owners live in New York,

to a great extent will lose considerable more traffic if the St. Lawrence canal is built than if the barge canal was built, will they not?

Mr. GRIFFIN. No; there will be no railroad traffic under either plan. Both plans alike contemplate the elimination of railroad traffic. That is the purpose. It is a matter of saving in freight costs.

Mr. SCHAFER. The gentleman does not mean to infer you are going to eliminate just as much railroad traffic with the barge canal as with the building of the St. Lawrence canal?

Mr. GRIFFIN. I mean precisely that.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. GRIFFIN. I will yield.

Mr. O'CONNOR of New York. Has the gentleman ever heard it suggested that this plan of an all-American ship canal would in any way benefit the State of New York? Is it not rather this offer on the part of New York to turn over what has cost hundreds of millions of dollars in fact as a gift to the Nation?

Mr. GRIFFIN. I think the gentleman puts it correctly.

Mr. BLACK of New York. Will the gentleman yield?

Mr. GRIFFIN. I will.

Mr. BLACK of New York. As a matter of fact, the vital feature of the patriotic element lies in the report of the Army Engineers that in case of war if it were in control of a foreign government it might not be a help but a hindrance, whereas if it is under our control in case of war it might be a great aid to the military program of our Government.

Mr. GRIFFIN. I do not dwell at all on the military picture in the consideration of either project, because I do not anticipate the remotest possibility of war, or war problems. I look upon it wholly as an economic proposition—and in those questions national self-interest is perfectly justifiable.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GRIFFIN. In my opinion—may I have a few minutes more?

Mr. TAYLOR of Colorado. I yield the gentleman five additional minutes.

The CHAIRMAN. The gentleman is recognized for five additional minutes.

Mr. WAINWRIGHT. The gentleman was speaking of a gift the State of New York would make in case this canal should be constructed on the basis of a barge canal. Would not that be the second gift the State of New York has made to the Nation, in view of the fact the State of New York at its own expense entirely built the original Erie Canal, which has so much to do with the people of the West?

Mr. GRIFFIN. Yes; this is true. The old Erie Canal built up the West.

Mr. O'CONNOR of New York. If the gentleman will yield, in connection with the statement I made, there is no territory in the State of New York through which this canal passes which could possibly be benefited or be more closely inhabited if we had a ship canal. As a matter of fact from the standpoint of New York we are as well off with a barge canal as with a ship canal.

Mr. GRIFFIN. You are exactly correct.

Mr. McLAUGHLIN of Michigan. If that is true, as you say, the great benefit will inure to Canada in case the St. Lawrence waterway is developed. Can the gentleman explain why it is Canada is so strongly opposed to it?

Mr. GRIFFIN. I can not explain it, but I can suspect, and I will give the gentleman the benefit of my suspicion.

Mr. McLAUGHLIN of Michigan. I do not agree with either premise stated by the gentleman——

Mr. GRIFFIN. I think the trouble is Canada is fearful she may not be able to get conditions fixed that will secure her exclusive control of the hydroelectric power.

Mr. CLAGUE. Will the gentleman state to the committee, as stated by the engineers as to the all-American plan, the cost of the St. Lawrence waterway, and also the number of bridges, and so forth, of the St. Lawrence waterway and that of the all-American plan?

Mr. GRIFFIN. That all appears in the report which has been put in the RECORD by my friend [Mr. KVALE].

Mr. CLAGUE. All to the advantage of the St. Lawrence waterway, is it not?

Mr. GRIFFIN. Yes, indeed. It gives the favorable side of the picture in respect to the St. Lawrence, and I am now trying to present the other side.

Mr. WAINWRIGHT. The gentleman has read a letter from the Governor of the State of New York——

Mr. MADDEN. In which he says there are no politics.

Mr. GRIFFIN. I did not say that, but I believe it.

Mr. WAINWRIGHT. It was a letter exhorting the gentleman and other members of the New York delegation to get behind the project of the all-American canal. But it is not a fact that practically all of the members of the New York delegation had already appeared before this commission or otherwise signified their support of the proposition before the Governor of the State of New York was moved to write this letter to them?

Mr. GRIFFIN. I do not know as to that. If the gentleman makes that statement, I am willing to accept it.

Mr. WAINWRIGHT. I make that statement without in any way seeking to detract from the governor the credit for espousing this cause and to state that those who have already had so much to do with it, particularly Mr. DEMPSEY, are willing to welcome the Governor of New York into the ranks of those supporting it.

Mr. GRIFFIN. I have known the distinguished gentleman too long to suspect that he has any ulterior purpose.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. LINTHICUM. Can the gentleman tell us the comparative distances of the St. Lawrence route and the all-American route——

Mr. GRIFFIN. It is 1,180 miles on the St. Lawrence and 331 miles by the all-American route.

Mr. KINDRED. One hundred and sixty-six miles only, I will tell the gentleman.

Mr. GRIFFIN. That is the distance from Lake Ontario to the Hudson. It is then 165 miles down the river to the Atlantic Ocean. The total distance of the all-American waterway is 331 miles.

Mr. LINTHICUM. I have not yet finished my question.

Mr. CHINDBLOM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CHINDBLOM. Which gentleman from New York has the floor?

Mr. GRIFFIN. I want to yield to the gentleman from Maryland at this moment.

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. O'CONNOR of New York. In answer to the statement of the distinguished gentleman from New York [Mr. WAINWRIGHT], I wish to say that the letter of the Governor of New York to which he referred was not his first utterance on this subject. It supplemented a previous message by the governor, a message to the State legislature, which embodied a report which was filed before the New York delegation attended the hearing of the Committee on Rivers and Harbors.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. I will say that the governor's activity has been known for a long time. [Applause.]

Mr. TAYLOR of Colorado. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. KVALE] 25 minutes.

The CHAIRMAN. The gentleman from Minnesota is recognized for 25 minutes.

Mr. KVALE. Mr. Chairman, yesterday the gentleman from New York [Mr. DEMPSEY] addressed the House on the subject of the all-American route to the sea. He also inserted as a part of his remarks a brief prepared by himself and presented before the hearing held by the Board of Engineers for Rivers and Harbors. That is, as I understand, partly in answer to the brief prepared by Mr. Charles P. Craig and ex-Governor Harding, which I had inserted in the RECORD two days previously.

And you have just had read to you by the gentleman from New York [Mr. GRIFFIN] a letter from the Hon. Alfred E. Smith, Governor of the State of New York. A facsimile of letters mailed each New York Member of Congress of the governor's political alignment, it makes one more addition to the chain of acts leading very definitely to an effort to crowd the so-called all-American route through this Congress, and, if not that, at least to hamstring the St. Lawrence waterway proposal.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield there?

Mr. KVALE. Yes; I yield.

Mr. BOYLAN. The governor not only sent his letter to those of his own alignment, but he sent it to every Member of the New York delegation, irrespective of their political alignment.

Mr. KVALE. Very well. I am glad to have the gentleman's correction.

Mr. CROWTHER. Mr. Chairman, will the gentleman yield there?

Mr. KVALE. I yield.

Mr. CROWTHER. I want to say as a member of the opposite political faith from that of the governor, that I received a copy of that letter. I would have been glad to have banished all my partisanship and put it in the RECORD, but after

all the years that the New York delegation has considered this project this letter appeared to be so late and tardy that I did not consider it worth while to put it in after the expiration of all that time.

Mr. KVALE. I will say, in answer to the political speech of the gentleman from New York, that we out West are in favor of the St. Lawrence route entirely regardless of political affiliations. [Applause.]

It is clearly a concerted movement to force the issue. It is a stampede. After years of effort to delay the consummation of the St. Lawrence route, the natural outlet, why this precipitous haste, why this frenzied appeal to "patriotism"? I am going to show the reason.

The survey provided for last year has now been completed and filed by the division engineer, and has yet to be passed upon and forwarded by the Chief of Engineers. It is, however, a matter of common knowledge that the survey, like others made of this project, is distinctly and conclusively unfavorable.

Much has been written of late, much has been said. Not only the deep waterway from the Great Lakes to the sea has been discussed, but comparisons have been drawn repeatedly between the St. Lawrence route and the so-called all-American route; that is, the Oswego-Hudson route from Lake Ontario to New York Harbor, and the added construction of a new deep canal and locks between Lake Erie and Ontario. The controversy has developed into an out-and-out battle between the proponents of the two proposals.

I shall not take time to discuss the relative merits of these two routes to the Atlantic, for the very good reason that others have done this in detail, and in a comprehensive manner that leaves very little to be desired. Read the brief I just referred to which I inserted in the RECORD for March 19.

And I will say to the gentleman from New York [Mr. GRIFFIN], who has just addressed you, that he will find an answer to many things he said in that very summary.

In the brief time allotted to me to-day I want to discuss another angle—a new argument, if we can justly so designate and dignify it—which has only recently been injected into this controversy by the proponents of what is styled the all-American route, but what I choose to call the all-New York route.

And even before that I must analyze with you very briefly the methods of those who oppose the St. Lawrence waterway. I say the methods. To do that, it will be necessary to refer you to remarks which I made on this floor last year during consideration of the rivers and harbors measure on January 15, in which I protested against the second item in the bill. That item provided for the development and improvement of the upper Hudson in accordance with House Document 350 of the last Congress. It now appears that my lone protest, on the ground that it contemplated very definitely the construction of the Oswego-Hudson route, was justified.

Not only that, Mr. Chairman, the able and efficient chairman of the Rivers and Harbors Committee, the gentleman from New York [Mr. DEMPSEY] very evidently dominated that committee. Another provision was inserted in that measure, one of the last therein and not conspicuous, providing for a "preliminary examination and survey" of the proposed Great Lakes-Oswego-Hudson waterway. This, mark you, in the face of the fact that there had already been numerous surveys, both by New York State and by national expert bodies, which were unvarying in their disapproval of the route. This, Mr. Chairman, in the face of the representation when the first-named item was being discussed that it had no connection with the Lakes-to-Sea route. I shall come to that in a moment.

Its purpose, of course, was to prolong still further the surveys and the examinations and the investigations and the studies, to delay the action that would have meant the abandonment of their project.

But now a feverish haste, an avowed intent to stampede this body, by whatever means, into including the all-New York route in this year's legislative program, or, that failing, into next year's program.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Not now. Later I shall be very glad to yield. And, incidentally, to discredit the plans of the opposition. Why? Because the report soon to be submitted by the Chief of Engineers will show that his divisional engineer disapproves the Oswego-Hudson route for a number of reasons, any one of which would be enough to justify forever discarding the proposal. Because, in addition, the engineers of the joint commission appointed by the President and by the Government of Canada will soon report; and their report will admittedly be to the everlasting and final disadvantage of the proponents of the New York route.

The proof is recorded in many places. In the hearings, in the CONGRESSIONAL RECORD, in reports of experts. I reiterate what I said on the floor last year:

> I refer to the conclusion that is so impossible to dodge, Mr. Chairman, the conclusion that the main reason, one might say the only real reason, for this project at this time is to deal a deathblow, if possible, to the Great Lakes-St. Lawrence waterway project.

That statement is supported by documentary evidence. For example, the testimony of E. P. Goodrich before the Board of Engineers for Rivers and Harbors on April 22, 1924, when he says, in answer to a query as to whether the improvement of the Hudson River should continue to the Troy Dam:

> That would depend entirely upon conditions at Troy; but while this is a matter that should not be made public * * *

Ah, Mr. Chairman, a fair example of their methods—

> * * * while this is a matter that should not be made public, it is my opinion that connection should be made to the ultimate deep waterway.

And the gentleman from New York, Chairman DEMPSEY, at the same hearing, says very definitely:

> It is not simply the Hudson River alone * * * this will be an important link in the development, and one of the most important links, a long link, and a very valuable link.

But, Mr. Chairman, in order to secure favorable action in the committee and in the House it was necessary in the case of the Hudson River item to advance the statement that the only purpose in mind was the deepening of the Hudson. And note that no time limit was set for submitting the report. It is a source of gratification to know that, while my amendment was voted down in the House, the presentation of my arguments and evidence in the other body resulted in the amendment to the item which has forced the report this spring instead of postponing it indefinitely.

What I then showed has now of necessity been admitted. There can be no further subterfuge; they are smoked out. And I want to call attention to the fact that they have never been denied—those statements—much less have they been disproven. They stand; they must stand.

The plan is this—assassinate the St. Lawrence plan, then push through the Hudson River plan. If they lack strength and influence to construct the ship canal in the face of all the reports declaring it an engineering monstrosity and an economic impossibility, then have a waterway for lake vessels and for barges to serve the State and the city of New York.

Do you recall the words of the gentleman from New York [Mr. DEMPSEY] when he said to this body last year during the debate that has previously been referred to:

> A more recent survey was made, but the language of the bill was misleading. It provided for a ship canal. I do not believe anyone who has studied the question believes that a ship canal is useful across the State of New York.

At that point I asked him, to place him definitely on record:

> Is it not the intention to make it a ship canal?

To which he replied:

> No; it is not the intention to make it a ship canal. A ship canal, in my judgment, is utterly impracticable. * * * It can not be done; and for one I wholly disbelieve in the practicability of a ship canal. * * * A deeper waterway might be advisable, and this language leaves it to the engineers to report whether or not it is advisable.

Very well. That report is now completed. It is in the hands of the Chief of Engineers. They say it is not advisable. No part of the plan is advisable.

The findings of the board are adverse. What shall be done? Here is an emergency. Something must be done and done quickly.

A council of war is held. The financiers of Buffalo and New York meet in solemn conclave to devise ways and means to reverse or modify the essence of the report of the Board of Engineers. The suave, smooth, adroit chairman of the Rivers and Harbors Committee of the House is the leading spirit. He it is who brings a ray of light and hope into the encircling gloom. A most brilliant inspiration is his. The appeal to reason has failed—failed utterly. For reason is on the side of the St. Lawrence waterway, nature's plan, God's plan, practically moving the Atlantic Ocean to the front door of Buffalo, Cleveland, Toledo, Detroit, Chicago, Milwaukee, Duluth, and Superior, giving opportunities for the greatest industrial development since the days of the steamship and the railroads.

One appeal remains—the appeal to fear—to national prejudice. Men and women of America, the safety of the Nation is at stake! The Nation has been lulled to sleep by the cry of 40,000,000 people for an open waterway to the ocean. The gentleman from Lockport alone has sensed the danger. And the gentleman from Lockport is an honorable man. What matters it that after years as chairman of the Rivers and Harbors Committee of the House, and as such probably in the possession of a more intimate knowledge of the waterways of the Nation than any other Member of Congress, he declares on the floor of this House on January 15, 1925, that the Oswego-Hudson route is impracticable as a ship canal and can not be built? What matters it that the gentleman in his present meanderings meets himself coming back? With the fires of patriotism kindled anew in his breast he now, one year after that declaration, as solemnly avows that not only is the all-New York route feasible and practicable but the alternative, the St. Lawrence waterway, is fraught with the gravest danger to our national existence. It is the voice of a patriot. And the gentleman from Lockport is an honorable man. Not one among us that has not the highest regard for his ability.

A letter is secured from the Secretary of War and another from the Secretary of the Navy. The latter writes a second letter, which is intended to pour oil on the troubled waters stirred up by his first letter. And quieting troubled waters is surely a proper procedure for a Secretary of the Navy.

A paragraph in the letter from the Secretary of War reads:

From the military standpoint, it is essential that waterways connecting the Great Lakes with the Atlantic seaboard shall be entirely within American territory.

During all this century and a large part of the preceding century survey upon survey has been made of the St. Lawrence waterway, findings and reports almost without number have been submitted, volume after volume has been written on the subject; soldiers, statesmen, patriots have spent the best part of their lives studying the plan in its every aspect and from every conceivable point of view. During all these years of intensive study of the project never once did the hidden dangers lurking therein appear until discerned by the keen eye of the patriot from Lockport.

In other words, authorize boards and commissions to make surveys, appropriate money for the surveys, make the surveys, make more surveys, print the reports year after year, continue this, world without end, and no objection is offered. But if you show signs of being in earnest about actually building the ship canal, that is a different proposition. And when all else fails, there is the appeal to patriotism.

It is the old way, yet ever new. If you want to "put something over," wave the flag and shout your patriotism to high heaven. As a rule it brings results. Without casting any aspersions or in any way indulging in personalities, one can not help in this connection recalling the saying of the patriot Carl Schurz, great friend of the greater Roosevelt, that patriotism is the last refuge of—a certain type of individual with which we are not concerned here.

We of the West, in Wisconsin, Minnesota, the Dakotas, and the other States, have no hesitancy in claiming a type of patriotism in no way inferior to that of the citizens of New York and other Eastern States. We feel that we have given abundant proof to warrant the claim; and we can not help resent the implication that we are either totally blind or wholly indifferent and oblivious to dangers confronting our Nation because we advocate the St. Lawrence waterway. Our interests are economic, vital; they are not local, not personal.

Let me read you a few extracts from editorials in some of our western papers, fairly indicative of the prevailing sentiment. Addressing himself to this alleged issue of "patriotism," the editor of the St. Paul Pioneer Press presents the following "three pertinent facts":

That the rule of international procedure in the matter of a belligerent transporting men across neutral territory is subject to exceptions; that the neutrality of Great Britain and the neutrality of Canada are not necessarily concurrent, and that an agreement permitting the United States and Canada to use the waterway on precisely the same terms in war and in peace could be concluded between the two countries.

The Minneapolis Journal in an editorial on March 15 points out:

Mr. Craig shows that to build this canal (the all-American) as a matter of military defense would, in fact, be to wave a red flag in Canada's face, to create friction and distrust along the 3,000-mile boundary that has been peaceful and unguarded for a hundred years.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. KVALE. I will in a minute. Let me finish reading these editorials.

I read further:

Canada's natural answer to such an act of unfriendliness would be to rush the Georgian Bay Canal, connecting Lake Huron and Lake Ontario, to completion. There would be a race between that work and the Hudson-Oswego project, with all the advantages on Canada's side. When she had finished that and deepened 33 miles on the St. Lawrence she would have an all-Canadian route, and she would have available millions of hydroelectric horsepower.

The Minneapolis Tribune, on the same day, in an editorial entitled, "Foozling with a scare," said this:

FOOZLING WITH A SCARE

The New Yorkers would better stick to the engineering and economic phases of the waterway question, even if engineers have decided against the proposed 25-foot canal across New York State. They will not get anywhere with their appeals to national danger and popular fear. Canada is not a dangerous neighbor, and she is not likely ever to become dangerous. She could ill afford to be so. As for the rest of the world, including that part of it with which Canada has imperial ties, the New Yorkers may rest their minds in peace, putting off worry and refusing to borrow trouble. If the United States were ever put again to the pains of a war with a foreign country, it could manage its naval and military affairs about as well without as with a St. Lawrence outlet to the sea. It has the Lakes and the ships to ply them. It has railroads with trains and good roads with trucks, and probably before another war it will be doing a lot of business by way of the air.

The question, if any, remains: Is the St. Lawrence link in a waterway the most feasible and economic one that can be devised, and will it more than pay for itself in the benefit it bestows on our agricultural and industrial interests?

Poof for the defense bugaboo!

And the Morris (Minn.) Tribune has this to say:

When Congressman DEMPSEY in his attempt to defeat the Great Lakes-St. Lawrence project raised the bogey of national defense as the justification for the impracticable "all-American" route, he opened his mouth once too often. Perpetual peace between the United States and Canada is settled on such a permanent basis that even the mention of any other contingency is in itself an affront to both peoples, and if the partisans of the New York route have any sense of the fitness of things they will realize that through their spokesman, DEMPSEY, they have committed a blunder which makes it imperative for the canal to be built along the Canadian route. Not only is war between the United States and Canada unthinkable, but, furthermore, neither will ever be engaged in a war where it will not find the other at its side. Statesmanship of the DEMPSEY order has pretty nearly wrecked the civilization of Europe, but it does not go here.

Mr. KINDRED. Mr. Chairman, will the gentleman yield?

Mr. KVALE. Mr. Chairman, how much time have I left?

The CHAIRMAN. Five minutes.

Mr. KVALE. When I finish this statement I will gladly yield.

There is another angle to this subject that merits consideration. We of the West want to know where the President stands.

In a letter to Secretary Hoover, dated the White House, March 14, 1924, appointing the St. Lawrence Commission of the United States, the President said this:

The project of opening the Great Lakes to ocean-going ships and development of the great power resources of the St. Lawrence River, on behalf of both the Canadian and American people, has been a hope long treasured by many millions of our people, and it is in the desire that this matter, if it is sound and practicable, should be brought one step nearer to consummation that I am asking you and your fellow commissioners to serve in this matter.

CALVIN COOLIDGE.

At that time it was his desire that the project of opening the Great Lakes-St. Lawrence deep waterway should be brought one step nearer to consummation. And now, just two years after writing the letter to Secretary Hoover, his Secretary of War writes a letter to Chairman DEMPSEY, which, if it has the results intended, will kill the St. Lawrence project.

On which side is the President? Does he side with Calvin Coolidge of 1924, or with his Secretary of War in 1926? Are we to understand that the White House spokesman in answer to the query will say to the people of the Northwest "if you want to know my views on the St. Lawrence project consult my letter to Secretary Hoover," and to the people of New York "if you wish to know my attitude on the all-New York route, consult my Secretary of War"? Is there to be more pussyfooting? Shall we listen to more loud silence? Is it, per-

chance, an attempt to "play both sides against the middle"? If it be, let the President of the United States come to a full and complete realization of the fact that 40,000,000 people in 21 States clamoring for an outlet to the sea are telling him that he can not stand with one foot in the St. Lawrence River and the other foot in the Hudson River. That is a dangerous straddle. [Laughter.] Forty million people are watching to see whether he will repudiate or acquiesce in the letter of his Secretary of War. The people of the Northwest are determined there shall be no middle ground.

Forty million citizens of the United States demand, and have a right to demand, that the President of the United States shall state unequivocably whether he sides with Calvin Coolidge in favor of the St. Lawrence waterway, or with Mr. DEMPSEY in favor of the all-New York route. And the West is in deadly earnest. [Applause.]

Mr. SCHAFER and Mr. KINDRED rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. KVALE. I will yield to the gentleman from Wisconsin first.

Mr. SCHAFER. We ought to rule out this war-liability proposition as highly prejudicial as well as irrelevant, because since we entered the League of Nations by the back door through the World Court there is not going to be any necessity for taking that into consideration.

Mr. KVALE. Well, this route has very little to do with the League of Nations. But I agree with the gentleman that the war consideration is highly irrelevant. I now yield to the gentleman from New York.

Mr. KINDRED. The gentleman has made a very eloquent speech in his defense of the St. Lawrence route, and I know he wants to be fair.

Mr. KVALE. I do.

Mr. KINDRED. The gentleman stated, entirely erroneously, I think, that the Board of Engineers has reported the all-American route, so called, through the State of New York and from Oswego to Albany as being an engineering monstrosity. By reference to that report the gentleman will see that, on the contrary, the Board of Engineers reported it as entirely feasible as an engineering proposition.

Mr. KVALE. I will say to the gentleman from New York that I have spent days and weeks wading through practically all of those reports, and the conclusion is forced upon me that the very best they can do is to damn it with faint praise. That is all they are doing with it.

Mr. KINDRED. The gentleman has not referred to the report with regard to the St. Lawrence route, which states specifically that in contrast with the half billion dollar cost of the New York route the cost of the St. Lawrence route would be indefinitely between $1,000,000,000 and $3,000,000,000, in addition to the obstacles of fog and ice and other obstacles which would prevent navigation for more than six months of the year, besides the international complications.

Mr. KVALE. Oh, I will say to the gentleman from New York that he is entirely wrong in his estimate of the cost of the St. Lawrence route, and that there is very little difference between the fog and ice on the St. Lawrence route and the Oswego-Albany route.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. GRIFFIN. I would like the gentleman to have an additional minute so that I may ask him a question.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield the gentleman one additional minute for the purpose of answering the question of the gentleman from New York.

Mr. GRIFFIN. I want to ask the gentleman this question: He said he did not like the term "all-American waterway."

Mr. KVALE. I do not.

Mr. GRIFFIN. The gentleman prefers to call it the all-New York waterway?

Mr. KVALE. The all-New York waterway; yes.

Mr. GRIFFIN. I would like to ask the gentleman whether he does not consider that New York is a part of the American Union?

Mr. KVALE. I certainly do, and I hope the gentleman from New York will concede that the great West is likewise a part of the American Union.

Mr. GRIFFIN. Then I ask the gentleman if it is not unfair to protest against the name all-American waterway?

Mr. KVALE. I do not think so, because there is in that designation an implied slur at the St. Lawrence waterway.

Mr. WAINWRIGHT and Mr. BLACK of New York rose.

The CHAIRMAN. Does the gentleman yield? And if so, to whom?

Mr. KVALE. I will yield to the gentleman from New York [Mr. BLACK].

Mr. BLACK of New York. I just want to thank the gentleman for one thing. Everybody in this country always knows just where Governor Smith stands, but nobody ever knows where Calvin Coolidge stands. [Laughter.]

Mr. KVALE. I heartily agree with the gentleman. [Applause.]

The CHAIRMAN. The time of the gentleman from Minnesota has again expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. CHALMERS].

Mr. DICKINSON of Iowa. Mr. Chairman, I yield the gentleman 20 minutes.

The CHAIRMAN. The gentleman from Ohio is recognized for 35 minutes.

Mr. CHALMERS. Mr. Chairman, I am glad there are so many here and wish there were more, because I want to sound a warning this afternoon. It breaks my heart to see my good friends from New York—and I have no better friends in this House—stand in their own light, and I hope they will follow me this afternoon. I am going to try to convince them they are standing in their own light.

I want to call out to the House that there is danger to American interests, and I want to call out loud enough so that those 45,000,000 people over beyond the Allegheny Mountains can hear of a danger to their interests. I think I know what the program is, although I have not been sitting in on the inside councils of war. I was raised on a farm, and I know something of the signs of nature. I know nature's storm signals. I can read the signs of the times. I have seen the turn of the leaf, the scurrying of the birds to cover, the ground swell, and the path of the blind mole underground.

I suspect, my friends, that some one will ask unanimous consent to dispense with Calendar Wednesday to-morrow, and some one will ask unanimous consent that we have two Calendar Wednesdays next week—Tuesday and Wednesday of next week.

Mr. MAPES. Will the gentleman yield?

Mr. CHALMERS. I am sorry I can not, because I am not going to yield until I make my statement. However, if there is a correction which should be made, I want to yield.

Mr. MAPES. Does the gentleman have any idea that that unanimous consent will be granted?

Mr. CHALMERS. I can not say, but I am not going to object to it, because I propose that we meet this issue now and fight it out between the New York Barge Canal and the St. Lawrence waterway. As I say, some one will ask unanimous consent that Calendar Wednesday be dispensed with and that we have Tuesday and Wednesday of next week Calendar Wednesdays, and the call rests with the Committee on Rivers and Harbors. The rivers and harbors bill has been waiting. Waiting for what? That the Board of Engineers of Rivers and Harbors of the War Department may reverse itself. Why do I say reverse itself? Because three members, one-half of the board, are the district engineers who made the adverse report on this nonfeasible, impractical, so-called American route. When this first report was bravely made, in spite of the personal desire to please the great chairman of the Rivers and Harbors Committee; when it was made in line with all the best engineering thought of the century; when it was their best engineering judgment, based on scientific facts and accurate information, why should they reverse themselves? Pressure, my dear colleagues; pressure. New York pressure and pressure from higher authority. The Secretary of War has spoken. Therefore all others must keep silent.

> The board considers that the construction of the proposed waterway would not result in benefits commensurate with the required expenditure. It therefore does not feel warranted in recommending that the project should be undertaken by the United States at the present time.

This was the board's best judgment rendered on the merits of the case. Now they are asked to reverse themselves by the order of their superior officer, the Secretary of War.

Well, if this case is to be settled on authority, I can cite them higher authority than the Secretary of War. God Almighty favors the St. Lawrence over the New York Barge Canal.

And by the eternal gods some of us are going to see to it that the 45,000,000 people over beyond the Allegheny Mountains are not going to be shanghaied and dragged through the barge canal and bound before the mast of the ship of state of New York with its crowded harbor. [Applause.]

God Almighty favors the St. Lawrence over the barge canal. He furnishes no water for the barge canal, and he furnishes 241,000 second-feet of water at the head of the St. Lawrence. Two hundred and forty thousand second-feet of water means 240,000 cubic feet each second. My colleagues, do you know how

much that represents? Can you visualize 240,000 second-feet of water? Did you ever hoe an acre of potatoes? I have, and I have hilled them up by hand. Did you ever plow an acre of ground with a yoke of oxen and an iron beam plow? I have, and I raised the oxen from calves and then broke them to the plow. Did you ever cradle an acre of wheat? I have, and when I was 15 years old up in the district of my good friend from Michigan [Mr. MAPES] I cradled 6 acres of wheat in one day and Brother Jim, who is now president of the State Normal School in Framingham, Mass., raked and bound every clip I cut. We worked from sunrise to sunset. I went eight times around the 6-acre field in the forenoon, and when the sun was one-half hour high from the western horizon I cut the last clip. We were dressed there in chip hats and gingham shirts and blue denim overalls and barefooted, and as we trod the stubble of the 6 acres we knew what an acre meant. I want to ask my colleagues to visualize how much land this 241,000 second-feet of water will cover. It will cover an acre of land 6 feet high every second, a 6-acre field a foot high every second, or 60 such fields every minute. That is what the Lord is furnishing to the head of the St. Lawrence waterway every second.

Mr. KINDRED. Will the gentleman yield?

Mr. CHALMERS. I am sorry I can not yield. I will yield later.

Mr. KINDRED. Just for a brief question.

Mr. CHALMERS. I want to say about your barge canal, the Lord Almighty does not furnish any water for that, except what you can catch in a rain barrel up on top of a hill. Yes; New York State has spent $60,000,000——

Mr. KINDRED. More than that.

Mr. CHALMERS. No; $60,000,000 for the rain barrel. They have spent $60,000,000 for an artificial reservoir or for coopering a great big rain barrel to hold the water so that we from the West can float our ships up a mountain side, 133.6 feet up a hill, with ships going up a dry hillside, and then 367 feet down into the Mohawk Valley. What for? So that we can get into that crowded, jammed-up harbor in New York.

Mr. KINDRED. Will the gentleman yield for just a brief question?

Mr. CHALMERS. I can not refuse yielding to my good friend.

Mr. KINDRED. I knew that my dear colleague and fellow member on the Rivers and Harbors Committee would yield to me for a second for this purpose. It is almost inconceivable to a real, broad-minded New Yorker that this discussion should so misapprehend as to the merits of the case. I agree that the merits of the case are to give relief to the Lakes region with their enormous tonnage and their enormous commercial and industrial importance.

Mr. CHALMERS. The second is up.

Mr. KINDRED. Now, will the gentleman outline——

Mr. CHALMERS. I am sorry, but I can not yield further.

Mr. KINDRED. Will the gentleman outline in a few words why every benefit which will accrue to the Great Lakes region through the development of the St. Lawrence River would not accrue through the development of the all-America route?

Mr. CHALMERS. That is a fair question, and I am going to accept it. I will tell you why. In the first place, there is no water——

Mr. KINDRED. The engineers have said there is 26 feet.

Mr. CHALMERS. My good friend must allow me to answer the question. In the first place, there is no water, and in the second place, it would cost $631,000,000 to deepen that barge canal. I know you do not call it a barge canal, but a New York or an all-American route. It would cost $631,000,000 to deepen it to 25 feet.

Mr. KINDRED. Twenty-six feet.

Mr. CHALMERS. In addition to that, and besides being in the neighborhood of 500 miles in length——

Mr. KINDRED. One hundred and sixty-six miles.

Mr. CHALMERS. They send us through 90 bridges or a bridge every mile and a half, with a 25-foot depth of canal.

Mr. KINDRED. Twenty-six feet.

Mr. CHALMERS. And going up a mountain side in dry land with no water and with over 31 locks. The other way we have only seven locks, and as you come out of Lake Ontario for 65 miles you go right down a broad, deep river a mile wide down to Chimney Point, with a drop of only 1 foot, and when you get to Chimney Point you are only 117 miles from a depth of 35 feet to the sea down from Montreal. All of this is river sailing except three short stretches, one of 7½ miles, one of 13½ miles, and in the lower stretch a distance of 13 miles, making a total of 34 miles of canal digging in mud and sand and dirt, with no rocks to blast, and it is down hill all the way to the sea. We do not have to go up any mountain side. It is downhill all the way to the sea with this 241,000 second-feet of water back of us sending us out to the sea.

Mr. KINDRED. I know the gentleman wants to be fair——

Mr. CHALMERS. I can not yield further now.

Mr. KINDRED. Will the gentleman enumerate the disadvantages of the St. Lawrence route?

Mr. CHALMERS. I will tell you why we want the St. Lawrence route. We can not get what we want in the Middle West by going over this barge canal. We want to make the Great Lakes and the Great Lakes ports an arm of the sea and we want the same rates from Milwaukee, Chicago, Duluth, Superior, and all these Great Lakes cities that they have in New York Harbor, and for fear I may not have the time, I want to tell you——

Mr. KINDRED. We are going to expand the harbor.

Mr. CHALMERS. I called on the chairman of the Shipping Board this afternoon.

Mr. Chairman, will the Chair protect me from my friend? He is my good friend, but I want protection. [Laughter.]

Mr. Chairman, I called on the chairman of the Shipping Board this afternoon. I found out the mileage and I am going to tell my friend just what it is.

From New York to Bombay is 8,174 miles. From New York to Calcutta is 9,816 miles. It is 1,642 miles farther from New York to Calcutta than it is from New York to Bombay and yet the rate specialists in Washington told me within an hour that the rate maker makes the same rate to Calcutta that he makes to Bombay. When they get to the coast they have to go 90 miles through a restricted river to land at the docks. Ninety miles of restricted navigation and 1,642 miles farther, and the same freight rates.

What are we going to get in the lake cities when we get the waterway? We will get the same freight rates to the markets of the world that New York City has now. Duluth is less than a thousand miles farther and 59 miles restricted navigation and within 1,000 miles farther than New York City and they make the same rate.

Now, what would it cost to ship wheat from Duluth? Twenty-two cents a bushel from Fargo, N. Dak., to New York City. Forty-three and one-half cents a hundred pounds on flour. I want to show you what we can do for New York. How many people live in Greater New York? Eight million people. Greater New York includes the Jersey coast and there are 8,000,000 people and not a bushel of wheat in sight. Where do they get the wheat, where do they get their flour? From the harvest fields of the West. How much wheat do they eat in New York? You do not know and I do. You eat on an average 5½ bushels per capita. The bean eaters of Boston will eat only 5 bushels. They do not eat as much as you do in New York. Eight million people eat 5½ bushels apiece, or 44,000,000 bushels of wheat a year. They eat 26,400,000 hundredweight of flour. It costs 60 cents a hundred to ship flour by rail from Fargo, N. Dak., to New York City. You can ship it to Duluth by rail for 16½ cents and let it go down to New York by boat for 13½ cents a hundred. Three thousand miles at 2 mills per ton-mile and you can make a saving of $7,920,000 a year from the cost of shipping it by rail from Fargo, N. Dak., to New York City.

Now, this is not only for wheat and flour alone when you take into consideration that you are bringing your potatoes from Ohio, beans from Michigan, dairy products from Wisconsin, corn from Illinois, and then you will see what a great saving it will be to the great city of New York when we open this waterway and the great saving you will make on your freight bills.

Now, I have another point that I want to bring to your attention.

Mr. WAINWRIGHT. Will the gentleman yield right there?

Mr. CHALMERS. I will.

Mr. WAINWRIGHT. I would like to ask the gentleman, who, by the way, mentioned the canal as "our canal," using the personal pronoun, what assurance has he that the Canadian people are going to let you construct that waterway?

Mr. CHALMERS. The President of the United States appointed a commission, and that commission is going to report within a few months. They have the assistance of great engineers, both Canadian and American. They are going to report in April. Mr. Hoover's fact finding commission is going to report some time the coming summer. Why all this haste to jam this bill through? These people must be optimists, because they have had adverse reports on their barge canal across New York for the last half century. My old college president, James B. Angell, appointed by President McKinley, chairman of the commission back in 1898, reported in 1900, and you will find voluminous reports on the subject. They reported adversely on

the New York route. The International Joint Commission examined the whole matter, held hearings all over the country; 42 of them in New York City and Boston; also in the West and Buffalo—poor old blind Buffalo. [Laughter.] Why, they are standing in their own light.

This will relieve those who are suffering in the Middle West and in the Corn Belt. You will not have to pass price-fixing legislation and other compensating measures, because the St. Lawrence waterway will take care of the Corn Belt.

Mr. KINDRED. Mr. Chairman, will the gentleman yield?

Mr. CHALMERS. Yes.

Mr. KINDRED. I am asking this question not out of any argumentative spirit, but presuming that the protests of the cities of Montreal and Quebec should prevail in their opposition to giving consent that we should jointly develop the St. Lawrence route, then what has the gentleman to say about the all-American route?

Mr. CHALMERS. Mr. Chairman, I am not going into that phase of it, because I am waiting for the Hoover report that will be out in a few months, but I shall be glad to talk it over with the gentleman at the hotel. [Laughter.]

Let us take up for just a moment the automobile situation and look at the saving in exporting automobiles. The export rail rates from Toledo and Detroit to New York is 82½ cents a hundred pounds, in addition to the New York transfer charges, and this would result in a saving of $16.50 on every car shipped abroad if the car weighed 2,000 pounds. Add to that the New York port charges and you can see what it will do for the automobile industry, for those who make the cars, and for the consumers of the cars. They will all be greatly benefited and we can load the ships at the Willys-Overland factory at Toledo or at any of the factories in Detroit and unload them in the markets of the world—in Europe, Asia, Africa, either coast of South America, the west coast of our own continent, or in the Orient. The saving will be in the freight rates on automobiles from the factory to the seaboard, because when we have the same freight rates in the Great Lakes ports, the freight rate from there to New York will be saved.

Mr. GRIFFIN. Mr. Chairman, will the gentleman yield?

Mr. CHALMERS. Yes.

Mr. GRIFFIN. Is not what the gentleman says about the saving on freight rates true as much of the all-American plan as it would be of the St. Lawrence plan?

Mr. CHALMERS. I say to my friend from New York that if the all-American plan were practicable, if it were feasible and were not prohibitive financially, if we had water enough, we would welcome it, if we would not be held up by New York; but the gentleman knows that we can not get through the New York Harbor when we get down there.

I spoke of the 42 hearings that were held all over this country. I attended one of those hearings in the city of Detroit. The hearings were held by the International Joint Commission on the St. Lawrence Waterway and the New York Route. I was present, as I say, at the hearing in Detroit, and I heard a Government engineer make this report on lack of transportation in the year 1920. He said that in the congested season in the fall of 1920 they had experts from Toledo and Detroit out to hurry the cars on their way, and I heard him say that they found some cars on the side tracks that had been there so long that the birds had come and built their nests on the trucks and hatched their young and had flown away with them before the switching crew found the car and switched it onto the main tracks and set it on its way.

I heard him say that there had been some shipments so long on the way that the dust had settled on the contents of the car and that the rain had fallen and the verdure had started up and the plants stood 2 or 3 feet high before the shipment reached its destination. That is the condition, and we must have relief in transportation.

Mr. WAINWRIGHT. The gentleman is not going to be stopped in New York; he is going to go through New York.

Mr. CHALMERS. We could not do that in 1920.

Mr. WAINWRIGHT. But we proposed to show you the way to do that.

Mr. CHALMERS. I think I have made my point, that the barge canal improvement is impossible. I do not like to hear them call it the all-American route. It might be called the all-American barge canal, or the superbarge canal. We can not have an all-American route. We must live in harmony with our neighbors. In the Great Lakes we use some Canadian channels, and they use some of our channels, and I do not see any danger, and yet I suspect that our committee will report a bill on the floor of this House next week, not only for the construction of this so-called all-American route, but just to make the term euphonious and make it all-American they are going to recommend a shoot past Buffalo that will cost $125,000,000 and parallel the Welland Canal just so they can call it all-American—$125,000,000 spent in an inferior canal around the Welland Canal from the head of Lake Erie to Lake Ontario, so that the route may be called an all-American route.

Mr. KVALE. Are they going to build another Detroit River?

Mr. CHALMERS. While we have been standing here arguing about it there has been running over the falls of Niagara and through the St. Lawrence what the French call "white coal," enough of it to pay for the entire St. Lawrence project. This country and Canada will never be called upon to pay a cent of the construction of this waterway. You know what the estimated cost is for a 30-foot channel—$270,000,000. I have talked with Army Engineers, and I have their estimates, and they tell me that the permanent work on the seven locks in the St. Lawrence River can be sunk 10 feet deeper in the mud, so that if future generations want to have a 35-foot channel instead of a 30-foot channel or a 40-foot channel they can do it by dredging out a little more mud.

Mr. KINDRED. Mr. Chairman, will the gentleman yield for a correction?

Mr. CHALMERS. I want to finish this statement. It will cost $270,000,000, and four and a half million dollars more to put these sills down 10 feet more, so that the largest ship that has ever been built loaded to the gunwales can go through the locks of the St. Lawrence. Mr. Chairman, I have studied transportation from the time of Noah's Ark to the *Leviathan*. I have been over most of the canals of the world, and I never yet have seen a success of building a canal up a hillside without any water. [Laughter and applause.] I want to say this, gentlemen, that——

Mr. SUMMERS of Washington rose.

Mr. CHALMERS. In a moment and I will be glad to yield. Now I want to say this, my friends: Three hundred million dollars will build the St. Lawrence waterway, provide for interest while it is being constructed, put the sills in the permanent works 40 feet deep, so that the greatest ships of the future can sail through there—$300,000,000—and, listen, that will also complete on the international line a powerhouse one-half in America and one-half in Canada to shoot to the markets of the world 1,500,000 hydroelectric horsepower, completed with this project. What will it do? Two hundred and seventy miles from the city of Boston, with a superpower circuit from Boston to Washington. What is that power worth? I am going to quote what a man said who was appointed by Governor Miller when he was Governor of New York State, Leonard W. H. Gibbs, with whom I had a debate before the chamber of commerce in Boston in 1921. Senator Gibbs said in that debate, "This power will never be sold as low as $25 per horsepower." What is it worth—a million and a half—what is it worth at $25 per horsepower? Thirty-seven million five hundred thousand dollars. What is this canal going to cost when completed for repairs, maintenance, and operation? Two and a half million dollars. How long will it take to pay off the $300,000,000 bonds at $37,500,000 coming in a year? Less than seven years. The cost of the entire work has been running to waste while we have been here arguing about it. Let us build the St. Lawrence waterway and pay for it within 10 years, and then let the United States and Canada reap the benefits down through all the ages. The Lord Almighty has been doing his part. The white coal has been going over the Falls for all time, since back in the earliest dawn of creation, and that white coal will not cease until darkness closes the last day of eternity. And we sit here arguing about ways and means when that coal is going to waste! Let us build the St. Lawrence waterway, and then, God helping, we can build the New York Barge Canal up over the hills waiting for the rains to fill the barrel. After getting the waterway, after bringing the blessings of prosperity to the great West, to the Corn Belt of the West, when we get rich we are going to New York to spend our money. [Applause.]

Mr. KINDRED. Referring to the gentleman's statement in regard to the distribution of the magnificent water power which is to be developed along the St. Lawrence route, will the gentleman try to state what has been the announced policy of Canada in regard to the distribution of water power between Canada and the United States?

Mr. CHALMERS. We have a very wise Secretary of State, Mr. Kellogg. I am willing to leave that question to him. The Canadian delegates were a part of the International Joint Commission and they reported unanimously in favor of the

joint construction of the St. Lawrence waterway. That is the last official report on the subject. I yield to the gentleman from Washington.

Mr. SUMMERS of Washington. I was greatly interested in the gentleman's statement, and I was wondering if he was going to put boats on skids or skates during the five or six months when the canal is frozen over?

Mr. CHALMERS. I was not talking of that, but I am glad the gentleman spoke of it, because I want to say this: I know the gentleman is a professional man and he does not employ people in factories or on the road to sell goods. I want to ask the gentleman as a business man if he could employ a salesman to go out and sell goods which he makes in his factories, and if the salesman would sell ten times as much as anyone else on his pay roll in eight months and then insisted on taking four months vacation, would he discharge him? No; I think not. Now, let me say this much to you: The Great Lakes waterway handles more freight in the eight months season than any other waterway on the face of the globe. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 25 minutes to the gentleman from Missouri [Mr. LOZIER].

The CHAIRMAN. The gentleman from Missouri is recognized for 25 minutes.

Mr. LOZIER. Mr. Chairman and members of the committee, the bills approving a number of foreign-debt settlements, which recently passed the House, are now pending in the Senate. I desire to supplement my remarks heretofore made in opposition to what I consider grossly excessive reductions in these war debts, hoping—perhaps a vain hope—that what I may say to-day may perchance be read and considered by Members of the Senate before they vote on these settlements, and also read by some of the American people, whose rights and interests are being unnecessarily sacrificed by these debt funding bills. Not one out of ten thousand persons is aware of what the present administration, aided and abetted by Congress, is doing in the way of cancelling the war indebtedness of European nations to the United States. The American people have not been informed as to the extent to which these cancellations have been carried. The so-called refunding agreements have been camouflaged in such a manner as to conceal the real nature of the transactions.

Immediately after the signing of the armistice the great international bankers began a systematic campaign to secure a cancellation of all this indebtedness. They filled the newspapers and periodicals with specious arguments in favor of cancelling these obligations in toto. But these proposals were not well received. The American people had made many sacrifices of blood and treasure without asking or expecting any reward except the satisfaction of having contributed to making future wars, if not impossible, at least more improbable. The immediate cost of this war to the American people, exclusive of $11,000,000,000 loaned our allies, was approximately $20,000,000,000, in addition to the sacrifice of human blood and life.

Outside the group of international bankers, only a few men in private life favored a cancellation of these debts. No man of any prominence in official life advocated or favored such a policy, and practically all the newspapers in the United States vigorously opposed the proposition. It soon became evident that the plan of the international bankers to cancel these war debts would be rejected overwhelmingly by the American people, because the proposition was unethical, unbusinesslike, economically unsound, and opposed to international morality.

Failing to interest the people of the United States in an out-and-out plan to cancel these debts, the international bankers quietly went to work to do indirectly what they had failed to do directly and which they knew could only be done by circumlocution and by putting the settlement into a form that would not be readily understood by the rank and file of our citizenship. In other words, the comparatively few people in the United States who wanted to have these foreign debts canceled went to work deliberately to provide machinery by which they could, in effect, secure a cancellation of these obligations without the American people realizing the nature of the transaction.

Congress created what is known as the World War Foreign Debt Commission. This commission was not given authority to make a settlement of the European war debts but was authorized to negotiate with the several European nations and report any proposed settlement to the President and Congress for approval. In creating this commission Congress and the American people assumed that the commission would safeguard the interests of the United States and not recklessly cancel or remit a large part of this indebtedness.

The Harding-Coolidge administrations, acting through this World War Foreign Debt Commission, negotiated so-called settlements with 11 European nations, viz, Belgium, Czechoslovakia, Esthonia, Finland, Great Britain, Hungary, Italy, Latvia, Lithuania, Poland, and Rumania. These 11 nations owed us, principal and interest, $7,434,504,000, or in round numbers seven and one-half billion dollars. These loans made during the World War bore interest at the rate of 5 per cent.

I have not forgotten one thing I learned from studying Ray's Third Part Arithmetic while a farm lad in an unpretentious Missouri country school. I refer to that part of mathematics which teaches us how to compute the present worth or present value of money payable at a future date, the principal of which drawing interest at a certain rate will amount to the given sum on the date at which the obligation matures and the money is to be paid. So in analyzing this European war-debt settlement, under which the payments are spread out over 62 years, we should compute the value or the present worth of these long-deferred payments or, in other words, we should ascertain the present value or present worth of the securities we are getting in settlement of these European war obligations.

It is necessary for us to invoke this rule and ascertain the present worth of these payments in order to determine just how much we are getting under these settlements. It is not a question as to what these payments spread out over 62 years will amount to in the aggregate, but the real question is how much cash at the present time would be equivalent to the amounts we are to receive during the 62-year period. Or to state the matter in another way, how much cash paid now and placed at interest at a given rate will equal these proposed payments on the date at which the respective installments mature. The President and his Republican and Democratic assistants in the House and Senate, who are trying to force the adoption of these foreign debt settlements, have studiously avoided calling the attention of the American people to the present worth or cash value at the present time of these proposed settlements, and I contend that many Members of this House voted for the approval of these settlements without having given the subject mature consideration and without having stopped to compute or consider the present worth or present cash value of the securities we are to receive, even assuming that the payments are made in accordance with the terms of the settlement.

Now, on the basis of money being worth 5 per cent, by computing the present worth of the new bonds we are to get in these negotiations, we are settling this $7,434,504,000 for $4,176,350,000, or, in plain United States language, we are "knocking off" $3,258,154,000, or 44 per cent of the debt. This is a cancellation with a vengeance.

On an interest basis of 5 per cent, which is the rate the present war debts bear, we are canceling $226,041,000, or 55 per cent, of the Belgian debt. We are canceling $37,015,000, or 33 per cent, of the Czechoslovakia debt. We are canceling $3,915,000, or 29 per cent, of the Esthonian debt. We are canceling $2,548,000, or 29 per cent, of the debt of Finland. We are canceling $1,303,052,000, or 29 per cent, of the debt of Great Britain. We are canceling $551,000, or 29 per cent, of the debt of Hungary. We are canceling $1,615,713,000, or 80 per cent, of the debt of Italy. We are canceling $1,638,000, or 29 per cent, of the debt of Latvia. We are canceling $1,708,000, or 29 per cent, of the debt of Lithuania. We are canceling $50,917,000, or 30 per cent, of the debt of Poland. We are canceling $15,083,000, or 35 per cent, of the debt of Rumania. All told, on the basis of 5 per cent interest which these war loans now bear, we are making a total cancellation of more than three and one-quarter billion dollars, or 44 per cent of all the European war indebtedness.

But some one may say that while these nations agreed to pay 5 per cent interest on these war loans, the rate is excessive. In reply I assert that 5 per cent is not an excessive rate for American cities, American railroads, American industries, and American business men to pay on borrowed money, and God knows it is much less than the average interest rate paid by the American farmers. But for the sake of argument, let us assume that 5 per cent is an excessive rate. What rate of interest then should these nations pay on these war debts? Certainly not less than 4¼ per cent, for that is the interest rate we pay on our Liberty bonds which were issued by the United States to get the money we loaned these foreign nations. We are paying 4¼ per cent interest on the money we furnished these European nations in their time of national distress. The money we loaned them enabled them to live, to fight, and to win the war. As this money is costing the United States 4¼ per cent, it is certainly not unreasonable for us to expect this rate of interest from our European debtors.

Now on the basis of an interest rate of 4¼ per cent, let us see how much of these war debts we are canceling by these

settlements negotiated by the present administration and the World War Foreign Debt Commission. The total debt of these 11 nations is $7,434,504,000. Computing the present worth of the bonds we are getting in these settlements on a 4¼ per cent interest basis, we are only getting $4,845,746,000, or 65 per cent, of what is really due us, which is less than two-thirds of the debts. On a 4¼ per cent interest basis we are actually canceling $2,588,758,000, or 35 per cent, of the debts due us from these 11 nations.

On a 4¼ per cent interest basis, computing the present worth of these future maturing obligations, we are canceling $192,780,000, or 47 per cent, of the Belgium debt. We are canceling $23,036,000, or 29 per cent, of the Czechoslovakia debt. We are canceling $2,438,000, or 18 per cent, of the Esthonian debt. We are canceling $1,587,000, or 18 per cent, of the debt of Finland. We are canceling $811,530,000, or 18 per cent, of the debt of Great Britain. We are canceling $343,000, or 18 per cent, of the debt of Hungary. We are canceling $1,513,808,000, or 74 per cent, of the debt of Italy. We are canceling $1,020,000, or 18 per cent, of the debt of Latvia. We are canceling $1,063,000, or 18 per cent, of the debt of Lithuania. We are canceling $31,735,000, or 18 per cent, of the debt of Poland. We are canceling $9,418,000, or 22 per cent, of the debt of Rumania.

In short, on the basis of money being worth 5 per cent interest, considering the present worth of these slow-maturing securities which we will get in these settlements, we are canceling $3,258,000,000 on the debts due us, while on the basis of 4¼ per cent interest we are canceling $2,588,000,000. Even assuming that money is only worth 3 per cent, in the Italian debt settlement we are canceling $1,259,000,000—think of it, a cancellation of more than one and one-quarter billion dollars of the Italian war debt.

The administration is exerting all of its great power to influence Congress to approve these settlements, even though the payments are to be spread out over two generations, 62 years, and in spite of the fact that we will collect about $100,000,000 less each year from these nations than the United States Government pays in interest to the persons from whom it borrowed the money to lend these foreign nations.

In my remarks on January 16 I showed that these settlements, in effect, canceled all the principal of these war debts and exacted only a very low rate of interest, because all the payments to be made in the next 62 years will not equal the interest the United States Government has paid and will pay on the money it borrowed to lend our European allies.

Some weeks ago I addressed the following letter to Secretary Mellon:

WASHINGTON, D. C., *February 15, 1926.*

Hon. ANDREW W. MELLON,
Secretary of the Treasury, Washington, D. C.

MY DEAR MR. MELLON: On the basis of an interest rate of 4¼ per cent, kindly inform me the present worth of the various securities received, or to be received, by the United States from 11 debtor nations whose debts have been refunded, or are being refunded, in accordance with the recommendation of the World War Foreign Debt Commission.

Very truly yours,

RALPH F. LOZIER, M. C.

To which communication Hon. Garrard B. Winston, speaking for Secretary Mellon, replied as follows:

TREASURY DEPARTMENT,
Washington, February 19, 1926.

MY DEAR CONGRESSMAN: For the Secretary I acknowledge receipt of your letter of February 15, 1926, requesting to be furnished with the present worth on a 4¼ per cent basis of each of the 11 settlements made with foreign countries for the funding of their indebtedness to the United States.

In reply there is transmitted herewith a mimeographed copy of Senate Document No. 44, which contains the information you request.

Very truly yours,

GARRARD B. WINSTON,
Undersecretary of the Treasury.

Hon. RALPH F. LOZIER,
House of Representatives, Washington, D. C.

In Senate Document 44, referred to in the foregoing letter, appears the following letter:

TREASURY DEPARTMENT,
Washington, January 21, 1926.

THE PRESIDENT OF THE SENATE.

SIR: In compliance with the request contained in Senate Resolution No. 105 of January 4, 1926, I have the honor to transmit herewith statement showing for those foreign governments which have concluded funding agreements, the total indebtedness to the United States as funded, the total payments to be received under such settlements, and the present worth of these total payments on the basis of interest rates of 3 per cent, 4¼ per cent, and 5 per cent, payable semiannually. It will be noted that the present worth of the total payments on the basis of the interest rate of 3 per cent is additional to the information requested in the resolution.

The computations have been made on the basis of the schedules of payments to be received from each government, without taking into consideration the exercise of any options by such governments with respect to postponing the interest or principal payments to a later date as provided in the respective funding agreements.

Respectfully,

A. W. MELLON,
Secretary of the Treasury.

The table referred to in Mr. Mellon's letter and which is a part of Senate Document 44, is in part as follows:

Statements showing the funded indebtedness of each foreign government to the United States, the total to be received from each government under the funding agreements, and the present worth of such total receipts on the basis of interest rates of 4¼ and 5 per cent, payable semiannually

Country	Funded debt	Present value on basis of—	
		4¼ per cent	5 per cent
Belgium	$417,780,000	$225,000,000	$191,766,000
Czechoslovakia	115,000,000	91,964,000	77,985,000
Esthonia	13,830,000	11,392,000	9,915,000
Finland	9,000,000	7,413,000	6,452,000
Great Britain	4,600,000,000	3,788,470,000	3,296,948,000
Hungary	1,939,000	1,596,000	1,388,000
Italy	2,042,000,000	528,192,000	426,287,000
Latvia	5,775,000	4,755,000	4,137,000
Lithuania	6,030,000	4,967,000	4,322,000
Poland	178,560,000	146,825,000	127,643,000
Rumania	44,590,000	35,172,000	29,507,000
Total	7,434,504,000	4,845,746,000	4,176,350,000

As my purpose in communicating with the Secretary of the Treasury was to ascertain the present worth of these long-time, slow-maturing securities offered us in these settlements, I have omitted one column of said table which shows the amount of principal and interest we are supposed to receive in the 62 years over which these payments are spread. These amounts are made up largely of interest payments which are promised us during the next two generations. Their inclusion here would serve no useful purpose, as they are not germane to the inquiry I propounded to the Secretary of the Treasury, namely, the present worth of the various securities received or to be received from the 11 debtor nations under the proposed refunding agreement.

I have also omitted the column in said table that shows on a 3 per cent interest basis the present worth of the securities we are offered on these settlements. As the present war debts bear 5 per cent interest and as we are actually paying 4¼ per cent interest on the money we borrowed to lend these nations, I am unwilling to sanction a settlement under which our debtors would pay us only 3 per cent interest on money that is costing us 4¼ per cent. I may add, however, that even on a 3 per cent basis the present worth of the securities we are to get under the Belgium settlement is $115,441,000 less than the amount of principal and interest now due us from Belgium; and the present worth of the securities we are offered by Italy is, on a 3 per cent basis, $1,259,679,000 less than the amount of principal and interest due from Italy to the United States.

Evidently the Secretary of the Treasury realized that the settlements did not appear advantageous on a 4¼ or 5 per cent interest basis. So he volunteered information as to the present worth of these funded debts on a 3 per cent interest basis. His table shows that on a 4¼ per cent basis the present worth of these debts as refunded is $4,845,746,000, which is a cancellation of $2,588,758,000 of the present indebtedness. While on the basis of 5 per cent (which is the interest rate these loans now bear) these proposed settlements cancel $3,258,154,000. And even on a 3 per cent basis we are by these settlements canceling more than $1,000,000,000 of these interallied war debts.

Now I want to drive home to you and to the American people this outstanding fact, that according to the written statement of Secretary Mellon we are canceling approximately one-third of the principal and interest due us from Great Britain; more than half of the Belgian debt, three-fourths of the Italian debt; in addition large cancellations of the indebtedness due from other nations to the United States. And on the debts of the 11 nations with whom negotiations have been completed we are—on a 5 per cent basis—canceling $3,258,000,000, and on a 4¼ per cent basis we are canceling $2,588,000,000 of the indebtedness due from our European

allies. And even on a 3 per cent interest basis more than $1,000,000,000 of these debts are canceled.

Every dollar of these foreign war debts canceled means a dollar more to be paid by the people of the United States in the form of higher taxes. When we remit almost one-half of these interallied war debts, thereby reducing the burdens of the people of other nations, we inevitably and automatically add to the burdens of our own people. Whatever portion of these debts is canceled must be assumed and paid by the American people. The cancellation of $1,600,000,000 of the Italian debt means an additional tax burden to the American people of $1,600,000,000, which is an average additional and unjust tax of $3,714,282 for each of the 435 congressional districts in the United States.

On a 5 per cent interest basis, which is the rate these foreign loans now bear, when we remit three and one-quarter billion dollars of the debts due us from the 11 European nations with which we have negotiated funding agreements we add an additional three and one-quarter billion dollars to the tax burdens of the American people, which is equivalent to an average additional tax of seven and one-half million dollars on each of the 435 congressional districts. And on a 4¼ per cent interest basis, the average additional tax burden on each of the 435 congressional districts will be approximately $6,000,000.

The population of the United States is approximately 115,000,000. In the proposed Italian debt settlement alone we are placing an additional tax of $14 on every man, woman, and child in the United States, or approximately $70 on the average American family. On a 5 per cent interest basis, in the settlements that have been negotiated with the 11 European nations, we have remitted or canceled more than three and one-quarter billion dollars, which means an average additional tax burden of $28.33 on each man, woman, and child in the United States, or about $141.65 on the average American family, while on a 4¼ per cent interest basis we have canceled more than two and one-half billion dollars of war indebtedness, which is equal to an average additional tax burden of $22.51 on every man, woman, and child in the United States, or approximately $112.55 on the average American family.

Now, do not lose sight of the fact that the United States borrowed the billions of dollars it loaned these European nations, and the United States must repay this money, principal and interest. Our only chance to recoup this loss is to collect from our debtors as much money as we loaned them, with interest. By collecting a part only of what these European nations owe us, we can not correspondingly reduce the amount the United States must pay to redeem its Liberty bonds which were issued for money we borrowed to lend these foreign nations. So, in the last analysis, every dollar of these war debts that we remit or cancel must be paid by the Government of the United States, which means, of course, that the people of the United States will be taxed to make up the amounts lost by our Government in canceling these interallied debts.

When the American people learn the extent to which the administration and Congress have gone in remitting or canceling large parts of this war indebtedness a wave of righteous indignation will sweep over the land.

And one of the worst features of these exceedingly bad settlements is that these huge cancellations have been concealed from the public, or at least the American people have not been fully informed as to the enormous amounts being remitted on these debts. Whether so intended or not, it is quite evident that these settlements are camouflaged in such a way as not to show on their face the enormous sums of principal and interest that are being canceled.

If we are going to cancel these war debts in whole or in part, why not say so openly and candidly? Why put over a settlement which is in effect a cancellation without telling the American people what you are doing? Why camouflage the settlement so as to make it appear that the debts are not being substantially reduced, while in truth and fact billions of dollars are being "lopped off" of these interallied debts?

Nor have the great metropolitan newspapers informed their readers as to the extent of these cancellations or as to the present worth of the securities we have received or will receive in settlement of these war debts. If these settlements are approved, the responsibility for these enormous cancellations of the debts due this Nation rests primarily on the administration that negotiated, approved, and is now urging the ratification of these agreements. While the Republican Members of Congress voted almost unanimously to approve these settlements, still all the responsibility should not be charged to the Republican Party, because a large number of Democratic Members of the House and Senate have sanctioned and voted for, or will sanction and vote for, the approval of these settlements. I shall always be proud of the fact that my voice and vote were registered against the approval of these debt-funding agreements. I am hoping that the Senate may call a halt on these wholesale reductions of the indebtedness due this Nation.

And now, Mr. Chairman and gentlemen, may I in closing say that the high financiers have largely won their fight. The international bankers first proposed that the entire $11,000,000,000 owed by the European nations to "Uncle Sam" be canceled; or, in other words, paid off by the American people instead of being paid by the people of the foreign nations that borrowed and spent this money. The people of America, especially those of the West and Middle West, vigorously opposed this policy, thereby creating a sentiment that neither the President, Congress, or the high financiers dared to ignore. But when these international bankers failed to get a total cancellation of these war debts they went to work to secure the cancellation of as large a part of them as possible.

In this last effort they succeeded. The international bankers have worked their will. These debt settlements represent a victory for that small portion of the American people who favored and labored for the cancellation of the European war debts. While they did not succeed in getting all these debts canceled, they did succeed in canceling a large part of these obligations and billions of dollars have been "lopped off" the principal and interest due from our European allies. And the pity of it is that the national administration has been the willing agent for the accomplishment of this great unethical and uneconomic sacrifice of our national assets.

Moreover, it is quite evident that these enormous debt reductions are but the beginning of the unchangeable plan of the international bankers to make future reductions and ultimately to cancel all of these war debts. The so-called settlements must not be accepted as a final adjustment of our European war debts. On the contrary, these debt-funding agreements are but the first step in a hard-and-fast plan to ultimately remit all the interallied war debts.

Failing in the first instance to secure a cancellation in toto, the plan is to "lop off" as much of the debts as possible at the present time and later on to cancel the remainder. In a few years the question will be reopened and additional reductions made. The international banking interests of this Nation will not be satisfied until these debts are entirely canceled, which will probably be accomplished within the next 25 years. These funding agreements are only temporary makeshifts to meet the immediate crisis. The agitation for complete cancellation will be kept up. In a few years these nations with whom we have negotiated settlements will default in their payments and plead that their capacity to pay was overestimated in these recent negotiations. This will mean the appointment of a new commission, which will recommend additional deductions, and this procedure will be followed until the indebtedness is whittled down to practically nothing or entirely remitted.

Let us not delude ourselves with the vain hope that these funding agreements are final. The scheme for the ultimate cancellation of these debts may be spread out over a generation, but the forces that are behind these so-called funding agreements will never rest until they secure a reopening of these debt settlements and a substantial cancellation of all this vast indebtedness. Those who are determined to cancel these debts have already made a splendid start and have secured very substantial results. By a process of attrition these war debts will be reduced from time to time and ultimately canceled.

The newspapers and bankers are now saying that the debt settlement with England must sooner or later be reopened and enormous additional reductions made. In short, these settlements are not settlements, but only preliminary steps in a definite plan for the ultimate cancellation of all European war debts. I protest against this prodigal sacrifice of our national assets, this rape of the United States Treasury, this abject surrender of our national resources, this additional tax burden on the American people. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. DICKINSON of Iowa. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman from Wisconsin is recognized for 10 minutes.

Mr. FREAR. Mr. Chairman and gentlemen of the committee, it has always occurred to me that it is really a waste of time and cruelty to Members of the House at a time like

this to take advantage of them by extending any particular line of discussion, although I have a very important matter in mind.

Mr. BLANTON. The gentlemen's audience makes up in quality what it lacks in quantity.

Mr. FREAR. Yes; I appreciate and agree with the gentleman's statement, and for that reason I am going to proceed. We have listened for several hours to conflicting discussions of projected canals from the Lakes to the sea, which probably will not be built for a number of years. An important matter is now pending before the Senate and House Committees on Indian Affairs that I desire to call attention to before concluding my remarks.

I was advised several days ago to be in the House in order if necessary to answer one of the Members of my committee, a very estimable man, who, I understood, was to defend the Indian Bureau in his own way—the Indian Bureau, and also a resolution for its investigation I had offered and discussed rather exhaustively the other day. The defense lags for some reason. The defender has not been here up to to-day, and I find that I will have to go into important committee meetings to-morrow so I will have no other opportunity to answer or anticipate the defense.

I simply want to say that in case my colleague does undertake to defend the bureau—and during the three weeks elapsing he has been for a long time permitted to do that—I would like to have him explain to the House, and I ask if he himself would be willing to be subjected to the rules of "competency" which to-day in the Indian Bureau govern the status of Indians, while he has the right now to go before any court to have his own competency determined by legal methods. To-day there is no relief, and the bureau will not permit these Indians to have their competency tested in court.

It is an important matter. There are about 225,000 of these so-called "incompetent" Indians. They have in property $1,600,000,000, and over $90,000,000 in securities and cash. Yet they can not have their competency and right to control tested in any court. There is to-day a system in existence where Indians are taken before what are called Indian judges without authority of law and may be condemned to spend a period of six months and longer in jail. They have had manacles placed upon them, and have been lodged in jail in my own State within the past 90 days without any right of appeal from the decision of this $10-a-month judge, and without any right of trial before a jury. Would my colleague defend this practice now exercised against his own people and the Indian Bureau?

I may not be able to be on the floor if defense of the bureau is offered by anyone, but I would like to have some one ask any defender of the bureau if he would want to have himself placed in the position of these Indians whose constitutional rights are not respected, although guaranteed to every other American citizen.

Mr. SCHAFER. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. SCHAFER. Can not the Committee on Indian Affairs recommend a bill for the consideration of the House which will cure that existing situation?

Mr. FREAR. It can; but let me say, that every Member of the House who presents a bill before the Indian Committee has to have any bill he offers first sent to the Indian Bureau, and unless it is recommended for passage by the Indian Bureau he does not stand much chance of getting it through Congress. If there is any member of the committee here, he can deny that. I believe the statement to be substantially true.

Mr. BLACK of New York. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. BLACK of New York. Does the gentleman mean to say that an Indian has no right to sue out a writ of habeas corpus?

Mr. FREAR. He has that right, but he does not know his right, and if he uses it the Indian thereafter will have to stay out of that jurisdiction—to desert his home. Those poor Indians, far off on reservations and without funds, have rights such as we have, but they are not respected, and there are any number of cases of that kind existing to-day, according to the $10-a-month "Indian judge" system.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. GARNER of Texas. The gentleman makes a remarkable statement, and I do not know whether he means it to be taken literally or not. Does the gentleman mean to say that the Indian Affairs Committee declines to consider any bill that does not have the O. K. of the Indian Bureau?

Mr. FREAR. Practically so; that is, to recommend the bill.

Mr. LEAVITT. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. LEAVITT. I am chairman of the Committee on Indian Affairs of the House.

Mr. FREAR. That is true. There is no criticism of the chairman or of the committee, but of the system.

Mr. LEAVITT. Well, I would consider the statement the gentleman makes as a criticism of the committee.

Mr. FREAR. Well, we will take it that way, if you prefer.

Mr. BLANTON. I would consider it a serious criticism.

Mr. FREAR. Just make your question brief, if you please.

Mr. LEAVITT. May I make a brief statement?

Mr. FREAR. I have only a few minutes' time, and can not yield. I will just state this: I have been in committee sessions regularly, and every bill offered for enlarging rights of Indians has gone to the bureau, and when it comes back disapproved the first thing read is a report by the bureau, read on every bill. It may be that some bills get through against the report of the Indian Bureau, but I do not know of any at this session.

Mr. LEAVITT. The gentleman knows he was on a subcommittee that reported out some provisions in a bill that I introduced, and yet it was not supported by the Indian Bureau.

Mr. FREAR. That may be true. There is a Crow Indian bill to-day that is held up in the Senate which you introduced. They have had session after session on it in Senate committee, but the Indian Bureau officials are protesting against it in the Senate. Even the chairman of the committee must surrender to the bureau. That one bill which escaped in the House is held up by the Indian Bureau.

Mr. LEAVITT. That is not a criticism, then, of the House committee?

Mr. FREAR. No; not intended to be, no more than a criticism of methods in the Rivers and Harbors or other committees. I am just stating a condition that exists. The first thing with every bill, the Indian Bureau assumes to pass upon its merits, and it is impossible to get anything through Congress without the bureau's approval. I have just learned that of 35 bills reported by our committee this session, 34 had the bureau's approval. Only one, the Leavitt bill, was disapproved but passed the House, and it is held up now in the Senate. The bureau refused to approve many meritorious bills, so it is useless to press on the committee without such approval. I have introduced several of these to enlarge Indian rights. None were approved.

Mr. LEAVITT. Does not the gentleman think it proper that matters having to do with the Indians should be referred for comment to the bureau that has been in charge of their business for a great many years?

Mr. FREAR. Well, it does not impress me that way. There is no harm if it does not control congressional action; but I am calling attention to the fact that all bills are referred to the Indian Bureau for a report and must have the bureau's approval. Now, I want to say that when a Member goes on that committee and finds that the Indian Bureau has control over all matters in which Indians within his State are concerned, he is practically handicapped in all other matters.

Mr. LEAVITT. Will the gentleman yield further?

Mr. FREAR. I can not give way now, because I have only a few minutes remaining. There is a bill coming out of committee inside of two weeks that now proposes to give 37½ per cent of all Indian oil royalties to the State. No other bill under heaven of that kind has ever been proposed in Congress to my knowledge, excepting this same bill defeated last session. The same bill is now before the Senate committee, and it is also before the House committee. It affects 22,000,000 acres of land, and 85,000 Indians in 11 States, in round numbers, are affected. Not one Indian appeared before the House committee; not one Indian has appeared before the Senate committee; not one Indian has appeared before either committee, but they have had before these committees the oil people and people connected with the Indian Bureau that are urging passage of the bill. The Indian Bureau is urging the passage of the bill.

Mr. LEAVITT. Will the gentleman yield further?

Mr. FREAR. Yes.

Mr. LEAVITT. Did I not appoint the gentleman on a subcommittee to hold hearings on that bill?

Mr. FREAR. Yes. The gentleman was very considerate in so doing.

Mr. LEAVITT. That bill has not been before the main committee as yet, has it?

Mr. FREAR. No.

Mr. LEAVITT. I think the gentleman should state that.

Mr. FREAR. I will state it. I will state that willingly. However, there seems at this time to be, as I understand it, no chance to stop that bill, because a bill of substantially the same character went through both Houses last year; a similar bill

is now in the Senate committee. I want to ask the gentleman if he is going to vote for it this time?

Mr. LEAVITT. It will depend on the form it is in when it comes before the House.

Mr. BLANTON. Will not the gentleman file a minority report on that bill giving us his views?

Mr. FREAR. I will, because I know the chairman will grant me that right.

Mr. LEAVITT. The gentleman will probably be in the minority when the bill comes out.

Mr. FREAR. That is so, because the Indian Bureau may have a strong influence on the gentleman's judgment when it comes to legislation.

Mr. LEAVITT. Does the gentleman think that is a fair statement?

Mr. MONTGOMERY. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. MONTGOMERY. I am a member of that committee, and there is one bill in particular I have been interested in. It was sent to the department, and they filed a report; I thought their report was right, and I supported it. The committee reported it out not in the form the department requested, but overruled about half of the suggestions of the bureau.

Mr. FREAR. That is very unusual, let me say, and I want further to say to the gentleman——

Mr. MONTGOMERY. I do not think it is unusual.

Mr. FREAR. I want to say to the gentleman that his bills have been reasonable, so far as I have noted, and I think they ought to have been accepted in practically every case; but that reminds me the Oklahoma Indians pay 3 per cent oil tax and do not pay 37½ per cent of their royalties, as proposed in this bill we are going to be called upon to vote on. No Indians and no other people pay such taxes or gifts to States. That is the proposition I am now discussing.

Mr. SCHAFER. Will the gentleman yield?

Mr. FREAR. Yes; to my colleague from Wisconsin.

Mr. SCHAFER. Did the gentleman say that representatives of oil interests appeared before the committee?

Mr. FREAR. Oh, yes. Before Senate and House committees, but no Indians nor representatives of the Indian tribes most concerned in the bill ever appeared before either committee.

Mr. SCHAFER. Did the representatives of the Sinclair and Doheny oil interests appear?

Mr. FREAR. The Midwest, which, of course, represents the Standard Oil, I understand, was directly or indirectly represented by some of the witnesses. In any event oil spokesmen, representing large oil interests, have filled the printed hearings with testimony.

Mr. GARNER of Texas. Does the gentleman mean to say that they propose to take 37½ per cent of the Indans' property and apply it to the State in which the Indians and the properties are located?

Mr. FREAR. Thirty-seven and a half per cent of the Indians' oil royalties; yes, sir; that is the tax rate in the bill before the committee and which was agreed to in conference last session. A claim is made that it will be used by the State for the Indians. There is a provision of the bill to that effect but after the $100,000 assessment on the Navajo Indians for a tourist bridge in the same State now urging the bill the Indians would certainly prefer to have a voice in expending their own money.

Mr. Chairman, for several days, as already stated, I have waited for a statement from Representative CARTER of Oklahoma affecting the defense of the Indian Bureau to several charges made by me about three weeks ago against the conduct of the bureau. My colleague on the committee is generally known as a friend of the bureau and because of his Indian ancestry, ability, and kindly manner, I respect him highly. He told me early last week that he would like to have me present when he spoke on the Indian Bureau and gave me a cordial invitation to ask questions. This I proposed to do pursuant to the invitation, but after waiting for several days without the promised speech I will be content in saying that if my colleague on the committee had spoken, I should have asked him—

First. If the Indian Bureau was, in his judgment a self-perpetuating bureau as he had frequently stated?

Second. Would my friend, Congressman CARTER, ever consent to be tried by a $10-a-month judge without right of trial by jury or right of appeal which he enjoys, but which is denied to 223,000 of his own Indian race?

Third. Would my friend, Congressman CARTER, ever consent to have the Indian Bureau pass upon his own competency as it now does on the competency of 225,000 of his own race without right of appeal, and would he consent to have the bureau control his own property, that of his family, that of his tribe, and that of all Indians without right of court action?

I have understood that Commissioner Burke, against whose Indian Bureau I made many definite charges in my speech of March 4, denies some of these charges but does not want to submit his case to the committee proposed in my resolution of investigation. I feared he might be thus reluctant, and believing he is anxious to defend some of the charges against the Indian Bureau and that he will have nothing to conceal, I propose that he, or any member who defends the bureau, may ask the Senate Committee on Indian Affairs to conduct a fair and impartial investigation.

I am willing to abide by any finding of that committee and to make a public apology to the House if any material charge of those alleged against the Indian Bureau are not sustained by convincing proof. Let me say that I have never discussed the subject of an investigation of any charges against Commissioner Burke or the Indian Bureau with any Senators on or off that committee, so my proposal is not made for the purpose of misleading the commissioner or the bureau, but to give him every opportunity to testify whether the Indian Bureau should not be abolished as I charged; that it does not protect the rights of Indians, as intended by law, but on the contrary keeps them in unwarranted subjection; that it controls over a billion six hundred million dollars' worth of Indian property and controls without right of appeal or review through its determination of Indian competency.

These and other charges will be made specific and evidence furnished without expense to the Government or the bureau if Commissioner Burke will ask for the senatorial investigation. His failure to do so is certainly justification for ousting him from office, and I say this without personal feeling against him, because it is a rotten system that has outlived any usefulness, and no one person is to blame for the system.

ARE CHARGES AGAINST THE INDIAN BUREAU INCORRECT?

I am informed that Indian Commissioner Burke says that statements made in my speech of March 4 are incorrect. What statements? I have asked several friends of the Indians, among whom the Indian Bureau is not generally included, to advise me if any material statement contained in a dozen pages of the CONGRESSIONAL RECORD covering the speech of March 4 is incorrect. They say they find none. It is possible that inaccuracies have occurred where many charges were made, but if any statement is incorrect, I will be willing publicly to correct the same.

Commissioner Burke is not fair to himself or anyone else when he says of charges, "No such thing." That is childish. Wherein has error occurred if at all? I charged that Indian Commissioner Burke controls $90,000,000 of money and securities. He so stated on page 77 of hearings and the Indian Department's bill. Is that charge true? He says it is.

Commissioner Burke furnished a statement of Indian property under his control, on page 85 of the same hearings, which shows $1,656,046,550, or $602,397,503 more than the year before. Is that statement true or false? Mr. Burke says it is true.

Next step. If that is true, then what is Mr. Burke doing with over a billion and a half dollars in Indian property, that increased over $600,000,000 last year, due to oil production? When will he distribute it to those whom Congress has declared are now full-fledged American citizens?

Assistant Commissioner Meritt testified $1,656,046,550 in property is owned by 225,000 "restricted" Indians, or what the bureau calls "incompetent" Indians. Who determines the competency or incompetency of these 225,000 restricted Indians? Mr. Burke and Mr. Work eventually; but, of course, neither official ever sees or hears one case in one thousand of those who are held noncompetent. Is that not so? "Commissions" appointed by Mr. Burke or the Secretary are reasonably in sympathy with the bureau's policy. Neither Mr. Burke nor Secretary Work have personally passed on 225 cases of Indian competency, I assume, where they had any Indian so tested in their presence. Not one case in one thousand of the Indians whom Mr. Burke holds "incompetent," and whose property he holds, have been examined by him. Then, if not, by whom? I stated these charges in my speech. Will Mr. Burke before any committee or any audience deny that? These are not trivial matters; they concern the rights of nearly a quarter of a million people, full American citizens, citizens by act of Congress; and yet Mr. Burke holds them all incompetent. He holds on to $1,600,000,000 of their property. He can liberate them from the incompetency charge to-morrow. Why not let the Federal courts decide on "incompetency," Mr. Burke? Why not some day get away from the present system of bureaucracy?

INDIANS SHOULD HAVE THEIR DAY IN COURT

This gives Commissioner Burke an opening to repeat the hackneyed bureau query, "Then the Indians would be liberated at once under that proposal." Not by any means. It is true the bureau by its system of misrule and worse has left the average Indian little better able to take over citizenship duties than 50 years ago, but every Indian was given citizenship two years ago. He is entitled to vote and exercise full rights of citizenship subject to State laws. If so, he has a right to have his competency determined by the courts and not by Commissioner Burke. If unable to manage his property in the opinion of the court, a guardian—public guardian, if you please—should act for the court, but it should be for the benefit of the Indian and so that the Indian's property, including tribal unallotted property, may some day get into the hands of the owners. That will take from the bureau 5,000 employees now on the rolls, but if we seek to protect the Indian, why not do so and not leave him everlastingly under the thumbs of the Indian Bureau?

MR. BURKE AS A FINANCIER AND ALIENIST

Mr. Burke says he is afraid to trust Indians when "incompetent"; yet, whoever heard before of Mr. Burke posing as a great financier or holding in his hands such enormous wealth or as an alienist competent to determine the competency of 225,000 Indians?

He refuses to indorse bills I have offered providing that certain cases shall be tested or determined by Government courts which are supposed to be disinterested. Does Mr. Burke say that is not true? If true, what more need be charged against Mr. Burke or his bureau? Will he draw such bills for the protection of these 225,000 Indians whose vast properties he controls—bills to let courts determine their competency?

Mr. Burke has repeatedly stated his department is fully competent to handle this matter, but it is inconceivable that any man or set of men of whom the evidence is overwhelming that they seek to perpetuate themselves in office should have the exclusive right to deny to many thousands of American citizens the right to a trial or hearing in court to determine their competency. It may be said the Secretary of the Interior acts, but the Indian Commissioner is the one who actually acts.

I have charged explicity that Commissioner Burke has caused to be introduced in Congress a bill, known as H. R. 7826, that gives to $10-a-month "judges" appointed by his agents the power to send Indians to prison for committing a misdemeanor with a fine to accompany the imprisonment. That his bill, introduced by Chairman LEAVITT, of the committee, was introduced pursuant to an illegal practice now in force whereby the Indian Bureau, through its Indian agents and these $10 a month judges appointed by the agents, now keep the Indians in a state of subjection without any law therefor, and that all Indians to-day are denied the right to have a record of the $10-a-month judges' proceedings or a trial by jury or any appeal to a real court of justice authorized by law. Is that charge untrue in any particular?

HOW ABOUT THE CHAINS AND MANACLES

That Mr. Burke's bill (H. R. 7826) further seeks to give color of law to the present infamous un-American practice under which Indians have been chained and manacled by Indian agents and by their tool judges within the past 90 days in my own State, and yet Mr. Burke refuses to reply to letters of inquiry from Members of Congress on such cases.

Will Mr. Burke deny any of these facts which I have placed in the RECORD? Will he do more than say, "Taint so"? If true, I ask should not his bureau be investigated?

I introduced a bill (H. R. 9315) which would give to Indians a right of trial by jury and an appeal to the courts. It had a hearing before a subcommittee of the Judiciary Committee, but with Mr. Burke's announced opposition expressed before the House Committee on Indian Affairs it is, of course, impossible to pass a bill that could give to Indians the rights of American citizenship possessed by every other citizen, and which Congress supposed it had conferred on them.

Does Mr. Burke deny these charges? If so, which ones? I further charged that the Indian Bureau and Interior Department have indorsed a bill that proposes to take 37½ per cent of all Indian oil royalties and pay that over to the States "in lieu of" taxes without the Indians' knowledge or consent, although 22,000,000 acres of land are involved and many thousands of Indians are concerned. Is that denied? In this connection, I charged further that out of the 62½ per cent of royalties remaining, which is expected to go to the tribes' credit, nearly $900,000 has been charged off in advance as reimbursable against the Navajo Indian Tribe alone, by the Indian Bureau, and of these reimbursable charges one recent item, which the Indian Bureau insisted on and got, was for a tourist automobile bridge, as before stated, which Senators declared in debate was "highway robbery" of the Indian funds. Also that another bridge charged reimbursable was not within 16 miles or more from the Navajo Indian Reservation. Other instances cited in my other speech, of indefensible reimbursable charges against Indian tribes, will be supported by further evidence if any specific denial is made to the statements of two Senators and several other reliable white witnesses whom I quoted in the speech of March 4.

I would not willingly do Mr. Burke any injustice, but he should come out into the open, if any of these statements are incorrect, and plead his case before the public or, better, before a committee of the House or Senate where the record will be made.

Why does he not do so? Hundreds of letters received by me coming from governors of States, and others interested in Indian welfare work, give many instances of need of an investigation which Mr. Burke should demand at once, and as I may fairly be charged with prejudice based on the cumulative data against the bureau that has come to my hands, why does not Mr. Burke ask for a Senate investigation? Not for a thorough investigation into rottenness that is alleged to exist on many Indian reservations, due to incompetent Indian agents or worse, but an investigation to ascertain what rights of property and person Burke withholds from the Indians and why he will not give them the right to court procedure in matters of property or person?

THE GREAT SPEAK-EASY BUREAU

Let me give an excerpt from a letter received, over a thousand words in length, addressed to Commissioner Burke under date of January 18, 1926, signed by H. O. Somer, formerly Indian Bureau physician, Western Shoshone Reservation. I quote:

> My official instructions, given me by a respected official superior in Washington as I was starting, were merely oral, and as they seemed wise, were scrupulously observed as far as was honorable and rational. They were as follows:
>
> 1. Do not do anything radical.
> 2. Do nothing unusual.
> 3. Do nothing that will excite comment.
> 4. Do not talk too much.
> 5. Make friends with the agent.
> 6. Do as the agent tells you.
> 7. Take the agent's advice, etc.
> 8. Play the game.
>
> These instructions, as I say, were scrupulously lived up to as far as was honorable in recollection of my original instructions of 1919 before I entered duty in this vicious circle. It is needless to say that instruction 3 was an impossibility in view of the tendencies of the mentalities there of both races.
>
> Also, it is a question of whether much good could be done at Owyhee without some very "radical" things being done, medically and otherwise. Also, to do good and useful things there, many "unusual" things would have to be done, as what has been usual is most inefficient and antiquated or too primitive.

I do not care to discuss the charges in the letter, but I do offer this statement of the bureau's speak-easy policy which maintains an iron grip on the persons and property of 225,000 "restricted" incompetent Indians.

I concede two sides may exist to this and other charges, although I am inclined to believe facts stated are worthy of investigation because of other information that has come to me. This letter is only quoted in part because of the bureau's eight instructions. "See nothing, hear nothing, do nothing, play the game, etc."

If anything so quaint and pussyfooting has ever come out of Washington bureaucracy before, I have not heard of it.

THAT LA FAYETTE OIL MAN'S QUIZ

Recently a meeting of real friends of Indians was held at the Hotel La Fayette, this city, at which over 150 guests were at the dinner table. A Mr. Mike Rattigan sought to defend the Indian Bureau from criticisms"; and as this is the first defense in the do-nothing, play-the-game bureau yet offered, I quote from a letter of March 11 received by me, which gives this estimate of the outside, disinterested friend of the bureau. It says:

> I also note that a Washington attorney by the name of M. A. Rattigan defended the Indian Bureau. Now, Mr. "Mike" A. Rattigan bears about the same relation to the oil and gas section of the mineral division of the General Land Office as Mr. Gaston Means did to the Daugherty administration. About 90 per cent of his time is spent in the office of Big Chief McGee. A desk has been set apart for his benefit, and one would think that he was a part of the office; his cases are given priority over all other attorneys having oil and gas cases and

appearing before the oil and gas section, and he has got the adjudication clerks "buffaloed" and afraid of their shadow.

Again I am giving opportunity for the bureau to disclaim that Mr. Rattigan has the same relation to the bureau that the celebrated witness in the Daugherty case was charged to have to the Department of Justice.

If Commissioner Burke will call for a Senate investigation, I promise to present many specific charges against the handling of Indians by the bureau. These must depend on witnesses who can be summoned, but I have no purpose of scraping up such cases or making charges of injustice affecting the employees or this bureau's intraoffice troubles. That is apart from my course, which has been taken without the advice of any "defense society" or other agency, as supposed by Commissioner Burke. These real friends of the Indians have verified my conclusions, based on admissions of the bureau or other unchallenged evidence. The charges I make are fundamental, and if the bureau is guilty of the charges, as I believe is clearly shown, it should be abolished, for the work needed to protect the Indians can more effectively, efficiently, and humanely be carried on under the jurisdiction of responsible courts. This would be done if the charges or wards to be cared for were white wards instead of Indians.

LET US NOT FORGET THAT $100,000 BURKE BRIDGE

In my speeches of February 4 and March 4 I presented incontrovertible evidence that several bridges, one costing $100,000, would loot Indian funds without any material benefit to the Indians, and I gave the names of witnesses including Senators in debate and facts that showed the Indian Bureau had connived and conspired against the Indians without their knowledge and without any benefit to them. This case is so bald and brazen that demand for the abolishment of a bureau permeated by such methods could well rest on those facts without additional cases. Other equally unjust reimbursable charges were cited, which, if any, were inexcusable.

Again, I presented details of far more import affecting Indians by showing the czarlike handling of Indians without law, as I have cited, by ball and chain when necessary, denying them their freedom in different cases, denying them the right to lease or handle their property in thousands of cases, with exclusive control lodged in these self-appointed jailers and asylum overseers, the Indian Bureau. And the sanctimonious expressions of concern in the dear Indian by bureau officials reminds one of some of Dickens's characters, which find similar types among present-day Indian Bureau officials, high and low.

Many cases of arbitrary action affecting legal rights of the Indians that have been ignored or where abuse has occurred, I repeat, can be offered, together with the refusal of the Indian Bureau to correct manifest wrongs. These are subject to later discussion, but I now wish to present somewhat fully a pending case wherein the Indian Bureau is seeking to take from the Indians oil rights that may reach eventually hundreds of millions of dollars and to fix on Commissioner Burke, based on his own admission, evidence of his own incompetency, or worse, as head of any bureau pretending to act for the protection of 225,000 Indians and lands reaching 100,000 square miles in area.

THE BUREAU'S UNJUST INDIAN OIL BILL

If the Hayden Indian oil leasing bill (H. R. 9133) could pass Congress in the form likely to be presented by the committee, with all parties equally taxed, notwithstanding some minor objections, it would, I believe, be satisfactory to those who seek to defend the Indian rights while also doing justice to all other rights. However, friends of the Indians who prevented passage of this same bill in the House last session offer very persuasive evidence that the bill to be here reported is not the bill that will come from the Senate for final passage, but the bill which is indorsed by the Indian Bureau will contain 37½ per cent tax on Indian royalties and other vital objections now suddenly offered to be expurgated from the bill to be reported by the House committee.

If the proponents of the bill desire to have it passed, taxing shares of lessor and lessee equally as on treaty reservations in proportion to their respective interests, any such bill that comes from the Senate I feel sure will find no objections from the Indian Rights or Indian Defense Association or General Federation of Women's Clubs, all of which are deeply interested in protecting the Indians from injustice.

A prospect of this bill being passed with the 37½ per cent tax rate Senate amendment added is strongly probable in the minds of those who are striving to prevent this gross injustice and to secure a bill granting Indians equitable rights in Executive-order oil lands.

Without charging bad faith or purpose to mislead it can be stated: First. That the bill which passed the House last session was a bill submitting oil royalties to tax rates charged all alike. A Senate amendment of 37½ per cent tax on Indian royalties was added and this amended bill was barely stopped in the House last session on a point of order offered by Mr. Dallinger, of Massachusetts.

On that proposal my colleague Representative HAYDEN, a House conferee who sponsors the present oil bill asked the House to accept the Senate amendment of 37½ per cent tax (68th Cong. vol. 66, pt. 5, p. 5433). There is now the same situation in the House at the outset as occurred last session.

Second. Those who insisted on 37½ per cent Indian royalty oil tax in the Senate last session, I am informed, have announced through others their insistance on that same provision in the same bill now before a committee of that body. They are reported to have stated they will not consent to any other tax plan.

Third. The introducer of the House bill this year first provided for a 37½ per cent tax in his own bill. Last year as a conferee he asked the House to accept the 37½ per cent Senate amendment. He favors the 37½ per cent tax on which the Senate will insist. That is his right, but it is fair to the House to state the facts.

Fourth. The Indian Bureau supported in last session and this session the 37½ per cent Indian oil tax before both Senate and House committees. No important bill will pass Congress that does not conform to this bureau's demands based on past history. This oil bill must have the bureau's O. K.

Fifth. A majority of conferees in both House and Senate, some of whom acted last session, based on the past record are reasonably certain eventually to agree to the Senate 37½ per cent Indian oil tax amendment, while the House with little understanding of the exact issue when passing on a conference report usually accepts such amendments. A point of order alone saved the bill's passage last session with this objectionable 37½ per cent tax provision then inserted. The only safe way is to prevent the bill's passage now until some assurance can be had that the Senate will agree to the same method of taxing Indian oil lands as are in force on treaty reservations to-day. Let us first act on the Senate bill when it is presented to the House, if we would save these rights to the Indians.

A CLEVER PARLIAMENTARY MOVE TO BE REPEATED

The Indian reimbursable charge of $100,000 against the Navajos for a tourist bridge and refusal to consider any compromise by practically the same interests was also supported by the Indian Bureau. The Hayden Indian oil bill was first offered for passage to the House last session without the 37½ per cent Indian tax. The bill was returned by the Senate with the 37½ per cent Indian oil tax amendment last session and was agreed to in conference which is reasonably certain to be the same provision that will be placed before the House when the bill comes back from the Senate this session. Even if the 37½ per cent Indian tax is temporarily stricken from the bill, the same insertion by the Senate and same result may be expected this session as before where practically the same conferees are to act.

With this brief introduction of a familiar legislative situation where the burnt child dreads the fire, that again scorches, the bill with or without the 37½ per cent Indian tax at this stage should not be permitted to pass the House because of the probability that the same tax provision will be inserted too late to prevent its final passage.

WHAT THE 37½ PER CENT INDIAN OIL TAX MEANS

The importance of the 37½ per cent Indian oil-tax provision may be understood from the fact that the unallotted lands of Oklahoma Indians under that State law now pay 3 per cent tax to their State on their oil production like every other person is taxed, white or red. Other States have similar tax rates. The 37½ per cent tax in the Hayden bill that was inserted last session in the Senate, is a tax over twelve times the rate of tax paid in Oklahoma. Millions of dollars annually on 22,000,000 acres are involved in this bill. More than one-third of the total oil income will be taken from the Indians if the Senate amendment prevails, based on a theory that some day these Indian lands will be thrown open as public lands. On a total oil production of $1,000,000 for illustration, the leases provided in the bill would pay to the Indian tribe on a basis of 5 per cent royalty exactly $50,000. Of this amount the State with its 37½ per cent tax would get $18,750, and the Indian tribe the remaining 62½ per cent, or $31,250.

The oil driller and producer would get $950,000 net for his share, while the Hayden bill as originally proposed exempted the producer from all taxes. A 3 per cent rate would in any event be the limit. The usual net royalty rate of 12½ per cent, or one-eighth, in ordinary cases would increase the Indian tribes' share two and one-half times the 5 per cent royalty rate now provided in the bill for the Fall permittees.

The highest mineral or oil tax provided in any State is 6 per cent in Minnesota. Generally tax averages are about 3 per cent in the different States, compared with the 37½ per cent "in lieu of taxes" rate in the Hayden bill as introduced, and according to the Senate amendment that will again be returned from the Senate in all probability. In other words, the Navajo Tribe, most closely affected at present by the bill if a total oil production of $1,000,000 under the 5 per cent royalty rate is had, and 37½ per cent State tax is paid, would then get less than $1 each for members of the tribe. One-third of the tribe are suffering from trachoma, and Assistant Indian Commissioner Meritt stated in the Snyder investigation that 7,000 children were without schools and the tribe was three generations backward compared with northern tribes. They should be taxed the same as all other persons.

THE HAYDEN INDIAN OIL BILL AFFECTS 22,000,000 ACRES

The Hayden oil leasing bill (H. R. 9133), now before the House committee, as originally drawn declares in effect that a distinction in title exists between Executive-order Indian reservation lands and Indian-treaty reservation lands, and that because of that claimed distinction Congress should take from the Indians 22,000,000 acres of Executive-order Indian lands and give to the Indian different rights in newly discovered minerals and oils found in such lands. A witness connected with the bureau called by the Senate committee said the Navajo Indians would be satisfied to receive one-half of the usual oil royalties and divide with the States 50-50. This is squarely denied, but it is only one tribe of many that are affected, even if the witness was to be believed. The Hayden bill provided that the Indians contribute 37½ per cent of their royalties. The State is to expend this tax on highways and schools for the Indians "in lieu of taxes," as in the Lee Ferry automobile bridge, which received a $100,000 Navajo Tribe contribution from the Indian Bureau. With that 37½ per cent the State can build countless white-tourist bridges and highways and with equal justice many white schools with one room set apart for Indian children.

It may be proper to note that the Lee Ferry act, which was denounced at both ends of the Capitol, with practically no defenders on its merits, was supported by the same interests that offered the 37½ per cent Indian oil leasing bill "in lieu of taxes." This is not said by way of criticism, but to show that the Navajo Tribe's $100,000 contribution to an Arizona tourist bridge is on the same inequitable basis as the proposed 37½ per cent tax on Indian oil royalties.

It is conceded, I believe, by everybody, as will hereafter appear, that every State is entitled to taxes from oil royalties belonging to Indians, but to no greater extent than from oils belonging to white people, and that equities of some 20 permittees under the Fall order may properly be protected, as they contend by their bill, although no justification of the small 5 per cent royalty to Indians can be found through occupation on Fall's ruling. They took the chance with their eyes open. They have equities, but not on a 5 per cent royalty basis unless by way of a compromise bill.

The argument for the 37½ per cent of oil royalties for taxes is ingenious, but as usual the Indian first is declared to be without any rights. This statement is within the facts excepting in so far as Congress may protect him against every selfish interest now arrayed against him. Over 85,000 Indians' rights are affected by this quiet Indian oil leasing bill that has as many colors as a chameleon. Not one Indian representing the 85,000 of any tribe living on any of the 22,000,000 acres affected by this bill was called before either Senate or House committees. Not one. This statement before made is again repeated.

NO INDIAN WITNESSES CALLED BEFORE THE COMMITTEES

In a bill affecting about 85,000 of the 225,000 "incompetent" Indians now controlled by the Indian Bureau, with 22,000,000 acres of land located in 10 States, with possibly hundreds of millions of dollars eventually to become theirs through oil and mineral rights if a just return is had, not one Indian and not one person authorized in their behalf was called or testified before either the Senate or House committees. Mr. Collier, of the Indian Defense Association, an organization for Indian welfare composed of white people, and Mr. Brosius, of the Pennsylvania Indian Rights Association with 50 years' service in Indian affairs, these two alone presented the Indians' case and opposed the bill in an effort to prevent gross injustice to the Nation's wards. This is no criticism of procedure but states a bald fact that should prevent the passage of this unjust bill to the Indians, a bill that will not bear analysis—a bill that should first have the approval of practically every tribe to be affected. Making full allowance for the trustful Indian's nature, it is quite certain not one tribe would consent if the facts were understood.

TITLE TO EXECUTIVE-ORDER RESERVATIONS LIKE ALL OTHERS

The history of Executive-order Indian lands dates from the time that Congress determined that Indians had no separate government with which treaties could be negotiated, and thereafter until 1919, as the Indians were pressed back onto desert lands and up into the mountains of the West, the President of the United States exercised power, and Congress and the courts repeatedly recognized it, to create reservations taking from the public domain such lands as were needed for the support of the Indians. That course was taken in lieu of the old treaty method that had been abandoned. These Executive-order reservations, as stated, now reach between 22,000,000 and 23,000,000 acres, largely of grazing or desert lands, and are occupied by many Indian tribes living in 10 Western States. These are the lands affected by the Hayden bill, of practically no value until oil discoveries were made.

On June 9, 1922, Secretary of the Interior Fall ordered these Executive-order Indian lands thrown open to oil prospectors generally on the same terms that public-land oil leases were then made under act of February 25, 1920. These terms briefly included a 5 per cent royalty for the first 640 acres, and on three contiguous sections the lessee was given a preferential right on a royalty bid of at least 12½ per cent. Thirty-seven and one-half per cent of the royalty so paid was to go to the State in which Government lands were located and 62½ per cent to be deposited to the credit of the reclamation fund, with 10 per cent to the Treasury. That in substance gives the situation.

Secretary Fall's gift of the Indians' rights in such lands to oil prospectors was in harmony with his gifts of naval reserve lands to favored oil interests, later set aside in the courts, so no serious consideration should have been given or official importance attached to his act, unless strongly sustained by disinterested interpretations of Indian rights in such reservations. That statement is especially emphasized because the Government land commissioner refused to permit such action until overruled by Fall on appeals by the oil interests. Those who began oil exploitations knew their title was undetermined by any court or disinterested official.

Secretary Work through his indorsement of this pending Hayden bill, has continued to recognize to a large extent the Fall policies. Possibly that was natural, but it places the department in an equivocal position now.

Quoting from testimony of Mr. Jones, attorney for the Utah Southern Oil Co., Senate hearings Sixty-ninth Congress, first session, on S. 1722 and S. 3159, page 3 of hearings:

> The Indian Rights Association kept insisting that the general leasing law did not apply to these lands, and finally the President and Secretary Work, at almost the same time, asked Attorney General Stone for an opinion on the subject.

In his opinion, dated May 27, 1924, addressed to Secretary Work, Attorney General Stone says:

> On the day before the date of your request, the President asked for an opinion on the same question propounded by you.

The order of Secretary Fall overruling the Commissioner of Public Lands in the Harrison appeal was dated June 2, 1922. Secretary Work entered on his duties as Secretary of the Interior March 5, 1923. The President asked the Attorney General for an opinion which was given May 27, 1924.

ALL INDIAN RESERVATIONS STAND THE SAME

In that opinion the Attorney General upheld the contention of the Indian Rights Association, as follows, in the concluding paragraph:

> The important matter here, however, is that neither the courts nor Congress have made any distinction as to the character or extent of Indian rights as between Executive-order reservations and reservations established by treaty or act of Congress. So that if the general leasing act applies to one class there seems to be no ground for holding that it does not apply to others. You are therefore advised that the leasing act of 1920 does not apply to Executive-order Indian reservations.
>
> Respectfully,
>
> HARLAN F. STONE, *Attorney General.*

No uncertainty exists in that judgment, based on a long list of authorities quoted and a thorough discussion of the subject. The opinion, containing over 4,000 words, is found in the hearings and quoted in full in my remarks in the House of March 4, this session.

No intelligent, unbiased person will make comparison between the judgments of the two men, one of whom later refused to testify because it might incriminate him and the other, by reason of his great learning, now occupies a seat in this Government's highest court.

THE OIL-LEASING LAWSUIT

A man named Harrison, an oil man, who was refused any lease by the land commissioner, appealed to Fall, who overruled the commissioner. When ousted from Indian lands by Attorney General Stone's opinion, Harrison then appealed to the courts to prevent cancellation of his Fall permit. He certainly had knowledge of his unsafe title. In an opinion couched along the lines of Secretary Fall's original order throwing Indian lands open to the public, a local Federal district judge held that a decree could be entered dismissing the Government's bill.

Thereafter, a hearing was held before the circuit court of appeals and some questions involved were certified to the Supreme Court for determination. These questions are not expected to be decided for a year and a half to two years. In this connection I quote from Witness Brosius, of the Indian Rights Association, who had protested the Fall ruling. Witness says, page 107 of Senate hearings:

The Supreme Court * * * as early as 1891 in the case of In re Wilson reaffirmed in Spaulding & Chandler, held that the right and title of Indians to the Executive-order lands was as sacred as were the treaty reservations. That seemed to be quite conclusive so far as the Supreme Court was concerned. The case that came up from Utah (Harrison) and has been transferred to the Supreme Court of the United States * * * is not as good a case as representing the rights of the Indians for this reason, that those lands represented in that Harrison case, on appeal or by transfer to the Supreme Court involves lands that were set apart for Indians in general. It did not state that those lands were set apart for the Navajo Indians.

That is thought to be an important point in the case, if there is going to be an opinion in the case of lands set apart for certain tribes of Indians.

In other words, further litigation will be required in this matter involving many millions of property to determine the real issue providing the Harrison case should be upheld by the court on the defective state of facts then presented.

A recent opinion by the Solicitor of the Interior Department is dated March 6, 1926. Therein he says that in an opinion dated February 12, 1924—over three months before Attorney General Stone's opinion—the solicitor of the department held that the title to Executive-order lands rests in the United States, but the solicitor further says that in that opinion it is declared that the general leasing act did not apply to Executive-order lands.

The solicitor refers to the act of June 30, 1919, wherein Congress provided:

That hereafter no public lands of the United States shall be withdrawn by Executive order, proclamation, or otherwise for or as an Indian reservation except by act of Congress.

Thereupon the solicitor affirms that Congress may act with full authority over any unallotted lands contained in any Indian reservations. This latter opinion of the solicitor rendered a few days ago is explicit in its statement that Executive-order Indian reservations are not subject to the general leasing act, as contended in the Harrison case, which the Indian Bureau pretends to fear may disturb Indian rights in such lands.

OPINIONS DOWN TO DATE

The title to Executive-order Indian lands is the same as all other reservation lands, in the opinion of the Assistant Secretary of the Interior, who spoke for the department before the Senate committee hearings, page 81:

Assistant Secretary EDWARDS. The title to the land is in the United States.

Senator CAMERON. Even after an Executive order has been issued.

Assistant Secretary EDWARDS. Yes. That is true of all reservations, so far as that is concerned. They stand all on an equality, so far as the fee is concerned, but that the Indians have the right to use and occupancy.

The Attorney General, the Assistant Secretary, the solicitor of the department, and every authority excepting the hair-splitting opinion of Fall in the direct interest of private oil producers, all agree, based on numerous court decisions, that Executive-order lands have the same status as all other Indian reservations.

Again, the Senate hearings state, page 80:

Assistant Secretary EDWARDS. In other words, it is a matter for Congress to determine whether (oil royalty division) it shall be 62½ per cent and 37½ per cent, or whether the Indians shall receive 100 per cent, because that is a matter exclusively within the control of Congress.

Search the Senate and House hearings, and nowhere will be found anyone who gives any reason for robbing the Indians of more than one-third of their royalties to pay local taxes or in lieu of taxes. No justification is offered anywhere by any one excepting the power to take it from them by strong-arm methods under a belief that Congress will continue to take from the Indians their property whenever grasping oil or other agencies, backed by the Indian Bureau, actively urge such action.

I have endeavored to present the controverted views in order to show the gross injustice of the original Hayden oil leasing bill No. 9133. That bill proposed to take from the Indians 37½ per cent of their royalties ostensibly to be spent by the State "in lieu of taxes." If passed by the House, the tax provision as stated is reasonably certain to be reinstated by the Senate.

AN EXTORTIONATE INCOME TAX HIGHER THAN ON MULTIMILLIONAIRES

Secretary of the Treasury Mellon and President Coolidge protested against the terms of the 1926 tax bill, which now cuts maximum incomes to 20 per cent on individual incomes of $100,000. Graduated rates on smaller amounts on incomes, only a portion of which are "distributed," rarely reach more than 10 per cent average maximum tax on all great incomes.

The Navajo Indians have had nearly $900,000 charged against their tribe as reimbursable by the Indian Office, which includes the recent white tourist bridge of $100,000. Now the same parties supported by some 400 oil applicants under the Fall order are asking for a law to take 37½ per cent of all Navajo and other Executive-order tribal oil income or nearly four times the maximum income tax actually levied by the last revenue bill on $100,000 personal incomes. This 37½ per cent tax is to be taken from poor, helpless Indians. Remember again, not one Indian of the 85,000 or more to be affected has been called as a witness, nor have any of them been represented by attorneys. On the contrary, the Indian Bureau, their "protector," approves this drastic tax on the Indians.

Commissioner Burke says he was one of those who tried originally to protect Indian rights on Executive-order lands. This may be true, but it is to be regretted that after these titles have been determined by so many high opinions to be inviolate, he is now willing to give away more than one-third of all the prospective Indian-oil royalties on 22,000,000 acres of their different reservations and incidentally possibly to invalidate any Indian vested rights possessed.

Mr. Burke approved the $100,000 tourist bridge "highway robbery" of Navajo funds, it will be remembered. That is not my language but that is what Senator CAMERON called his action in debate. Senator BRATTON said it was iniquitous, but I believe this oil proposal will be generally regarded as far more iniquitous to Indians that have had no voice in the matter.

I have here given evidence of rights of Indians in these Executive-order lands based on the highest authorities that can be found including opinions of the Attorney General and the solicitor above Mr. Burke all based on Supreme Court decisions and acts of Congress, all to the effect that no distinction exists in the Indian titles to their different reservations.

All these opinions concur I submit in saying that Executive-order reservation titles are identical with these of treaty reservations and whatever that title may be Congress has authority to act.

COMMISSIONER BURKE'S "DEFENSE" OF INDIAN TITLES

Commissioner Burke is supposed to protect the Indians, although he failed when he gave away $100,000 of the Navajo money for that white tourist bridge. Listen to his evidence before the Senate committee, page 55:

From time to time as Executive withdrawals were made it was quite common for later Executive orders to restore to the public domain some part of the area that had previously been withdrawn, and you will find for any number of years different orders would some of them restore the entire area to the public domain and others a portion of the area. I am mentioning that to show you there is a question as to the law with reference to the right of the Indians in Executive-order reservations as contrasted with what are commonly known as treaty reservations.

Why does Mr. Burke prefer now to follow Fall instead of the Attorney General, whose opinion saved these 22,000,000 acres to the Indians? It is a matter of record that Fall had pecuniary reasons for some of his decisions and that he left public service without waiting for any medals on the plea any testimony he might give would incriminate himself. I do not believe that Commissioner Burke has or ever has had any interest in these leases but if he was the paid attorney for great oil interests concerned in this bill he could not render greater service to these companies than by his course throughout this Indian oil leasing controversy.

I stated in my speech of March 4 that the 37½ per cent of Indian royalties deducted for the State for taxes was to cover both the Indian's tax and the oil producer's tax. Commis-

sioner Burke is reported to have been indignant over my statement that the 37½ per cent was also to cover the oil producer's tax, which, I understood, he once contended would be equalized by increased royalties. He is reported now to have said the bill was not so intended.

Of all the astounding positions this stand of the Indians' supposed protector is then worse than the one he was understood to have presented to the Indian Committee.

WHY CHARGE INDIANS 37½ PER CENT INCOME FOR TAXES

If the Indians are to pay more than one-third of all their revenues for taxes at the demand of Commissioner Burke, who last session and this session supported the oil exploiters' bill, then on what theory is the rate made 37½ per cent instead of 3 per cent or thereabouts to be paid by the oil producers on treaty reservations, or some reasonable charge? Why does Commissioner Burke give away with a liberal hand these royalties of the Indians while he does not whisper as to the tax that shall be collected from the oil exploiters of Indians land? In either case his position seems as bad as that of Secretary Fall, and in some respects worse, because the Government could stand any amount of oil exploitation under Fall's original order, whereas Indian tribes, against whom Mr. Burke has charged nearly $900,000 reimbursable payments in one tribe's case, are suffering from sickness, poverty, and neglect beyond the needs of any other tribes, according to many witnesses.

I do not overlook the provision that the State may expend this 37½ per cent in some fashion for the Indians, but after the Navajo tourist $100,000 bridge and a record generally of fleecing Indian tribes even by their official guardians, it seems the height of folly to hide behind such a flimsy proposal. Who, if anyone, will compel such expenditures for the Indians when once paid to the State? I can not understand, if we are honest with these Indians who occupy 22,000,000 acres of Indian reservations, why we do not provide that the Indians' share of oil production may be taxed by the State the same as the white man's share. Any other provision looks like camouflage, and in view of past history now is the time to protect Indian oil interests and not after the 37½ per cent is taken from them. For that reason we should wait for the Senate bill without weakening our own position, because the 37½ per cent needs to be given fair debate in the House before any bill is passed.

The only justification offered by the oil producers supported by the Indian Bureau for a 37½ per cent charge against the Indians is that such terms are found in the general leasing act, but the general leasing act does not apply to Indian reservations, as is strongly set forth by the Attorney General and the Solicitor of the Interior Department. Mr. Burke can offer no justification for taking 37½ per cent of the funds needed by Indians in 10 States any more than from the funds of private oil producers. The Government, by the general leasing act, gave practically all of the royalties jointly to reclamation projects and to the State, but there is no analogy between the Government, with three hundred billion resources, doing what it chooses with its lands by homestead gifts or otherwise, on the one hand, and a poor Indian tribe sans schools, sans health, and sans friends.

ALL SHOULD PAY EQUAL TAXES, WHETHER WHITES OR REDS

Indian tribes should pay their fair share of oil taxes to the State the same as white people and the same as are paid by treaty reservation Indians. Where the statute prevents the imposition of any tax the bill affecting Executive-order reservations should provide the same tax payments by Indians with oil royalties that are paid by the producers of the oil in proportion to their separate holdings. That is the only just method, and any other will fleece the Indians.

A proposed bill to meet the Indian oil-tax situation which was introduced in House and Senate but refused by the supporters of the Hayden bill is as follows (an error in date in the bill print is corrected):

A bill (H. R. 10053) to amend the acts of February 28, 1891 (26 Stat. p. 795), and the act of May 29, 1924 (43 Stat. p. 244), providing for the leasing of unallotted Indian reservation land for oil and gas mining, and for other purposes.

Be it enacted, etc., That the act of May 29, 1924 (43 Stat. p. 244), be, and the same hereby is, amended to read as follows:

(1) That unallotted land on Indian reservations other than lands of the Five Civilized Tribes and the Osage Reservation in Oklahoma, subject to lease for mining purposes for a period of 10 years under the proviso of section 3 of the act of February 28, 1891 (26 Stat. p. 795), and unallotted lands of any reservation or withdrawal created by Executive order for Indian purposes or for the use or occupancy of any Indian or tribe, may be leased at public auction by the Secretary of the Interior with the consent of the council speaking for such Indians, for oil and gas mining purposes for a period of 10 years, and as much longer thereafter as oil or gas shall be found in paying quantities, and the terms of any existing oil or gas mining lease may in like manner be amended by extending the terms thereof for as long as oil or gas shall be found in paying quantities: *Provided*, That production of oil and gas and other minerals on such lands may be taxed by the State in which said lands are located in all respects the same as the production of unrestricted lands, and the Secretary of the Interior is hereby authorized and directed to cause to be paid out of the royalty income derived by said Indian owner or owners the ratable proportion of the total production tax assessed against said royalties: *Provided further*, That such tax shall not become a lien or charge of any kind or character against the land or property of the owner or owners, but shall only become a lien against the royalty income of said Indian owner or owners.

SEC. 2. That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to extend the provisions of the act of February 25, 1920 (41 Stat. p. 437), to any holder of a permit granted under said act prior to May 27, 1924, and to any applicant for a permit who did not receive a permit, on condition that said permittee or applicant, or the party with whom he has contracted, has prior to April 1, 1926, done all the following things, to wit, expended money or labor in geologically surveying the lands covered by such application, and has built roads for the benefit of such lands, and has drilled or contributed toward the drilling of geologic structure upon which such lands are located: *Provided further*, That the expenditure and operations here made a condition must have been commenced prior to May 27, 1924: *Provided further*, That this section 2 of this act shall be applicable solely to reservations or withdrawals created by Executive order for Indians: *Provided further*, That the provisions of the act of February 25, 1920, affecting the distribution of royalties shall not apply to any operation herein provided for: *Provided further*, That the production of oil and gas and other minerals by applicants, permittees, or lessees under this section 2 may be taxed in the same manner, and the royalty interest shall bear its ratable share of said taxation, as is provided in section 1 of this act: *Provided further*, That nothing in this act shall be construed to validate any permit granted by the Secretary of the Interior under any construction making the act of February 25, 1920 (41 Stat. p. 437), applicable to Indian Executive-order reservations or withdrawals.

SEC. 3. That any provision of any act of Congress inconsistent with the provisions of this act is hereby repealed.

In order to settle any question as to titles, if any real question exists in the minds of the Indian Bureau, as contended by the commissioner, I have offered the following bill and invited its support by the Secretary of the Interior and the Indian Commissioner.

HERE IS A GOOD BILL THE INDIAN BUREAU WILL NOT APPROVE

This will make certain the opinion of the Attorney General and Solicitor of the Interior Department by act of Congress if any doubt exists. It is short and is as follows:

Be it enacted, etc., That with respect to all Executive-order reservations or withdrawals for Indians, the vested right of Indians shall be hereafter recognized as being in all respects identical with the vested rights of Indians in reservations created by treaty.

SEC. 2. That from and after June 9, 1922, changes in boundaries of Executive-order reservations shall be subject to the exclusive control of Congress in all respects identical with existing law applicable to changes of boundaries of reservations created by treaty.

Why has not Mr. Burke tried to perfect these titles of Indians if he deemed them to be imperfect?

Thus far I have gone somewhat into details, because of Commissioner Burke's unaccountable insistence that the Indians have doubtful titles in the Executive-order lands and that the favored companies should be given leases while 37½ per cent of Indian royalties are made payable to the State in lieu of Indian and white taxes.

Summing up briefly this proposed Indian oil-leasing bill, let me say that friends of the Indians are of two schools of thought. One says it prays for the Indians. In this school is the Indian Bureau, with Mr. Burke at the head, that is charged with highway robbery of the Navajo Indians, reaching $100,000 for a tourist automobile bridge many miles from any Navajo settlement. A half dozen white witnesses have declared in effect the Navajo bridge steal "highway robbery."

THINGS THE INDIAN BUREAU INDORSES

The Indian Bureau's Navajo and other bridge "highway robberies"; the Indian Bureau's demand for a $2,000 fine and five-year prison sentence for infringing on the dignity of its Indian agents; the Indian Bureau's 37½ per cent oil-taxing game; the Indian Bureau's hold on $1,600,000,000 of "incompetent" Indians' property, which does not permit any court to pass on such "competency"; all these and more are measures this session offered by praying friends of the Indians. When

the bureau wants support, it calls in a board of antidiluvian Indian commissioners, who travel around with Indian agents looking over the reservations.

These "commissioners," I am informed, serve without pay and have long been under the hypnotic spell of the Indian Bureau. Notwithstanding a wealth of evidence of bureau neglect has disclosed frightful neglect of the Nation's wards, sickness, blindness, and deaths of Indians almost beyond belief, these "commissioners," like some of the bureau "missionaries," suffer from bureau trachoma, that sees not the things that should be seen. They complain of the Indian's religious belief without discovering he is chained and manacled by the agent and by the bureau. They pray for his soul but neglect his body before it is too late.

They quibble over the exact amount of Indian moneys now in the hands of the commissioner without discovering that all the money belongs to the Indians. They are a stumbling block in the way of any real reform, due to many years' sojourn under bureau hypnotism and bureau courtesies. Even Congressmen have not been forgotten in bureau attentions.

An ex-governor is called in by a committee to say he knows 34,000 Navajos are anxious to give 50 per cent of their oil royalties if the bureau thinks best. These and others of that kind of Indian friends are ready to defend the Indian Bureau's chains, manacles, and highway robberies of its American citizen slaves now ruled and cowed by bureau $10-a-month "judges."

AN IMPORTANT RECOMMENDATION BY THE COMMITTEE OF 100

As stated, in 1920, Fall, Secretary of the Interior, tried to grab all these oil and mineral lands from the Indians. Stories of Teapot Domes, $100,000 satchels, Canadian bond deals, and "testimony that might incriminate," are Sunday-school yarns in comparison with this effort to steal what may run to hundreds of millions of dollars of Indian funds in the aggregate. Some subordinate official in the Interior Department, I believe (glory be), caught Fall red-handed, and asked Attorney General Stone for an opinion, which he gave May 27, 1924, saying in effect that all Indian reservation lands were alike in title, and he so blocked the steal attempted under the general leasing act.

Secretary of the Interior Work on his entry into office made famous by Fall's tenure was expected by friends of the Indians to back up the Attorney General's opinion by quieting the Indian titles to this 22,000,000 acres of land through a validating act by Congress that would be passed without difficulty if advocated by the department and Indian Bureau.

In order to clear some of the unsavory mess in the Indian Bureau record of long years of mismanagement, Secretary Work appointed a committee of 100 to throw light on how to change scandalous conditions. Just what the committee said in its deliberations in the Interior Department no one outside the bureau seems to know, beyond a resolution unanimously passed by the committee of 100 as follows:

EXECUTIVE-ORDER RESERVATION

We recommend that the Secretary of the Interior suspend all departmental proceedings touching the sale or lease of oil, gas, or minerals on or from Executive-order Indian reservations pending action by the Congress to vest the title of said reservations in the Indians occupying them.

This effort to perfect Indian titles is what anyone would naturally do after the attempt at burglarizing of Indian reservations by Fall. It did not need a committee of 100 to say such titles ought to be settled at once for the Indians but the committee was honest and told Secretary Work that he ought to safeguard these vastly important titles.

WHY NOT REMOVE UNCERTAINTY, IF ANY EXISTS?

Secretary Work is a man of high intelligence and he knew as well as his Committee of One Hundred the way to protect the Indians from renewed Fall orders or lawsuits and loss of their oil rights and reservations. The Indian Bureau, the "guardian" of all Indian rights, naturally could have introduced bills at once to quiet these titles without waiting for the Secretary or a resolution from the Committee of One Hundred. Yet, to date neither Secretary Work nor Commissioner Burke have followed the committee's suggestion injunction. On the contrary, the department and the Indian Bureau have both indorsed a private oil bill that in effect is construed to take from the Indians the titlelike treaty reservations found in them by the Attorney General. Thereafter an opinion was rendered by a solicitor of the department a few days ago to the effect that the department does not know what to do after offering to give away 37½ per cent of all Indian mineral royalties in lieu of taxes. It is a situation that, like the Indian Bureau's chains and manacles, sounds to heaven.

I have introduced a bill in accordance with the report of Secretary Work's Committee of One Hundred to quiet title in harmony with the Attorney General's opinion, to which I have heretofore referred. It simply seeks to give the same status to all Indian reservations. Surely that effort is worthy of support.

Neither Secretary Work nor Commissioner Burke have offered to aid in its passage, and without their aid that or any other bill will not become law. That is a situation wherein over 85,000 among the more than 200,000 Indians declared by Burke to be "incompetent" can not act for themselves, although American citizens, while 22,000,000 acres of Executive-order reservation lands are liable to be stolen from them at any time a Fall order is again made or some hair-splitting legal opinion is secured from some legal authority to set aside the opinion of Mr. Justice Stone.

ARE MY COLLEAGUES IN THE HOUSE FREE AGENTS?

Let me not say anything in criticism of any brother Member of Congress. I know the influences urged on every Member. When on the River and Harbor Committee, of which I would now be chairman if I had cared to remain (unless deposed by my colleagues, the honorable House leaders), I learned that practically every member of that committee then, if not now, was placed on the committee at the urgent request of a home constituency which wanted some local waterway improvement. In order to get that improvement every member had to be "considerate" with the projects of all other members, and when all members of the committee were cared for then a sufficient number of other projects had to be added for other Members of the House also representing constituencies to put the pork barrel through the House. Thereafter, the Senate gave the barrel a push with the same forceful arguments. Logrolling was a science with that committee and other committees that might be named.

I will not say that members of the Indian committees are not free agents. They are as able as the average major committee of the House, and the committee has some exceptionally valuable members measured by capability and experience.

Yet no bill of importance, I assert, as I stated before, can be put through Congress unless it has the O. K. of the Indian Bureau and is stamped with the approval of the Secretary of the Interior. When a bill is introduced and referred to the committee, as stated at the outset, it automatically goes to the Indian Bureau to get its approval or disapproval. The bureau is the czar of congressional bureaucratic subserviency. No important bill for Indians has any chance for passage until approved by the bureau. If you would give jurisdiction to sue in the Court of Claims for amounts ranging from one hundred to a hundred million dollars, the first thing read is the Secretary of the Interior's report thereon. If a $50 attorney fee is involved it must first have the written approval of the Secretary of the Interior and also have the additional statement that it is not contrary to Budget Bureau's plans. If it is a bill to give the Indian a right to trials or appeals or court tests on competency the bureau must approve.

Every member of the committee must humble himself and his case, however meritorious, before the Indian Bureau, and woe be it to any member who steps far off the Indian Bureau reservation. Unless "regular" in conduct his own Indian projects are subject to the blue pencil of the autocrat of the bureau. Of 35 bills reported to date by the Indian Affairs Committee only one failed to have the indorsement of the bureau and that bill has been held up for weeks in the Senate by the bureau. I do not need further to discuss the bureau's influence over the committee.

The Secretary of the Treasury expressed indignation and grievous surprise when the Ways and Means Committee of the House insisted on having a voice in preparing the Government's tax, foreign debt, Liberian loan, and similar legislation. When told to pass the Mellon bill and obedience was refused, Congress was excoriated. This year a complete surrender to the Secretary must have been gratifying and certainly profitable, but the Ways and Means Committee does not have to send in advance all proposed legislation to the Secretary of the Treasury for his O. K. The committee has a mild satisfaction in making a gesture and sometimes registering its disagreement before the promised capitulation is performed.

EITHER THE BUREAU'S O. K. OR AX ON LEGISLATION

Even that slight comfort is refused the Indian Affairs Committee. Every bill offered by every member of the committee and every Member of the House must be sent posthaste to get the O. K. or the ax from the bureau, and the bill gets little consideration, if the latter.

So any oil bill that robs the Indians of 37½ per cent or even 50 per cent of their income, if approved by the Indian Bureau, has an easy road unless Congress can be aroused to prevent gross injustice.

Those who read the Constitution and learn that three coordinate branches of Government are directed to function, and that Congress came first in the minds of the founders of Government, must be under the impression that Congress is now on a perpetual vacation, only appearing in Washington when necessary to approve measures demanded by different Cabinet officers and bureau chiefs.

One of the most startling surrenders of constitutional prerogatives is to the Indian Bureau that has hog tied Congress as effectually as it has the 225,000 "incompetent" Indians under its control. No court will be permitted to determine the "competency" of these Indians, who have over $1,600,000,000 of property in the bureau's hands. No court can pass on the "competency" of a Congress that surrenders its constitutional prerogatives to the Indian Bureau.

If any question is more important than this illustration of abandonment of constitutional rights, it is the picture abroad where Great Britain, France, Germany, and every other leading government has for its greatest strength its parliamentary body chosen by the people. In Italy and in our own Government the parliamentary body has become or is becoming a cipher. A kindly dictator is prayed for, yet those who now appeal through the press and financial circles for czar rule will be the first to repent if history repeats itself, as it always does.

This mild philosophy does not reflect on my colleagues any more than on myself, yet any challenge of the drift of Congress to the humble position of a suppliant, hat in hand, waiting for Executive or bureaucratic favor, invokes the serious charge of "irregularity." For that reason, however, I find myself trying to learn what kind of citizenship Congress gave the Indians two years ago. It now seems about equal to rights given the African slave prior to the war, while we disclaim any such purpose.

As affecting the Indian oil leasing bill as introduced I submit the following concise opinion from the Secretary of the American Indian Defense Association (Inc.):

LEGISLATIVE OFFICE,
Washington, D. C., March 24, 1926.

Hon. JAMES A. FREAR,
House Office Building, Washington, D. C.

DEAR SIR: You are a member of the subcommittee having the oil taxing and Executive order bill under consideration. I therefore, on behalf of the American Indian Defense Association and its branches, state the objections to H. R. 9133, which ought to be conclusive. May I add that I believe the statement is equally on behalf of the Indians occupying Executive-order reservations, including the Navajos, none of whom—the parties of primary interest—have been called before either of the congressional committees dealing with the subject.

(1) The bill by undisputed and conclusive implication destroys the Indian claim of title or vested interest in the Executive reservations. These Executive reservations are two-thirds of the whole undivided reservation area of the United States. Any intelligent person can see how the result is accomplished, but I will state briefly:

The bill takes 37½ per cent of the Indian royalty—the Indian property obtained through oil operations—and makes a gift of it to the States. For the United States thus to take Indian property arbitrarily and give it to a third party means only one thing, that the United States denies the existence of the Indian property right and asserts a complete and unconditioned ownership of the property by itself. On any other theory the proposed bill would be unconstitutional and unoperative.

It is in the power of Congress to establish this status—the status, that is, of a nonownership by Indians of property which they thought they owned and which they were told by the President and Congress and the courts they owned. I repeat, Congress has the power; Congress has not used the power. This bill proposes that Congress shall use the power, and the consequences go beyond oil royalties and equally affect the timber, coal, water power, and even the soil values of the whole undivided Executive-order area.

The consquences go still further. It is established that whatever be the nature of the Indian vested right in Executive reservations it is identical with the Indian right in treaty reservations. If Congress is going to annihilate the first-named vested right—that in Executive reservations—then Congress is just as likely and equally justified to annihilate the second-named right; that is, in treaty reservations.

This bill can be viewed as the first step in one grand, clean sweep of all the undivided Indian property which remains and one grand annihilation of the sworn obligations of this Government accumulated over 100 years. The importance and iniquity of the scheme can not possibly be overstated. It is absolutely identical in kind with the declaration which King Leopold, of Belgium, made when he declared that the rights of the Congo natives to land were nonexistent and the unconditioned ownership rested in himself. Indeed, we have an American precedent in the awful history of the California Indians, who were by statute and administrative act completely dispossessed of their lands. Are the horrors of the Congo and the horrors of the California Indian life to be repeated for all the tribes of the West? The California Indian population was cut down from 150,000 to 20,000 between the years 1850, when the Indian Bureau guardianship began, and 1880, when Helen Hunt Jackson raised her cry of indignation, which was listened to by the United States and acted on with some resultant protection to the California Indians.

(2) Of great but secondary importance is the objection to H. R. 9133, namely, that in effect it taxes the Indians the high percentage of 37½ per cent on their whole oil income, while at the same time exempting the white producer from paying any tax at all. Discussion ought to be unnecessary; the statement of such a bizarre scheme ought to be enough to kill it. Nevertheless it is being promoted by the Bureau of Indian Affairs and a tireless group of oil interests.

(3) I am told that certain amendments are to be offered by the proponents of this bill, designed to give it a literary attractiveness to the Indians and their friends and also to the States. In the first place, the States are to be allowed to tax the white producers at the rate they tax oil production on non-Indian lands, but the Indians are still to contribute their 37½ per cent in lieu of other oil taxes. What State will tax its white producers 37½ per cent? And what is to be said of a supposed improvement in the bill which enacts a 37½ per cent tax against the Indians and authorizes a tax of 2 or 3 per cent against the whites?

The other amendment is a proviso to be put at the end of everything else, stating that nothing in the act shall be construed to have any bearing on the question of Indian title. Such a proviso would have no meaning at all. If the Indian title or vested interest is assumed to exist, the unequal taxing or giving away of their property is ipso facto, unconstitutional, and impossible. The substance of the act is the declaration by Congress that the Indian vested right does not exist. Were any other property save Indian property in question, Congress could not thus disestablish the status of the property by decree retrospectively operative. But we have the peculiar history of Indian law which makes it certain, or at least highly probable, that Congress can actually, by the method contained in this bill, annihilate any Indian tribal vested interest. Such annihilation is contained in the act of giving away their property and the camouflaging proviso that is suggested would have no more effect than putting in the word "amen."

It is far better, if this terrible scheme is to be adhered to, that it remain as in the original draft, a scheme, apparent on its face and self-announced, to destroy the Indian vested right and give away the Indian income. Let it then be fought out on its merits in Congress and before the people.

I should add that the entire situation, including the need of opening the Executive-order area for oil and gas development and the authorizing of a State tax on production and royalty alike, can be met through the simple method of extending the terms of the act of May 29, 1924, dealing with treaty reservations, to the Executive-order reservations. If this is done, there should be some clarifying of the language of that act, but the intent of the act of 1924 is sufficiently clear.

Respectfully,

JOHN COLLIER,
Executive Secretary American Indian Defense Association.

A telegram from one of the country's leading authorities on Indian welfare which relates to the same oil leasing bill is offered herewith:

FORT WORTH, TEX., *March 18, 1926.*

Hon. GEORGE F. BRUMM, M. C.,
Senator SAM G. BRATTON,
Washington, D. C.:

I am firmly of the opinion that the bill pending in Congress and now before your subcommittee of the Committee on Indian Affairs, adversely affecting Executive-order Indian reservations, and carrying a 37½ per cent tax on their oil royalties, is unjust and indefensible. I believe Executive-order reservations should be in all respects coequal with treaty reservations, and that the Government should, as to both, fulfill its obligations rather than be a party to the condonation of wicked injustice or legalized exploitation of the Indians. Certainly there can be no justification for taxing the Indians 37½ per cent and exempting from all taxes, State and Federal, white men's oil lease production on the same reservations.

CATO SELLS,
Former Commissioner of Indian Affairs.

Telegram from Mrs. H. A. Atwood, chairman of Indian welfare for the General Federation of Women's Clubs:

President CALVIN COOLIDGE:

General Federation through its Indian welfare division protests absolutely against House bill 9133. No more unjust destructive measure against Indians ever appeared in Congress. Protest specifically against

taxing Indians 37½ per cent of oil income and making Indians pay all the taxes of white oil companies. Protest against treating Indian Executive order reservations as being not Indian property at all, thus prejudicing Indian case before Supreme Court. The title cancellation feature of this bill will prepare way for wholesale confiscation Indian lands ultimately making 85,000 Indians homeless and meantime concentrating huge absolute power in Indian Bureau to dispossess Indians in favor of oil companies, timber companies, and white settlers. How is it possible that Indian Bureau indorses and promotes this ruinous measure based on Albert B. Fall's initiative of four years ago?

(Signed) STELLA M. ATWOOD, *Chairman.*

One of the most sensational expositions of Indian Bureau mismanagement is found in a report that is concealed from Congress by the Indian Bureau. The following letter is illuminating:

THE AMERICAN INDIAN DEFENSE ASSOCIATION (INC.),
New York City, March 23, 1926.

Hon. JAMES A. FREAR,
House Office Building, Washington, D. C.

DEAR SIR: I address you as a member of the Indian Affairs Committee of the House and with a knowledge of your constructive wishes in Indian matters.

May I call your attention to a matter in which I believe your interest might result in inestimable benefit to the Indians?

The Red Cross in 1923 made at its own expense a very comprehensive study of Indian health conditions, at the request of Mr. Burke, the Indian Commissioner. The nurse who made this was one of the most intelligent and best-trained public-health workers that I have met. The report was delivered to the Indian Commissioner when completed, and has been suppressed by him absolutely.

It was my good fortune to see a copy of this report and to go over it in detail with the investigation; therefore I know of what I am speaking. Commissioner Burke has refused to divulge the contents of this report even after being formally requested to do so by Senator JOHNSON and Representative SWING, of California. The head of the Red Cross feels that he can not issue the report independently under these circumstances.

The report has been suppressed because it went in frankness and detail far beyond anything stated in my communication to Science. It revealed concretely and descriptively the unanswerable conditions of neglect and abuse and ignorance in Government service that would shock the whole medical profession and the humanitarian world of the United States if they were made known.

A considerable sum of money contributed by the American citizens to the Red Cross permitted the study which was made in the interest of humanity and relief from suffering and ill health, and yet there is only one way, so far as we can see, by which the Indian Bureau can be compelled to yield up this valuable piece of work carried out by the Red Cross as a public service, and that is to have the Indian Affairs Committees of Congress or the proposed special joint committee demand the report and publish it.

Sincerely yours,

HAVEN EMERSON, M. D.,
President Indian Defense Association;
Professor Public Health Administration,
Columbia University, New York City.

Let me say that I understand Doctor Emerson is not only highly regarded as the former health chief of New York City but he has been of great help to the Indians of America. His statement that neither Senators nor Members of Congress can pry loose information from Commissioner Burke makes any statement by Mr. Burke in defense of his own bureau of little value. I have submitted a resolution asking that the bureau be investigated. That resolution of investigation would bring light on the management of this ossified branch of governmental bureaucracy.

I have not submitted any of the scores of complaints against the bureau in my hands, but I offer one of many handed me by an Indian American citizen, because it comes from a number of Indian tribes in Montana. Its truth or falsity is respectfully referred to Chairman LEAVITT, of the Indian Affairs Committee, in whose district, I am informed, these Indians are located. If true in part, it is a severe arraignment of the Indian Bureau.

It is as follows:

HELENA, MONT., *November 3, 1925.*

To PRESIDENT COOLIDGE,
Executive Mansion, Washington, D. C.

His EXCELLENCY: We, the undersigned, duly appointed and authorized delegates representing the following Indian Tribes on the various reservations in Montana, to wit: Flathead Confederated Tribes, Blackfeet, Rockyboy, Fort Belknap, Crow, Cheyenne, and Sioux, Assiniboines, and other tribes residing on the Fort Peck Reservation, here at Helena, duly assembled in convention on this 3d day of November, 1925, respectfully request the removal of Mr. Charles H. Burke as Commissioner of Indian Affairs, on the following grounds:

1. That said Burke has knowingly, intentionally, and oppressively permitted the property of the Indians to be misappropriated, wasted, and squandered.

2. That said Burke has deliberately, arbitrarily, and wantonly failed to safeguard the property and other rights of the Indians.

3. That said Burke has violated his duty as Commissioner of Indian Affairs in administering his guardianship over the Indians, in this, that whenever the occasion arises his attitude and prejudice is always against the welfare and benefit of his wards, the Indians.

4. That said Burke has failed, neglected, and refused to honestly and properly consider matters of great importance complained of.

5. That said Burke is biased and prejudiced against those who dare to expose his arbitrary acts; metes out unjust and unreasonable punishments toward them.

6. That said Burke has, and is deliberately and maliciously, by way of punishment to the Indians, withheld tribal payments.

7. That said Burke is depriving the Indian children of their rights to attend public schools.

8. That said Burke has, with his consent and knowledge, permitted orphan children to be adopted and their property wasted and squandered.

9. That said Burke has allowed clerks and employees to remain in the service of the Blackfeet Reservation after charges of immoral conduct have been preferred and due proof thereof submitted to him.

10. That said Burke has wantonly, oppressively, and arbitrarily ignored the mandate and wishes of the Assiniboine Tribe in the selection of its attorneys, and has without authority forced an attorney's contract upon said tribe.

11. That said Burke has and is endeavoring to destroy the natural resources belonging to the various tribes.

12. That said Burke knowingly, willfully, and intentionally misrepresented and deceived committee and Members of Congress and the public as to the true conditions of the Indians.

13. That said Burke has permitted and encouraged superintendents of Indian agencies to expend large sums of money in taking Indians about the country and taking Indians away from their work and exhibiting them to the public for their own selfish purpose and other and political purposes.

We respectfully request that an impartial investigation be made of the above charges and that we be given an opportunity to prove said charges, and that the Indian Bureau will not be allowed to investigate itself.

Respectfully,

Caville Dupuis, Joshua Wetsit, Russell White Bear, Robt. J. Hamilton, Thomas Burland, Frank Kirkpatrick, Albert Lemery, Rides at the Door (thumb mark), Wolf Plume (thumb mark), James White Calf, Joe Spanish, Day Child, Jim Denny, Day Child (finger print), Peter Kennewash (finger print).

Representing seven tribes, as follows: Assiniboines, Sioux, Rockyboy Band, Fort Assiniboine, Fort Belknap Tribe, Crow Tribe, Cheyenne Tribe, and Flathead Tribes on Fort Assiniboine and Fort Peck Reservations, and the following other members of the other tribes named:

James Archdale, Rose Archdale, Bessie H. Burger, Inez Hauer, W. Brocksmith, Alice K. Catelle, Nora Jackson, Anna Lambert, Mrs. Agnes Sweeney, Stonewall Jackson, jr., Susan F. Jackson, Basil M. Rebboor, Adam Bad Hawk, His Day, John Dawson, Makes Clouds Fighter, Ada Fourstar, Isaac Cox, sr., Cora Cox, Tom Star, Philip Sharp, Irene Sharp, Lodge Pole Four Star, Arthur Four Star, Rose Flynn, George Looking, Daisy Murdock, Mrs. Louis Gregg, Joseph Lambert, Samuel Nichols, Alice B. Nichols, Jack Lighter, Harry Archdale, jr., Swings His Thigh, Blue Earth Woman Swings His Thigh, Bernard Standing, Bear Hill, Ed Burckin (thumb mark), Dan Blacktail (thumb mark), Joshua Wetsit (thumb mark).

These names are submitted because of constant statements that complaints usually come from two or three disgruntled persons. I submit the statement, among scores of others, as worthy of investigation by those not influenced by Indian Bureau interests.

Mr. DICKINSON of Iowa. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HAWLEY, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill H. R. 10425, the legislative appropriation bill, had come to no resolution thereon.

THE SPANISH-AMERICAN WAR PENSION BILL

Mr. KIRK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on H. R. 8132.

The SPEAKER. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. KIRK. Mr. Speaker, I am in favor of this bill—

Granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain, the Philippine insurrection, and the China relief expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes—

As defined and specifically mentioned and enumerated in the reported bill, H. R. 8132.

I believe that it is a just recognition of the splendid service of the soldiers and sailors of the Spanish-American War, who marched out in defense of the flag under the call of the Nation when our country needed the service of strong, patriotic, courageous men. I believe this Government owes a duty to the men, their widows and orphans, who march out to defend it in time of national danger, and it should see to it that they are comfortably cared for, fed, and clothed in the hour of affliction and need. If this Government expects the people of this Nation to remain loyal, as they have shown themselves to be in the past, it must recognize their loyalty and fidelity to our country's cause by allowing them in the hour of their affliction and dependency such sum as will make them, and their generations to follow, understand that this Government will take care of its defenders, whether disabled by wounds received in the conflict, or by disease which has seized upon them, or by old age which has crept steadily over them until their bodies are bent and their eyes are dimmed, and their minds clouded by reason of the weight of years upon them. This Government must defend its defenders, protect its protectors, and care for those who saved the Nation, and their dependents. So long as this Nation recognizes the value of loyalty and devotion to this Government, just so long will this Nation be safe from insurrections within and from invasions without. It pays the Government to be liberal with its soldiers, their widows and orphans. It should pay them liberal pensions; it is the best investment it ever made; it receives back 100 per cent on every dollar so invested, in loyalty; it makes impregnable and secure a Nation that is envied by all other countries on the globe. A Nation made, kept, and sanctified by the blood of the soldiers of the Republic on the fields of battle, can not perish from the earth.

I have seen the old Union soldiers of the Civil War, bent with age, emaciated by disease, almost helpless, and dependent, struggling to subsist and support himself and those dependent upon him, on a sum less than $72 per month, allowed as a pension, which was wholly insufficient for their support, and have often thought how this Government was neglecting its benefactors. I have seen some when totally helpless, striving to support himself and those dependent upon him, on $72 per month, the highest sum allowed by our Government to helpless soldiers. Such pensions to such veterans, all of whom are now over 75 years of age, is a cloud on the horizon of our fair country. The widows have also been neglected. To say that the old war mother, past 75 years of age, dependent, diseased, and almost helpless, must subsist on a sum not to exceed $30 per month in this age of enlightenment, is ridiculous; it will not more than purchase her comfortable clothing, yet some will say that is enough.

I introduced a bill, No. 10030, which is designed to give to the old veterans of the Civil War, who are 75 years of age or more, $80 per month, and if helpless or blind, and require regular attendance, $125 per month; to the old widow, a pension of $50 per month until she reaches 75 years of age. If, after reaching that age, she becomes blind or helpless and requires regular attendance, $100 per month. These sums would be small, but a just and reasonable allowance to the old and helpless veteran or his dependent widow, as compared with the sum previously allowed. Now, this bill under consideration, should probably not allow as much as is necessary for the old Union veteran because the soldiers mentioned in this bill are much younger than the old veterans of the Civil War, who will be a charge upon this Government but a few years more, when the Great Commander of the Universe will make a final call to all the Union veterans to join the grand army above, where they will need no attendants, food, clothing, or medicine, and will be no longer a dependent and charge upon this Government, but the story of their achievements, loyalty, and patriotism will be a blessed memory in history, so long as this Nation lives.

This bill under consideration, the Spanish-American War bill, as reported by the committee, automatically increases the rate of pensions to those whose names are on the pension roll at the time of the passage of this act from $12 per month to $20 per month; and those receiving $15 per month to $25 per month; and those receiving $18 per month to $30 per month; and those receiving $24 per month to $40 per month; and those receiving $30 per month to $50 per month; and $72 per month after the pensioner becomes helpless or blind, so as to require regular attendance. The widow's pension is fixed at $30 per month, and for each minor child $8 per month. I wish it could be more, but this increase means much to the soldiers and their widows and orphans. I understand the national organization of the Spanish-American War veterans has unanimously indorsed this bill, and the veterans will be satisfied with it and are anxiously hoping it will pass.

It is argued that we must economize, and, therefore, too liberal pensions must not be allowed. Is it economy to withhold sufficient food from the hungry mouth of a disabled veteran? Is it economy to withhold sufficient medicine from the faint and sick soldier? Is it economy to withhold sufficient fuel from one who needs to be warmed, who in his young manhood stood in the battle front for his country in the dark days of war? Is it economy to withhold sufficient clothing from the veteran whose frame is shivering with cold, who is unable to properly clothe himself by reason of disease or an injury contracted in the service of his country? Is it economy to withhold the comforts of life from the disabled veteran who offered his life in defense of this Nation? I do not believe in such economy. We should economize along other lines, but not on the helplessness of the soldier, their widows, and orphans.

The committee to which this bill was referred has presented it after careful consideration and has reported it for passage. Mr. ROBSION of Kentucky, who is in charge of this bill, for himself and in behalf of the committee, is doing all he can to have it passed, and will continue to do so until it is finally acted upon by this House. The beneficiaries of this bill, the soldiers, their widows, and orphans, are looking, hoping, and expecting favorable action on it and have rested their cause with Congress with an abiding faith that justice will be done them in the passage of this bill.

I hope the soldiers of the World War will get due consideration when their bill comes up for passage, and that they will not experience in their old days the trials of the old veterans of the Civil War or the war with Spain; that his Government will not neglect them, but will remember them with such allowance as to enable them, their widows, and orphans to subsist in comfort and decency. I am for the soldiers; I am their friend, and will vote for liberal pensions to them so long as I remain in Congress. I hope this bill will pass and become a law.

AGRICULTURAL APPROPRIATION BILL

Mr. MAGEE of New York. Mr. Speaker, I present a conference report on the bill (H. R. 8264) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes, for printing under the rule.

FREE PUBLIC LIBRARY

Mr. BLANTON. Mr. Speaker, at the request of the gentleman from Maryland, I present a conference report on the bill (S. 2673) to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia," for printing under the rule.

THE LATE REPRESENTATIVE JOHN E. RAKER

Mr. LEA of California. Mr. Speaker, I ask unanimous consent that Sunday, the 18th of April, 1926, be set aside for addresses upon the life, character, and public service of the late Hon. JOHN E. RAKER, a former Member of this House from California.

The SPEAKER. The gentleman from California asks unanimous consent that Sunday, April 18, be set aside for eulogies on the life, character, and public service of the late Representative RAKER, of California. Is there objection?

There was no objection.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9341, the independent offices appropriation bill, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Indiana asks unanimous consent to take from the Speaker's table the bill H. R.

9341, with Senate amendments, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read as follows:

An act (H. R. 9341) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. Is there objection?

Mr. McDUFFIE. Mr. Speaker, reserving the right to object, I wish to ask the gentleman from Indiana if we may have assurance that the gentleman will insist on the House provision of this bill with reference to an amendment increasing the appropriation for the operation of the Emergency Fleet Corporation, which the Senate rejected, and whether or not the gentleman will give the House an opportunity to vote upon it.

Mr. WOOD. I will say to the gentleman frankly that under the circumstances I can not promise to insist upon that amendment, for the reason I am informed by the chairman of the Shipping Board that they are satisfied with the arrangement made with the Senate with reference to increasing the defense fund, and by reason of the fact that they are about to dispose of some of these other lines the amount of $13,900,000 will be sufficient to cover the loss.

Mr. McDUFFIE. I may say to the gentleman that I am not an expert on the merchant marine, but I do believe that under the policy the Congress has adopted in recent years in dealing with this activity of the Government we are slowly but surely killing it.

With one hand we hold it close to our hearts and pretend to encourage it, while with the other hand we are knifing it to the heart. Of course, it might be embarrassing sometimes even for members of the Shipping Board to express an opinion contrary to the will of the President and the Budget officer. I appreciate the fact that Chairman O'Connor has said that he had assurance from the Budget that if additional money was necessary they could come back to Congress and ask for it in December. I doubt the wisdom of treating this activity of the Government in this way. We do not treat other departments of the Government this way. In other words, if so much money is necessary for the purpose of operating our merchant ships, why not give it to them? If $18,691,000 is unnecessary, they will not spend it all, while on the other hand if we do not appropriate money enough, or only enough to meet these figures of the Budget, which are not explained—$13,900,000—just hoping that something will turn up by which it will not be necessary to appropriate more money, why, we are doing the Shipping Board activity a very grave injustice. If we are sincere in saying we wish to keep our flag on the seas, we should not be so miserably stinting in our action here. Actions speak louder than words. I think the House ought to be allowed to pass upon this item providing for operations of the Emergency Fleet Corporation.

Mr. WOOD. I have no objection to giving the House an opportunity to pass on it; but it occurs to me, in view of the attitude of those who have immediate charge of this responsibility, that it would be a useless thing, and I can not conceive that the House would give these people more money than they asked for.

Mr. McDUFFIE. I would regret to delay the gentleman, but——

Mr. GARNER of Texas. If the gentleman will yield, why not let this go over until to-morrow morning? The gentleman has not consulted the minority Members, has he?

Mr. WOOD. No. I tried to find the gentleman from Tennessee [Mr. BYRNS] and the gentleman from Louisiana [Mr. SANDLIN], but I did not see them.

Mr. GARNER of Texas. You do not go to conference until Friday?

Mr. WOOD. I will withdraw the request, Mr. Speaker, temporarily.

BRIDGE BILLS

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8771, an act to extend the time for commencing and completing the construction of a bridge across the Detroit River within or near the city limits of Detroit, Mich., disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8771, disagree to the Senate amendment, and ask for a conference. Is there objection?

There was no objection, and the Chair appointed the following conferees: Mr. DENISON, Mr. BURTNESS, and Mr. PARKS.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9599, an act granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 9599, disagree to the Senate amendment, and ask for a conference. Is there objection?

There was no objection, and the Speaker appointed as conferees on the part of the House Mr. DENISON, Mr. BURTNESS, and Mr. PARKS.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8909, an act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River, and agree to the Senate amendment.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8909 and agree to the Senate amendment.

Mr. COOPER of Wisconsin. Can we have the Senate amendment read?

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Page 1, line 11, after "1906," insert "*Provided*, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it."

The SPEAKER. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 8910, granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8910, with a Senate amendment, and agree to the Senate amendment. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 7741, an act to construct a bridge across the Choctawhatchee River near Geneva, Geneva County, Ala., on State Road No. 20, with a Senate amendment, and agree to the Senate amendment.

Mr. GARNER of Texas. In the other case the Clerk did not report the Senate amendment.

Mr. DENISON. The amendments on these bills are the same in each case.

The Senate amendment was read.

The SPEAKER. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8598, an act granting the consent of Congress to the police jury of Morehouse Parish, La., or the State Highway Commission of Louisiana, to construct a bridge across the Bayou Bartholomew at or near Point Pleasant, in Morehouse Parish, with a Senate amendment, and agree to the Senate amendment.

The Senate amendment was read.

The SPEAKER. Is there objection?

There was no objection.

Mr. DENISON. Mr. Speaker, let me state to the House that these amendments are practically the same in each case. They merely require that the plans for these bridges be approved by the Secretary of War and the Chief of Engineers as being also satisfactory from the standpoint of the traffic that will pass over the bridge as well as satisfactory from the standpoint of the commerce on the rivers.

Mr. GARNER of Texas. When did the Senate discover all of these necessary things?

Mr. DENISON. I am sorry that I can not inform the gentleman.

Mr. GARNER of Texas. We have been passing bridge bills here in the House for many years, and as I understand it, nothing of this kind has ever been demanded by the Senate before. Is it going to be the policy of the committee hereafter to incorporate the amendment in all of its bills?

Mr. DENISON. Yes; this particular amendment it will be the policy of the committee to include in all bills.

Mr. CHINDBLOM. The gentleman anticipates that heavier loads will be on the bridges hereafter?

Mr. DENISON. Yes.

Mr. THATCHER. Has not the Secretary of War already authority to determine whether a bridge is of sufficient capacity and construction to be permanent and not fall into the river and thus obstruct navigation?

Mr. DENISON. The general bridge law of 1906 provides that before any bridge shall be constructed the plans and specifications must first be presented to the Secretary of War and the Chief of Engineers for their approval. They have construed that provision of law as limiting their power to the approval of plans so far as the interests of navigation are concerned, but the Senate thinks, and our committee concurs in that view, that somebody representing the Government ought to pass upon these plans and approve them from the standpoint of the weight and the volume of traffic that will pass over the bridges, in view of the recent development of highways and the heavy traffic loads that pass over the bridges and the possibility of the use of the bridges in time of war by heavy artillery. We are putting that provision in all bills now.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. DENISON. Yes.

Mr. CHINDBLOM. And if these bridges were so constructed that the loads would be too heavy and they would fall into the river, then they would not be any obstruction to navigation?

Mr. DENISON. I think they would.

Mr. CHINDBLOM. That seems to be a necessary element.

Mr. DENISON. I would have thought that also, but the Chief of Engineers has always taken a different view, and we are putting this provision in all bridge bills in order to meet that situation.

Mr. GARNER of Texas. Has the gentleman finished with his list of bills?

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8514) granting the consent of Congress to the Missouri State Highway Commission to construct a bridge across the Black River, with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill and reported the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DENISON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8040) granting the consent of Congress to the reconstruction, maintenance, and operation of an existing bridge across the Missouri River at or near Fort Benton, Mont., with a Senate amendment thereto, and agree to the Senate amendment.

The Clerk read the title of the bill and reported the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ORDER OF BUSINESS

Mr. DENISON. Mr. Speaker, I desire to propound a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. DENISON. Mr. Speaker, the bills, H. R. 8909, respecting a bridge across the White River, in the county of Barry, Mo., and H. R. 8910, of similar title, have passed the House, and on the same day the Senate passed similar Senate bills 2974 and 2975, granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River. The Senate has passed the House bills with an amendment, and we have just concurred in that Senate amendment. The Senate bills to which I have referred, passed also by the Senate, now lie on the Speaker's table. Is it proper for us to dispose of them by a motion to table the Senate bills?

The SPEAKER. The Chair thinks that they could be laid on the table by unanimous consent.

Mr. DENISON. Then, Mr. Speaker, I ask unanimous consent that Senate bill 2974, granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River, and Senate bill 2975, of similar title, be laid on the table.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until to-morrow, Wednesday, March 24, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for March 24, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON AGRICULTURE

(10 a. m.)

Agriculture relief legislation.

COMMITTEE ON BANKING AND CURRENCY

(10.30 a. m.)

To amend paragraph (d) of section 14 of the Federal reserve act as amended to provide for the stabilization of the price level for commodities in general (H. R. 7895).

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the construction of necessary additional buildings at certain naval hospitals (H. R. 3959).

COMMITTEE ON MINES AND MINING

(10 a. m.)

To suspend the requirements of annual assessment work on certain mining claims for a period of three years (H. J. Res. 95).

To modify and amend the mining laws in their application to the Territory of Alaska (H. R. 6572).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

406. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation "authorizing the Comptroller General of the United States to adjust and settle claims of Walter B. Avery in the amount of $1,493 and Fred S. Gichner in the amount of $550; to the Committee on Claims.

407. A letter from the Chairman of the Federal Trade Commission, transmitting a proposed draft of a bill for the relief of C. G. Duganne and A. N. Ross; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. KIESS: Committee on the Territories. H. R. 9314. A bill to provide for the enlargement of the present customs warehouse at San Juan, P. R.; without amendment (Rept. No. 619). Referred to the Committee of the Whole House on the state of the Union.

Mr. KIESS: Committee on the Territories. H. R. 9831. A bill to provide for the completion and repair of customs buildings in Porto Rico; without amendment (Rept. No. 620). Referred to the Committee of the Whole House on the state of the Union.

Mr. WINTER: Committee on Irrigation and Reclamation. H. R. 10356. A bill to provide for the storage for diversion of the waters of the North Platte River and construction of the Casper-Alcova reclamation project; with amendment (Rept. No. 621). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 10129. A bill to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes; without amendment (Rept. No. 622). Referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY: Committee on the Territories. H. J. Res. 73. A joint resolution authorizing the improvement of the system of overland communications on the Seward Peninsula, Alaska; without amendment (Rept. No. 623). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 10554. A bill to fix the salaries of certain judges of the United States; without amendment (Rept. No. 629). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 3628. A bill for the relief of Commander Chester G. Mayo; without amendment (Rept. No. 624). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 6015. A bill to correct the Marine Corps record of Roy W. Saam; without amendment (Rept. No. 625). Referred to the Committee of the Whole House.

Mr. WOODRUFF: Committee on Naval Affairs. H. R. 6149. A bill for the relief of Charles D. Baylis, first lieutenant, United States Marine Corps; without amendment (Rept. No. 626). Referred to the Committee of the Whole House.

Mr. BRITTEN: Committee on Naval Affairs. H. R. 7395. A bill for the relief of Emanuel Xuereb; without amendment (Rept. No. 627). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. J. Res. 9. Joint resolution granting permission to Walter Stanley Haas, lieutenant commander, United States Navy, to accept a decoration bestowed upon him by the Government of Ecuador; without amendment (Rept. No. 628). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 10421) granting an increase of pension to Adeline Dulack; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 10574) for the relief of Albert E. Magoffin; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CHRISTOPHERSON: A bill (H. R. 10595) to create an additional judge in the district of South Dakota; to the Committee on the Judiciary.

By Mr. CRAMTON: A bill (H. R. 10596) to authorize attendance of nonresident pupils in public schools of the District of Columbia upon payment of tuition; to the Committee on the District of Columbia.

By Mr. KIRK: A bill (H. R. 10597) to provide for the erection of a public building at Prestonsburg, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10598) to provide for the erection of a public building at Pikeville, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10599) to provide for the erection of a public building at Paintsville, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10600) to provide for the purchase of a site and the erection of a public building thereon at Whitesburg, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 10601) to provide for the purchase of a site and the erection thereon of a public building at Hazard, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. STEAGALL: A bill (H. R. 10602) to amend the second paragraph of section 7 of the Federal reserve act; to the Committee on Banking and Currency.

By Mr. TILSON: A bill (H. R. 10603) regulating immigration and naturalization of certain veterans of the World War; to the Committee on Immigration and Naturalization.

By Mr. BACHMANN: A bill (H. R. 10604) authorizing the construction of a bridge across the Ohio River near Steubenville, Ohio; to the Committee on Interstate and Foreign Commerce.

By Mr. ARNOLD: A bill (H. R. 10605) to extend the time for commencing and completing the construction of a bridge across the Wabash River at the city of Mount Carmel, Ill.; to the Committee on Interstate and Foreign Commerce.

By Mr. GRIEST: A bill (H. R. 10606) to amend the act of February 28, 1925, fixing the compensation of fourth-class postmasters; to the Committee on the Post Office and Post Roads.

By Mr. HAUGEN: A bill (H. R. 10607) to promote the protection, development, and utilization of the resources of national forests by providing an adequate system for grazing domestic animals thereon, and for other purposes; to the Committee on Agriculture.

By Mr. DYER: A bill (H. R. 10608) to amend section 37 of the Criminal Code of the United States, as amended; to the Committee on the Judiciary.

By Mr. KINDRED: A bill (H. R. 10609) to provide for handling and rate of pay for storage of closed-pouch mail on express cars, baggage cars, and express baggage cars, and for other purposes; to the Committee on the Post Office and Post Roads.

By Mr. McKEOWN: A bill (H. R. 10610) to confirm the title to certain lands in the State of Oklahoma to the Sac and Fox Nation or Tribe of Indians; to the Committee on Indian Affairs.

By Mr. WARREN: A bill (H. R. 10611) to change the time of holding court at Elizabeth City and at Wilson, N. C.; to the Committee on the Judiciary.

By Mr. LEA of California: A bill (H. R. 10612) to withdraw certain public lands from settlement and entry; to the Committee on the Public Lands.

By Mr. BACON: Joint resolution (H. J. Res. 211) authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; to the Committee on the Library.

By Mr. MacGREGOR: Joint resolution (H. J. Res. 212) to increase the annual rate of compensation of the Capitol police; to the Committee on Accounts.

By Mr. HAUGEN: Joint resolution (H. J. Res. 213) for participation of the United States in the Third World's Poultry Congress to be held at Ottawa, Canada, in 1927; to the Committee on Agriculture.

By Mr. APPLEBY: Joint resolution (H. J. Res. 214) to authorize and empower the President of the United States to have a route surveyed for a great eastern freight railroad, electrically propelled, between Lake Erie, through the northern part of Pennsylvania, and New Jersey to the New Jersey shore of New York lower bay and provided with the most improved terminal facilities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BLANTON: Concurrent resolution (H. Con. Res. 16) authorizing the appointment of a special joint committee to investigate certain institutions in and connected with the District of Columbia; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. APPLEBY: A bill (H. R. 10613) granting a pension to Ebenzer Ridgway; to the Committee on Pensions.

By Mr. BLACK of Texas: A bill (H. R. 10614) granting an increase of pension to Mary E. McPheeters; to the Committee on Invalid Pensions.

By Mr. GARDNER of Indiana: A bill (H. R. 10615) granting a pension to Harriett Isabelle Colvin; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H. R. 10616) granting an increase of pension to Elizabeth Kissell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10617) granting an increase of pension to Mary Kearsing; to the Committee on Invalid Pensions.

By Mr. EATON: A bill (H. R. 10618) granting an increase of pension to Esther J. Lamphere; to the Committee on Invalid Pensions.

By Mr. W. T. FITZGERALD: A bill (H. R. 10619) granting an increase of pension to Sarah F. Baldwin; to the Committee on Invalid Pensions.

By Mr. FLETCHER: A bill (H. R. 10620) granting an increase of pension to Mary M. Justice; to the Committee on Invalid Pensions.

By Mr. FROTHINGHAM: A bill (H. R. 10621) for the relief of Lydia Blumenkranz; to the Committee on Claims.

By Mr. GAMBRILL: A bill (H. R. 10622) granting six months' pay to Vincentia V. Irwin; to the Committee on Naval Affairs.

By Mr. HAUGEN: A bill (H. R. 10623) for the relief of Lidgerwood Manufacturing Co.; to the Committee on Agriculture.

By Mr. HAWES: A bill (H. R. 10624) for the relief of William Dalton; to the Committee on Claims.

Also, a bill (H. R. 10625) for the relief of W. W. Ford; to the Committee on Claims.

By Mr. KELLY: A bill (H. R. 10626) for the relief of Walter P. King; to the Committee on Claims.

Also, a bill (H. R. 10627) granting a pension to Mary C. Powelson; to the Committee on Invalid Pensions.

By Mr. KIRK: A bill (H. R. 10628) granting an increase of pension to Margaret Gabbard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10629) granting an increase of pension to Galen Back; to the Committee on Pensions.

By Mr. MAGEE of New York: A bill (H. R. 10630) granting a pension to Effie Carroll; to the Committee on Pensions.

By Mr. MEAD: A bill (H. R. 10631) granting an increase of pension to Frederick A. Boltwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10632) granting an increase of pension to Elizabeth Murray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10633) for the relief of George Evans; to the Committee on Military Affairs.

By Mr. MENGES: A bill (H. R. 10634) granting an increase of pension to Anna M. Dellinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10635) granting an increase of pension to Martha Metz; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10636) granting an increase of pension to Rebecca Stabley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10637) granting a pension to Violet G. Wilt; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 10638) granting an increase of pension to Caroline S. Thayer; to the Committee on Invalid Pensions.

By Mr. ROBSION of Kentucky: A bill (H. R. 10639) granting a pension to Mahala Jane Patterson; to the Committee on Invalid Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 10640) granting an increase of pension to Elizabeth Ashby; to the Committee on Invalid Pensions.

By Mr. SCHAFER: A bill (H. R. 10641) for the relief of Elias Field; to the Committee on Claims.

Also, a bill (H. R. 10642) granting a pension to Anna P. Curtis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10643) granting a pension to John Thomas Burns; to the Committee on Pensions.

Also, a bill (H. R. 10644) granting a pension to Daniel Shay; to the Committee on Pensions.

Also, a bill (H. R. 10645) granting a pension to Josephine Paulsen; to the Committee on Pensions.

Also, a bill (H. R. 10646) for the relief of Fred May; to the Committee on Military Affairs.

By Mr. SEARS of Florida: A bill (H. R. 10647) granting an increase of pension to G. G. Bambach; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 10648) granting an increase of pension to Susan M. Tryon; to the Committee on Invalid Pensions.

By Mr. TABER: A bill (H. R. 10649) granting an increase of pension to Frances C. West; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 10650) granting an increase of pension to Nancy Emily Brown; to the Committee on Invalid Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 10651) to authorize the President to appoint John Archibald McAlister, jr., a lieutenant colonel, Dental Corps, United States Army; to the Committee on Military Affairs.

By Mr. TINCHER: A bill (H. R. 10652) granting an increase of pension to Mary V. Chapin; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 10653) granting an increase of pension to Sophia Foland; to the Committee on Invalid Pensions.

By Mr. WATSON: A bill (H. R. 10654) granting an increase of pension to Sarah T. Ely; to the Committee on Invalid Pensions.

By Mr. WHITE of Maine: A bill (H. R. 10655) granting a pension to Sarah L. McAllister; to the Committee on Invalid Pensions.

By Mr. WINTER: A bill (H. R. 10656) granting an increase of pension to Sarah J. Beam; 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:

1402. By Mr. CARSS: Petition of citizens of Hibbing, opposing legislation having for its purpose restriction of religious freedom; to the Committee on the District of Columbia.

1403. By Mr. CRAMTON: Petition of the board of directors of the Huron County (Mich.) Farm Bureau, urging passage of the Gooding-Ketcham bill; to the Committee on Agriculture.

1404. By Mr. DYER: Petition of a number of residents of the city of St. Louis, Mo., indorsing the bill H. R. 4023; to the Committee on Invalid Pensions.

1405. By Mr. FULLER: Petition of the Chicago Typographical Union, urging support of proposed legislation to increase the pensions of Spanish War veterans and widows; to the Committee on Pensions.

1406. Also, petition of the Chicago Association of Commerce, favoring the adoption of proposed legislation for the increasing of Federal judges' salaries; to the Committee on the Judiciary.

1407. Also, petition of the Disabled American Veterans of the World War, urging certain changes in the Veterans' Bureau act; to the Committee on World War Veterans' Legislation.

1408. Also, petition of the American Society of Civil Engineers, urging support of House bill 6358; to the Committee on Interstate and Foreign Commerce.

1409. By Mr. GALLIVAN: Petition of Columbus Club of the Knights of Columbus, of Boston, Francis E. Grant, secretary, Pearl and Pleasant Streets, Dorchester, Mass., protesting against the treatment of emissaries of the church by the Mexican authorities; to the Committee on Foreign Affairs.

1410. By Mr. GARBER: Letter and categoric list of reasons for legislation providing for proper labeling of household lye, by Dr. Chevalier Jackson; to the Committee on Interstate and Foreign Commerce.

1411. Also, resolution by the board of directors of the Oklahoma Cotton Growers' Association, approving the semimonthly cotton reports; to the Committee on Agriculture.

1412. Also, letter indorsing House bill 7555, which provides for a two-year extension of the terms of the act of Congress passed in 1921, which was known as the Sheppard-Towner maternal and infant hygiene act; to the Committee on Interstate and Foreign Commerce.

1413. Also, resolution of the Oklahoma Forestry Commission, in opposition to any legislation opposed to the policies of the Forest Service which would permit a system of grazing leases on our national forests; to the Committee on Agriculture.

1414. Also, resolution of the farmers and other business men of Morgan County, Ind., indorsing the Dickinson export corporation bill; to the Committee on Agriculture.

1415. Also, petition of the residents of Oklahoma, in opposition to compulsory Sunday observance bills (H. R. 7179 and 7822) or any other national religious legislation which may be pending; to the Committee on the District of Columbia.

1416. Also, resolution by the Midwest States Ministerial Conference of the Church of God, in opposition to any bills permitting the manufacture or sale of intoxicating drinks; to the Committee on the Judiciary.

1417. By Mr. KING: Petition signed by Thomas Hick and 11 other citizens of Farmington, Ill., protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

1418. By Mr. LEAVITT: Resolutions of Chamber of Commerce of Bozeman, Mont., favoring the proposal to make additions to Yellowstone National Park; to the Committee on the Public Lands.

1419. By Mr. LINTHICUM: Petitions of Baltimore Federation of Labor, urging favorable consideration of House bill 8653, and Board of Welfare, Baltimore, opposing passage of House bill 8653; to the Committee on Labor.

1420. Also, petitions of the Philip Carey Co., Furst Bros. & Co., Klotsch & Appel, Credit Service (Inc.), Crane Co., McDowell-Pyle & Co., S. Neuberger & Sons, Clendenin Bros. (Inc.), F. A. Davis & Sons, Southern Electric Co., Max Miller & Co., Josselyn's, National Marine Bank, Continental Trust Co., Kingan Provision Co., Sidney Greenbaum, Coggins & Owens, Phillips Bros. & Co., and Wm. Deiches & Co., all of Baltimore, Md., favoring passage of House bill 8119, to amend national bankruptcy act; to the Committee on the Judiciary.

1421. By Mr. MACGREGOR: Resolutions of the Kolonia Society, of Buffalo, N. Y., against the passage of the alien registration bill; to the Committee on Immigration and Naturalization.

1422. Also, resolutions of the City Council of Buffalo, indorsing the amendment of the Volstead Act to permit the manufacture and sale of light wines and beer; to the Committee on the Judiciary.

1923. Also, resolutions of Osada No. 1, Buffalo, N. Y., Polish Roman Catholics of America, protesting against the passage of the alien registration law; to the Committee on Immigration and Naturalization.

1424. By Mr. MAGEE of New York: Petition of residents of Marcellus, N. Y., in opposition to legislation prohibiting law-abiding citizens from owning or possessing firearms, etc.; to the Committee on the Judiciary.

1425. By Mr. MANLOVE: Petition of 103 residents of Nevada, Vernon County, Mo., against compulsory Sunday observance; to the Committee on the District of Columbia.

1426. By Mr. O'CONNELL of New York: Petition of the Farmers' Educational and Cooperative Union of America and Farmers' Union Cooperative Mutual Fire Insurance Co., of Spokane, Wash., favoring the passage of Hoch bill (H. R. 3857); to the Committee on Interstate and Foreign Commerce.

1427. Also, petition of the Giles Purchasing Corporation, of New York City, favoring the passage of House bill 8132, the Knutson Spanish War pension bill; to the Committee on Pensions.

1428. Also, petition of the Harry C. Baker (Inc.), of New York City, opposing the passage of the Langford bill (H. R. 7179), the Sunday blue law bill; to the Committee on the District of Columbia.

1429. By Mr. SWING: Petition of certain residents of California, protesting against the passage of House bill 7179, for the compulsory observance of Sunday; to the Committee on the District of Columbia.

1430. Also, petition of certain residents of California, protesting against the passage of House bill 7179, for the compulsory observance of Sunday; to the Committee on the District of Columbia.

1431. Also, petition of certain residents of National City, Calif., protesting against passage of House bill 7179, for compulsory observance of Sunday; to the Committee on the District of Columbia.

1432. Also, petition of certain residents of San Diego, Calif., protesting against passage of House bill 7179, for compulsory observance of Sunday; to the Committee on the District of Columbia.

1433. By Mr. TILSON: Petition of W. H. Lammers and others, of Los Angeles, Calif., urging passage of House bill 8132; to the Committee on Pensions.

SENATE

WEDNESDAY, *March 24, 1926*

(Legislative day of Saturday, March 20, 1926)

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

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

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 amendment of the Senate to the bill (H. R. 9599) granting the consent of Congress to the city of Louisville, Ky., to construct a bridge across the Ohio River at or near said city, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DENISON, Mr. BURTNESS, and Mr. PARKS were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8771) to extend the time for commencing and completing the construction of a bridge across Detroit River within or near the city limits of Detroit, Mich., requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DENISON, Mr. BURTNESS, and Mr. PARKS were appointed managers on the part of the House at the conference.

The message further announced that the House had agreed to the amendment of the Senate to each of the following bills:

H. R. 7741. An act to construct a bridge across the Choctawhatchee River, near Geneva County, Ala., on State road No. 20;

H. R. 8040. An act granting the consent of Congress to the reconstruction, maintenance, and operation of an existing bridge across the Missouri River at or near Fort Benton, Mont.;

H. R. 8514. An act granting the consent of Congress to Missouri State Highway Commission to construct a bridge across Black River;

H. R. 8598. An act granting the consent of Congress to the police jury of Morehouse Parish, La., or the State highway commission of Louisiana, to construct a bridge across Bayou Bartholomew at or near Point Pleasant, in Morehouse Parish;

H. R. 8909. An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River; and

H. R. 8910. An act granting the consent of Congress to the county of Barry, State of Missouri, to construct a bridge across the White River.

ENROLLED BILLS SIGNED

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

S. 3377. An act to amend section 5219 of the Revised Statutes of the United States; and

H. R. 7979. An act granting to the Yosemite Valley Railroad Co. the right of way through certain public lands for the relocation of part of its existing railroad.

LONG-AND-SHORT-HAUL CLAUSE OF THE INTERSTATE COMMERCE ACT

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 575) to amend section 4 of the interstate commerce act.

The VICE PRESIDENT. The Chair will read the unanimous-consent agreement under which the debate is to be conducted for the next three hours:

Ordered, by unanimous consent, That on the calendar day of Wednesday, March 24, 1926, at not later than 3 o'clock p. m., the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 575) to amend section 4 of the interstate commerce act, through the regular parliamentary stages to its final disposition; that a recess be taken on Tuesday until 12 o'clock m. Wednesday, and the time between 12 o'clock and 3 o'clock p. m. on said day to be equally divided between the proponents and opponents of the bill, the time of the former to be controlled by Senator PITTMAN and of the latter by Senator FESS.

The clerks at the desk will keep the time.

Mr. CAMERON obtained the floor.

The VICE PRESIDENT. Is the Senator from Arizona speaking for or against the bill?

Mr. CAMERON. I am speaking for the bill.

The VICE PRESIDENT. The Senator will proceed.

Mr. CAMERON. Mr. President, I do not propose to take much time of the Senate in the discussion of the Gooding bill, S. 575, sometimes called the long and short haul bill, but I want it distinctly understood that I favor the measure. While I do not agree with it in all its features, yet I believe that in the main it cures the evils which are so keenly felt by our intermountain country, and especially my State of Arizona. I have no quarrel with the railroads, or their methods of operation, or their administration. I believe in justice and equity in any relations between corporations and the consumer, but I do not believe in discrimination, even though countenanced by Federal agencies such as the Interstate Commerce Commission, against the people of my State. There surely is some way to solve the problem other than continuing this discrimination against the worthy people of the intermountain section. I am willing to do my share in making this sure, and I have risen to protest against the discrimination heretofore mentioned.

In the discussion of the bill I regret to notice what to me seems to be an unfair position taken by the East. I often wish, as I sit here listening to debates affecting my State and other States similarly situated, that I could take my eastern friends on a visit to my section of the country in order to properly educate them as to our problems. I merely call attention to the fact that our representatives have never quarreled over the needs of the East.

Mr. President, there are others who have spoken on this subject who have given facts and figures to substantiate what we call the discriminatory injustice of freight rates, and it is not necessary for me to go into that phase of it, but as a fair proposition I do not see how the Government of this great country can sanction, through law and regulation, rates now in effect, which give the people of the seaboard States of the West cheaper freight rates on the identical package and parcel than are given to people of Arizona and other States of the interior. That basically is wrong. I admit there is some basis for the railroads' contention that the long haul is in bulk and that intermediate delivery is expensive. However, the difference in the cost should not be taken out of the pockets of those who are unfortunately located geographically from the standpoint of the railroad itself.

I call attention further that the discrimination is just another addition to the hardships to the people of my State and the other people of the intermountain section, because we are confronted with problems that are more difficult than those with which other States have to contend. We have fewer people, we have less capital, we are undeveloped, we are pioneers, if you please. Why should the farmers of the Salt River Valley, who have stood the test of generations in the pioneering development of that wonderful section, pay more than the people of California, for instance, for transportation of the same article, made by the same manufacturer, and sold by the same broker, when they are hundreds of miles closer to the point of distribution? It is ridiculous; it is a hardship, it is unwarranted, it is un-American, and the situation should not impose itself upon these worthy people but should be solved in some other way.

Our worthy livestock industry feels this situation most keenly. It reaches to the very roots of our mining industry, already stagnant. It especially affects the small farmer, the