7532. Also, petition of Fulton Bag & Cotton Mills, of Brooklyn, N. Y., opposing the passage of Muscle Shoals and dam development; to the Committee on Military Affairs.

7533. Also, petition of Rainbow Division Veterans, of New York City, favoring the passage of the Tyson-Fitzgerald bill (S. 777) without amendments; to the Committee on World War Veterans' Legislation.

7534. By Mr. SABATH: Resolution unanimously adopted by the River Cities Convention of the Upper Mississippi Valley, at Minneapolis, February 20, 1928, opposing any change in the present law to vest powers in others than our chosen Representatives in Congress, etc.; to the Committee on Interstate and Foreign Commerce.

7535. Also, resolution of Dixie Post, No. 64, Veterans of Foreign Wars of the United States, indorsing the Reece bill (H. R. 8560); to the Committee on Pensions.

7536. Also, resolution of the Illinois State Society, indorsing the Swing-Johnson bill; to the Committee on Irrigation and Reclamation.

7537. Also, memorial of Common Council of the City of Chicago, Ill., to amend subdivision (d) of section 116 of the proposed revenue bill now pending; to the Committee on Ways and Means.

7538. Also, resolution of Ernest A. Love Post of the American Legion; Buckey O'Neil Post, No. 541, of Veterans of Foreign Wars; and the Fort Whipple Chapter, No. 3, Disabled American Veterans, indorsing the Johnson bill (H. R. 11350) granting the right to ex-service men at any time within 20 years from the accrual of the course of action; to the Committee on World War Veterans' Legislation.

7539. Also, petition of the California State Department, Disabled American Veterans of World War, petitioning for support of the Tyson bill (S. 777); to the Committee on World War Veterans' Legislation.

7540. By Mr. SWING: Petition of residents of Redlands, Calif., in support of the Lankford Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

7541. By Mr. WELSH of Pennsylvania: Petition urging the prompt passage of House bill 13143, providing for increase in salaries for employees of the customs service; to the Committee on Ways and Means.

7542. By Mr. ZIHLMAN: Petition of residents of Glen Echo, Md., urging immediate action on the Civil War pension bill, which will afford relief to needy veterans and widows of veterans; to the Committee on Invalid Pensions.

SENATE

THURSDAY, *May 10, 1928*

(Legislative day of Thursday, May 3, 1928)

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—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 797. An act authorizing the J. K. Mahone Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Wellsburg, W. Va.;

S. 1480. An act authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims;

S. 2978. An act authorizing the Secretary of War to donate certain buildings to the city of Tucson, Ariz.;

S. 3740. An act for the control of floods on the Mississippi River and its tributaries, and for other purposes;

S. 3824. An act to correct the descriptions of land comprising the Bryce Canyon National Park as contained in the act approved June 7, 1924, entitled "An act to establish the Utah National Park in the State of Utah," and the act approved February 25, 1928, entitled "An act to change the name of the Utah National Park, the establishment of which is provided for by the act of Congress approved June 7, 1924 (43 Stat. 593), to the 'Bryce Canyon National Park,' and for other purposes";

S. 3862. An act authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn.;

H. R. 21. An act to provide for date of precedence of certain officers of the staff corps of the Navy;

H. R. 239. An act to amend section 110 of the national defense act by repealing and striking therefrom certain provisions prescribing additional qualifications for National Guard State staff officers, and for other purposes;

H. R. 244. An act to enable members of the Reserve Officers' Training Corps who have interrupted the course of training prescribed in the act of June 4, 1920, to resume such training and amended accordingly section 47c of that act;

H. R. 441. An act to authorize an appropriation to pay half the cost of a bridge and road on the Hoopa Valley Reservation, Calif.;

H. R. 1529. An act for the relief of the heirs of John Eimer;

H. R. 1537. An act for the relief of William R. Connolly;

H. R. 2658. An act for the relief of Finch R. Archer;

H. R. 3029. An act for the relief of Vern E. Townsend;

H. R. 3372. An act for the relief of George M. Browder and F. N. Browder;

H. R. 3442. An act for the relief of Clifford J. Sanghove;

H. R. 3936. An act for the relief of M. M. Edwards;

H. R. 4229. An act for the relief of Jennie Wyant and others;

H. R. 4588. An act authorizing an appropriation for the repair and resurfacing of roads on the Fort Baker Military Reservation, Calif.;

H. R. 4925. An act for the relief of John M. Savery;

H. R. 4993. An act for the relief of William Thurman Enoch;

H. R. 5398. An act for the relief of the heirs of the late Dr. Thomas C. Longino;

H. R. 5465. An act to amend section 1571 of the Revised Statutes to permit officers of the Navy to count duty on airships as sea duty;

H. R. 5531. An act to amend the provision contained in the act approved August 29, 1916, relating to the assignment to duty of certain officers of the United States Navy as fleet and squadron engineers;

H. R. 5746. An act to authorize the appraisal of certain Government property, and for other purposes;

H. R. 5789. An act to provide for the gratuitous issue of service medals and similar devices, for the replacement of the same, and for other purposes;

H. R. 5806. An act to authorize the purchase of real estate by the War Department;

H. R. 5968. An act for the relief of Byron Brown Ralston;

H. R. 5981. An act for the relief of Clarence Cleghorn;

H. R. 6436. An act for the relief of Mary E. O'Connor;

H. R. 6652. An act to fix the pay and allowances of chaplain at the United States Military Academy;

H. R. 6844. An act concerning liability for participation in breaches of fiduciary obligations and to make uniform the law with reference thereto;

H. R. 6856. An act relating to the payment or delivery by banks or other persons or institutions in the District of Columbia of deposits of moneys and property held in the names of two or more persons, and for other purposes;

H. R. 7061. An act for the relief of William V. Tynes;

H. R. 7227. An act for the relief of William H. Dotson;

H. R. 7752. An act to limit the issue of reserve supplies or equipment held by the War Department;

H. R. 7937. An act to authorize mapping agencies of the Government to assist in preparation of military maps;

H. R. 8808. An act for the relief of Charles R. Wareham;

H. R. 9043. An act to authorize the payment of an indemnity to the Government of France on account of losses sustained by the owners of the French steamship *Madeleine* as a result of a collision between it and the U. S. S. *Kerwood*;

H. R. 9148. An act for the relief of Ensign Jacob E. DeGarmo, United States Navy;

H. R. 9363. An act to provide for the completion and repair of customs buildings in Porto Rico;

H. R. 10139. An act for the relief of Edmund F. Hubbard;

H. R. 10192. An act for the relief of Lois Wilson;

H. R. 10276. An act providing for sundry matters affecting the naval service;

H. R. 10544. An act to abolish the office of administrative assistant and disbursing officer in the Library of Congress and to reassign the duties thereof;

H. R. 10643. An act authorizing the Gulf Coast Properties (Inc.), its successors and assigns, to construct, maintain, and operate a bridge across Lake Champlain at or near Rouses Point, N. Y.;

H. R. 11692. An act authorizing the Gulf Coast Properties (Inc.), a Florida corporation, of Jacksonville, Duval County, Fla., its successors and assigns, to construct, maintain, and

operate a bridge across the Lake Champlain at or near East Alburg, Vt.;

H. R. 11741. An act for the relief of Thomas Edwin Huffman;

H. R. 11797. An act granting the consent of Congress to Columbus County, State of North Carolina, to construct, maintain, and operate a free highway bridge across the Waccamaw River at or near Reeves Ferry, Columbus County, N. C.;

H. R. 11808. An act to authorize an appropriation for the purchase of land at Selfridge Field, Mich.;

H. R. 11809. An act to authorize an appropriation to complete the purchase of real estate in Hawaii;

H. R. 11992. An act granting the consent of Congress to the Arkansas Highway Commission to construct, maintain, and operate a free highway bridge across the Current River at or near Biggers, Ark.;

H. R. 12899. An act authorizing the erection for the sole use of the Pan American Union of an office building on the square of land lying between Eighteenth Street, C Street, and Virginia Avenue NW., in the city of Washington, D. C.;

H. R. 13171. An act authorizing the Secretary of the Treasury to accept a franchise from the government of the city of New York to change the routing of the pneumatic-tube service between the customhouse and the present appraisers' stores building, and for other purposes; and

H. J. Res. 200. Joint resolution to amend section 10 of the act entitled "An act to establish the upper Mississippi River wild life and fish refuge," approved June 7, 1924.

CALL OF THE ROLL

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Fletcher	King	Schall
Bayard	Frazier	La Follette	Sheppard
Bingham	George	Locher	Shipstead
Black	Gerry	McLean	Shortridge
Blaine	Gillett	McNary	Simmons
Blease	Glass	Mayfield	Smith
Borah	Goff	Metcalf	Smoot
Brookhart	Gooding	Moses	Steck
Broussard	Gould	Neely	Stephens
Bruce	Greene	Norbeck	Swanson
Capper	Hale	Norris	Thomas
Caraway	Harris	Nye	Tydings
Copeland	Harrison	Oddie	Tyson
Couzens	Hawes	Overman	Vandenberg
Curtis	Hayden	Phipps	Wagner
Cutting	Heflin	Pine	Walsh, Mass.
Dale	Howell	Pittman	Walsh, Mont.
Deneen	Johnson	Ransdell	Warren
Dill	Jones	Reed, Mo.	Waterman
Edge	Kendrick	Reed, Pa.	Watson
Fess	Keyes	Sackett	Wheeler

Mr. GERRY. I was requested to announce that the Senator from New Mexico [Mr. BRATTON] and the Senator from Kentucky [Mr. BARKLEY] are necessarily absent on business of the Senate, in attendance upon the committee appointed to investigate presidential campaign expenditures.

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

MEMORIAL—TAX REDUCTION

Mr. DENEEN presented a memorial of the council of the city of Chicago, Ill., which was ordered to lie on the table and to be printed in the RECORD, as follows:

A memorial to the Congress of the United States by the city of Chicago in the matter of the amendment of subdivision (d) of section 116 of the proposed revenue bill now pending before the Congress, H. R. 1, entitled "An act to reduce and equalize taxation, provide revenue, and for other purposes"

In this, its memorial to the Congress of the United States, the city of Chicago represents that by an ordinance the city participates in the earnings of the city's street railway companies and transit lines operating in said city under and by virtue of the terms and conditions of said ordinance, the division of said proceeds or earnings as provided being 55 per cent thereof to the city, previous to which, however, there shall be deducted from revenues derived from such operation all taxes or other governmental charges of every description assessed or which may hereafter be assessed against the lessee (street railway and transit companies) in connection with or incident to the operation of the railways before the city shall receive any rental or compensation for the rights leased or granted, or receive any payment or amortization on the public debt which represents the cost of constructing said railroads, or any division of net profits from operation of said railroads as aforesaid, and that these prior deductions are cumulative in their priority to the city's participation in profits or its realization of other rights, benefits, or interests under the contracts aforesaid; and

The city of Chicago represents that the realization by the city of such rights, profits, and interests are minimized, decreased, and postponed and a loss or burden thereby imposed upon the city to the extent that deductions are made by the operating companies, on account of increased operating costs due to the imposition of Federal income taxes, before the profits, rights, benefits, or interests of the city can be realized on the property owned by it, and that to such extent the taxes so imposed and paid by the operating companies are in the last analysis paid by the city out of the taxes levied by it upon its citizens; and

The city of Chicago further represents that the city council is now contemplating the adoption of another ordinance granting franchises to said street railway and transit companies, and also is proposing the construction at an estimated cost of several hundred millions of dollars of subways and other means of transportation in said city; and also has in contemplation the acquisition of other transit lines or connecting roads necessary to the efficient operation of its transit system, the cost of which is to be paid out of public funds; and

The city of Chicago represents that its present street railway and transit system and the new system in contemplation of construction and operation will render it necessary or advisable for the city to enter into contracts for the maintenance and operation of them, and that the methods of operation of such new railroads must be decided upon in the near future before such contracts are executed; and

It appearing to the city of Chicago that the proposed revenue bill now pending before the Congress, H. R. 1, and entitled "An act to reduce and equalize taxation, provide revenue, and for other purposes," provides, in subdivision (d) of section 116 thereof, that whenever a State, Territory, or any political subdivision of a State or Territory, prior to September 8, 1916, entered into a contract for the acquisition, construction, operation, or maintenance of a public utility, and by the terms of such contract the Federal tax on income is to be paid out of the proceeds from the operation of such public utility prior to any division of the proceeds between the person or corporation and the State, Territory, or political subdivision, that there shall be refunded to the State, Territory, or political subdivision a proportional part of any income tax collected from such public utility contractor to the extent that if, but for the imposition of the tax imposed by this title, a part of such proceeds for the taxable year would accrue directly to or for the use of the city; and

It further appearing that by and under the construction and interpretation placed upon the corresponding similar subdivisions of the revenue acts of prior years by the governmental agencies the city of Chicago is deprived, and will be deprived, of the benefits of a rebate of income taxes charged against the revenues derived from the operation of the railroads which are owned by the city, contrary to the true intent and spirit of the revenue laws; and

The city of Chicago represents that it will be deprived of any and all benefit which, under any construction of the proposed revenue law, it would be entitled to arising under any contract entered into by it subsequent to September 8, 1916, the object of which contract is the acquisition, construction, operation, or maintenance of a public utility; and

The city of Chicago being informed that it has been proposed that subdivision (d) of section 116 of the proposed revenue bill now pending before the Congress, No. H. R. 1, and entitled "An act to reduce and equalize taxation, provide revenue, and for other purposes," be amended so as to make more specific and certain that under such contractual relation, having for its purpose the acquisition, construction, operation, or maintenance of a public utility, the amount of any Federal income tax paid by the lessee, grantee, or person operating a public utility under such contract or contracts, or certificates similar to the contracts of March 19, 1913, aforesaid, shall, to the same extent as the amount, but for the imposition of such taxes, would have accrued directly to or for the use of, or inure to the benefit of, or increase the right, title, interest, or equity in such public utility of such municipality, be refunded to the city or shall not be levied, all of which is more particularly set forth in said proposed amendment, as follows:

"Whenever any State, Territory, or the District of Columbia, or any political subdivision of a State or Territory enters in good faith into a contract with any person the object and purpose of which is to acquire, construct, operate, or maintain a public utility—

"(1) If by the terms of such contract the tax imposed by this title is to be paid out of the proceeds from the operation of such public utility prior to any division of such proceeds between the person and the State, Territory, political subdivision, or the District of Columbia, and if but for the imposition of the tax imposed by this title a part of such proceeds for the taxable year would accrue directly to or for the use of, or inure to the benefit of, or increase the right, title, interest, or equity in such public utility of such State, Territory, political subdivision, or the District of Columbia, then a tax upon the net income from the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title, but there shall be refunded to such State, Territory, political subdivision, or the District of Columbia (under rules and regulations to be prescribed by the commissioner with the approval of the Secretary, an amount which bears the same relation to the amount of the tax as the amount which (but for the imposition of the tax imposed by this title) would have accrued directly to or for the use of, or inure

to the benefit of, or increase the right, title, interest, or equity in such public utility of such State, Territory, political subdivision, or the District of Columbia bears to the amount of the net income from the operation of such public utility for such taxable year.

"(2) If by the terms of such contract no part of the proceeds from the operation of the public utility for the taxable year would, irrespective of the tax imposed by this title, accrue directly to or for the use of, or inure to the benefit of, or increase the right, title, interest, or equity in such public utility of such State, Territory, political subdivision, or the District of Columbia, then the tax upon the net income of such person from the operation of such public utility shall be levied, assessed, collected, and paid in the manner and at the rates prescribed in this title.

"(3) If by the terms of such contract the acquisition, construction, operation, or maintenance of such public utility is for or on behalf of a State, Territory, political subdivision, or the District of Columbia, or the effect of such contract is to enable the State, Territory, political subdivision, or the District of Columbia to acquire a right, title, interest, or equity in such public utility, no tax shall be levied under the provisions of this title upon the income derived from the acquisition, construction, operation, or maintenance of such public utility, so far as the payment thereof will impose a loss or burden upon or decrease or postpone such right, title, interest, or equity of such State, Territory, political subdivision, or the District of Columbia."

Whereas the city council of the city of Chicago is advised and is of the opinion that the foregoing proposed amendment will be beneficial to the interests of the city of Chicago under the said contracts of March 19, 1913, and under contracts which may be entered into by it subsequent thereto for the acquisition, construction, operation, or maintenance of such public utilities, and under any plan of consolidation or unification as is now being considered by its committee on local transportation:

Resolved, That the city council of the city of Chicago does hereby approve the proposed amendment aforesaid, and that it does hereby urge upon the Congress the passage of such amendment; further

Resolved, That the city clerk be, and is hereby, authorized and directed to transmit to each of the United States Senators for the State of Illinois and to each Member of the House of Representatives from the State of Illinois a certified copy of this resolution.

STATE OF ILLINOIS *County of Cook, ss:*

I, Patrick Sheridan Smith, city clerk of the city of Chicago, do hereby certify that the above and foregoing is a true and correct copy of the certain resolution unanimously adopted by the city council of the city of Chicago at a regular meeting held Tuesday, May 1, 1928.

Witness my hand and the corporate seal of the said city of Chicago this 3d day of May, 1928.

[SEAL.] PATRICK SHERIDAN SMITH,
City Clerk.

REPORTS OF COMMITTEES

Mr. LA FOLLETTE, from the Committee on Indian Affairs, to which was referred the bill (H. R. 491) authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California, reported it without amendment.

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

A bill (H. R. 6195) granting six months' pay to Constance D. Lathrop (Rept. No. 1078); and

A bill (H. R. 7142) for the relief of Frank E. Ridgely, deceased (Rept. No. 1079).

Mr. TYDINGS, from the Committee on Naval Affairs, to which was referred the bill (S. 4402) authorizing the Secretary of the Navy to assign to the Chief of Naval Operations the public quarters originally constructed for the Superintendent of the Naval Observatory in the District of Columbia, reported it without amendment and submitted a report (No. 1080) thereon.

Mr. BLACK, from the Committee on Claims, to which was referred the bill (S. 1618) for the relief of Margaret W. Pearson and John R. Pearson, her husband, reported it with an amendment and submitted a report (No. 1081) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 11852) providing for the confirmation of grant of lands formerly the United States barracks at Baton Rouge, La., to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College, reported it without amendment and submitted a report (No. 1082) thereon.

Mr. WALSH of Massachusetts, from the Committee on Naval Affairs, to which was referred the bill (S. 3327) for the relief of Robert B. Murphy, reported it without amendment and submitted a report (No. 1083) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5897) for the relief of Mary McCormick, reported it with an amendment and submitted a report (No. 1084) thereon.

Mr. DALE, from the Committee on Commerce, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

A bill (S. 4229) to extend the time for completing the construction of a bridge across the Mississippi River near and above the city of New Orleans, La. (Rept. No. 1085);

A bill (S. 4288) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of the Cumberland River at Burnside, Pulaski County, Ky. (Rept. No. 1086); and

A bill (S. 4294) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the North Fork of the Cumberland River at Burnside, Pulaski County, Ky. (Rept. No. 1087).

Mr. COPELAND, from the Committee on Commerce, to which was referred the bill (H. R. 13032) to amend the act of February 8, 1895, entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," reported it without amendment.

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (H. R. 13037) to amend section 1, rule 2, rule 3, subdivision (e), and rule 9 of an act to regulate navigation on the Great Lakes and their connecting and tributary waters, enacted February 8, 1895 (ch. 64, 28 Stat. L. sec. 645), reported it without amendment.

BELL OF THE OLD CRUISER "MINNEAPOLIS"

Mr. SCHALL. I ask unanimous consent to submit a report from the Committee on Naval Affairs. I am directed by that committee to report back favorably, without amendment, the bill (S. 2289) authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the Veterans of Foreign Wars of the United States, Department of Minnesota, the bell formerly on the old cruiser *Minneapolis*, and I submit a report (No. 1088) thereon. The veterans there have had the use of the bell since 1922, and I ask unanimous consent for the present consideration of the bill.

Mr. SMOOT. I have no objection, if it does not lead to any discussion, but if it does I shall have to object.

Mr. SCHALL. It will lead to no discussion.

By unanimous consent, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, That the Secretary of the Navy is authorized, in his discretion, to deliver to the custody of the Veterans of Foreign Wars of the United States, Department of Minnesota, the bell formerly on the old cruiser *Minneapolis: Provided,* That no expense shall be incurred by the United States for the delivery of such bell.

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

FEDERAL POINT LIGHTHOUSE RESERVATION, N. C.

Mr. SIMMONS. From the Committee on Commerce I report back, without amendment, the bill (S. 4302) to authorize the Secretary of Commerce to convey the Federal Point Lighthouse Reservation, N. C., to the city of Wilmington, N. C., as a memorial to commemorate the Battle of Fort Fisher, and I submit a report (No. 1089) thereon. I ask unanimous consent for the immediate consideration of the bill.

Mr. SMOOT. It is a favorable report?

Mr. SIMMONS. It is reported favorably.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, and it was read, as follows:

Be it enacted, etc., That the Secretary of Commerce is authorized to convey the Federal Point Lighthouse Reservation, N. C., to the city of Wilmington, N. C., for improvement and maintenance as a memorial to commemorate the Battle of Fort Fisher. The property to be transferred under this act was conveyed to the United States by deed of April 7, 1817, from Charles B. Gause, registered in the records of New Hanover County in Book P, page 305, and is described therein as "a certain piece or parcel of land situate, lying, and being in the State of North Carolina and county of New Hanover on Federal Point near the new inlet of Cape Fear River, whereon the beacon erected by the United States now stands, to contain 1 square acre of land, the beacon being the center of said square acre," together with "the use and privilege of the most convenient and usual landing place on said point from the river and from said landing place free egress and regress over the said point of land."

SEC. 2. In the event the city of Wilmington should fail to improve or to maintain the said property in the manner contemplated by this act the Secretary of Commerce may at any time by letter addressed

to its chief executive officer or officers notify the city of Wilmington that the property conveyed will revert to the United States, and if the city of Wilmington does not begin or resume the performance of such improvement or maintenance within a period of six months from the date of such notice, the said property shall, upon the expiration of such period, revert to the United States without further notice or demand or any suit or proceeding. The United States reserves the right to resume ownership, possession, and control for Government purposes of the said property so conveyed at any time and without the consent of the grantee.

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

ENROLLED BILLS PRESENTED

Mr. GREENE, from the Committee on Enrolled Bills, reported that this day that committee presented to the President of the United States the following enrolled bills:

S. 797. An act authorizing the J. K. Mahone Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Ohio River at or near Wellsburg, W. Va.;

S. 1480. An act authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims;

S. 2978. An act authorizing the Secretary of War to donate certain buildings to the city of Tucson, Ariz.;

S. 3740. An act for the control of floods on the Mississippi River and its tributaries, and for other purposes;

S. 3824. An act to correct the descriptions of land comprising the Bryce Canyon National Park as contained in the act approved June 7, 1924, entitled "An act to establish the Utah National Park in the State of Utah," and the act approved February 25, 1928, entitled "An act to change the name of the Utah National Park, the establishment of which is provided for by the act of Congress approved June 7, 1924 (43 Stat. 593), to the 'Bryce Canyon National Park,' and for other purposes"; and

S. 3862. An act authorizing J. T. Burnett, his heirs, legal representatives, and assigns, to construct, maintain, and operate a bridge across the Mississippi River at or near Tiptonville, Tenn.

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. SMITH:

A bill (S. 4411) to amend the United States cotton futures act, approved August 11, 1916, as amended, by providing for the delivery of cotton tendered on futures contracts at certain designated spot cotton markets, by defining and prohibiting manipulation, by providing for the designation of cotton futures exchanges, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 4412) granting an increase of pension to Elmeda E. Bowen (with accompanying papers); and

A bill (S. 4413) granting an increase of pension to Susan E. Dawson (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A bill (S. 4414) for the relief of Ella Mae Rinks; to the Committee on Claims.

A bill (S. 4415) for the relief of Josiah Harden; to the Committee on Military Affairs.

By Mr. SACKETT:

A bill (S. 4416) granting an increase of pension to Katherine H. Califf;

A bill (S. 4417) granting an increase of pension to Idella McFarland (with accompanying papers); and

A bill (S. 4418) granting an increase of pension to Virginia G. Shirley (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 4419) granting an increase of pension to Nancy Jane Hudson (with accompanying papers); to the Committee on Pensions.

By Mr. DILL:

A bill (S. 4420) to amend section 19 of the World War veterans' act (June 7, 1924, ch. 320, sec. 19, 43 Stat. 612) providing for extension of time for filing suits under the war risk insurance act; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 4421) to award a medal of honor to John C. Whiting; to the Committee on Military Affairs.

By Mr. CUTTING:

A bill (S. 4422) to create a commission on elections, to define its duties, and for other purposes;

A bill (S. 4423) to prevent fraud and corrupt practices in the nomination and election of Senators and Representatives in Congress, to provide publicity of campaign accounts, and for other purposes; and

A bill (S. 4424) to regulate campaign expenditures of candidates for President and Vice President, and for other purposes; to the Committee on the Judiciary.

By Mr. WATSON:

A bill (S. 4425) granting an increase of pension to Matilda M. Huddleston; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 4426) granting an increase of pension to Orley A. Vawn; to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 4427) authorizing the Secretary of Commerce to construct and equip a light vessel for the entrance to the St. Johns River, Fla.; to the Committee on Commerce.

By Mr. METCALF:

A bill (S. 4428) granting an increase of pension to Jennie Aldrich (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS:

A joint resolution (S. J. Res. 147) for the relief of Leah Frank, Creek Indian, new born, roll No. 294; to the Committee on Indian Affairs.

By Mr. ODDIE:

A joint resolution (S. J. Res. 148) authorizing the President to appoint A. Campbell Turner to the Foreign Service of the United States; to the Committee on Foreign Relations.

By Mr. CUTTING:

A joint resolution (S. J. Res. 149) proposing an amendment to the Constitution of the United States, relative to the nomination or election of Members of Congress, President, and Vice President of the United States; and

A joint resolution (S. J. Res. 150) proposing an amendment to the Constitution of the United States, relating to eligibility of Members of Congress; to the Committee on the Judiciary.

AMENDMENT TO TAX REDUCTION BILL—INTERNATIONAL BRIDGES

Mr. COPELAND submitted an amendment intended to be proposed by him to House bill 1, the tax reduction bill, which was ordered to lie on the table and to be printed.

SURPLUS REAL PROPERTY OF WAR DEPARTMENT

Mr. SWANSON submitted an amendment intended to be proposed by him to the bill (H. R. 11953) to authorize the sale under the provisions of the act of March 12, 1926 (Public, No. 45, 69th Cong.), of surplus War Department real property, which was referred to the Committee on Military Affairs and ordered to be printed.

AMENDMENT TO SECOND DEFICIENCY APPROPRIATION BILL

Mr. ODDIE submitted an amendment providing that the unexpended balance of the appropriation of $50,000 for the survey and examination of water-storage reservoir sites on the headwaters of the Truckee River, and for other purposes, contained in the act making appropriations for the Department of the Interior for the fiscal year 1928, shall remain available during the fiscal year 1929 for the same purposes, including test borings, and also for the survey and examination of water-storage reservoir sites on the Carson River, investigations of dam sites at such storage reservoirs and estimates of costs, with recommendations in regard thereto, etc., intended to be proposed by him to the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

CHANGE OF REFERENCE

Mr. JONES. House bill 10786, a bill authorizing surveys and investigations to determine the best methods and means of utilizing the waters of the Gila River and its tributaries above the San Carlos Reservoir in New Mexico and Arizona, was referred to the Committee on Commerce. That committee has examined the bill and it ought to go to the Committee on Irrigation and Reclamation. I move that the Committee on Commerce be discharged from the further consideration of the bill and that it be referred to the Committee on Irrigation and Reclamation.

The motion was agreed to.

COMMITTEE SERVICE

On motion of Mr. WATSON and by unanimous consent, it was—

Ordered, That Mr. KEYES be excused from further service as a member of the Committee on Agriculture and Forestry and that he be assigned to service upon the Committee on Finance; that Mr. FESS be excused from further service as a member of the Committee on Finance and

that he be assigned to service upon the Committee on Foreign Relations, and that Mr. CUTTING be assigned to service on the Committee on Agriculture and Forestry.

CONSTRUCTION OF CERTAIN NAVAL VESSELS—PROPOSED UNANIMOUS-CONSENT AGREEMENT

Mr. HALE. Mr. President, I ask unanimous consent that to-morrow afternoon, immediately after the close of the services in memory of the late Senator Willis, of Ohio, the Senate proceed to the consideration of Calendar No. 1022, the bill (H. R. 11526) to authorize the construction of certain naval vessels, and for other purposes——

Mr. SMOOT. I object.

Mr. HALE. I would like to state my proposition. I ask unanimous consent that the Senate proceed to the consideration of the bill I have indicated immediately after the close of the services in memory of the late Senate Willis, of Ohio, and that the Senate continue with such consideration until 6 o'clock; that at that time, if the bill has not been disposed of, a recess be taken until 8 o'clock p. m., and that thereafter the consideration of the bill be continued until 10.30 o'clock, unless sooner disposed of.

Mr. SMOOT. I object.

Mr. KING and Mr. LA FOLLETTE. I object.

Mr. JOHNSON. I object also, if any further objection be needed.

The VICE PRESIDENT. Objection is made.

BOULDER DAM

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD at this point an address delivered yesterday before the Federal Trade Commission by Hon. LOUIS W. DOUGLAS, Representative in Congress from the State of Arizona, in which he urges the Federal Trade Commission to investigate the insidious and odious lobby which is here and elsewhere attempting to pass the Boulder Dam bill. I also ask to have printed in the RECORD an editorial from the San Diego Times-Union on this subject. I desire to have these printed in the RECORD at this juncture and not in the Appendix. May I secure such permission?

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

The address and editorial are as follows:

STATEMENT OF LOUIS W. DOUGLAS, MEMBER OF CONGRESS FROM ARIZONA, BEFORE THE FEDERAL TRADE COMMISSION MAY 9, 1928

MEMBERS OF THE FEDERAL TRADE COMMISSION: I have seen the recent reports of evidence submitted to you relative publicity activities with reference to the Boulder Dam bill pending before Congress.

I appear as a Member of Congress to suggest to you a course of inquiry in this connection, which falls within the general authority given to you by Senate Resolution 83 of the Seventieth Congress, first session, to inquire into and to report to the Senate whether, and to what extent corporations doing an interstate or international business "in supplying electrical energy, or any officers thereof or anyone in their behalf, or any organization of which any such corporation may be a member, through the expenditure of money or through the control of the avenues of publicity have made any and what effort to influence or control public opinion on account of municipal or public ownership of the means by which power is developed and electrical energy is generated and distributed, or since 1923 to influence or control elections."

The city of Los Angeles is a corporation. The Los Angeles Bureau of Light and Power of the City of Los Angeles is engaged in the production and distribution of electric energy and in interstate commerce.

Its activities to persuade the Congress of the United States to appropriate moneys for the construction of the largest of power projects are proper subjects of inquiry by your commission. Its activities in connection with State legislation are likewise proper subjects of inquiry for this commission.

In 1917 the city of Los Angeles was successful in preventing the California Legislature from passing an act which would subject all dams in California to a rigid inspection by the State engineers. The bill providing for inspection (ch. 377, Calif. Stat. forty-second legislative session), as amended through the influence of the city of Los Angeles, specifically exempted from State inspection dams built by a municipality with an engineering department. The St. Francis Dam in California was constructed without a State license, without State inspection, and in violation of the water rights of the people in the Santa Clara Valley. The dam failed. The city of Los Angeles, through its great political power, went into Owens Valley and confiscated water, the right to which belonged to the inhabitants of Owens Valley. The city of Los Angeles is now attempting to persuade the Federal Government to appropriate the moneys for a high-power dam at Boulder Canyon and to confiscate the resources of States.

In the early part of February, 1922, before Boulder Canyon had been adequately investigated, the city of Los Angeles appropriated to the United States Reclamation Service for the investigation of that site, and for the investigation of no other site, $75,000, in support of which I call your attention to the following resolution:

"On presentation by special counsel, and on his recommendation and of the chief engineer and chief electrical engineer—the matter being considered at some length—Mr. Haynes moved the adoption of the following resolution:

"'Whereas the city has made application to the Federal Power Commission for license or permit to develop the Boulder Canyon Reservoir on the Colorado River with a view of obtaining from that source sufficient power for the future needs of Los Angeles; and

"'Whereas it is practicable to obtain such information through the United States Reclamation Service which, if provided with the necessary funds, proposes to complete investigations on the ground which will disclose the facts required, as aforesaid; and

"'Whereas the cost to the city of obtaining such necessary information if it should itself be required to do the proper investigation work, would be greatly in excess of the amount to be paid the United States Reclamation Service for supplying such information; and

"'Whereas said Reclamation Service estimates that the amount required of the city of Los Angeles for said purpose would be $75,000, and has indicated that said amount might be paid in installments conforming to the needs of said Reclamation Service for such work as it progresses; and it appearing to be to the best interests of the city and this board, in fulfilling the public duty to provide an ample power supply for the inhabitants of Los Angeles, that this board should undertake to advance said amount for said purposes: Therefore be it

"'*Resolved*, That this board, out of power revenue, undertake to advance and pay to the United States Reclamation Service the sum of $75,000 to carry on the work of said Reclamation Service in investigating the site of the proposed dam at Boulder Canyon on the Colorado River for the purpose aforesaid, subject to the condition that the results of said investigation be furnished this board; that such payment be made in installments; that a demand for the initial installment of said sum, to wit, $15,000, be drawn on the power-revenue fund in favor of the United States Reclamation Service.'

"Seconded by Mr. Bartlett, and carried by the following vote:

"Ayes: Messrs. Bartlett, Haynes, Robinson, the president.

"Noes: None. (Twenty minutes of the board of public service commissioners, city of Los Angeles, pp. 115–116, special meeting, February 16, 1922.)

You will note that the purpose of the appropriation for the investigation was "to provide for an ample power supply for the inhabitants of Los Angeles." You will also note that the appropriation was for the investigation of the Boulder Canyon site, and Boulder Canyon site only.

Dr. Elwood Mead, in a letter addressed to me under date of April 6, 1928, transmitted a statement disclosing that up to June 30, 1927, the city of Los Angeles, Imperial irrigation district, Coachella Valley district, Palo Verde levee district, and the city of Pasadena had appropriated $140,000 for the investigation of Boulder Canyon. The Reclamation Service was restricted in its use of funds for the investigation of the Colorado River to Boulder Canyon, in that it could not expend those funds for an investigation elsewhere except in so far as the Federal Government appropriated such funds. I inclose herewith a statement submitted by Doctor Mead.

Statement referred to:

Expenditures by Bureau of Reclamation and cooperating agencies for June 30, 1927

State	Project	Cooperating agency	Cooperative contract			United States, not under contract	Grand total
			United States	Cooperating agency	Total		
Arizona	Hualpai wells	State of Arizona	$1,623.62	$3,961.53	$5,585.15		$5,585.15
Do	Gila River storage	do	6,580.75	13,714.42	20,295.17		20,295.17
Do	Parker					$517.91	517.91
Do	San Carlos	San Carlos Irrigation Association and State of Arizona.		8,638.54	8,638.54	24,829.51	33,468.05
Do	Little Colorado					9,554.33	9,554.33
Do	San Pedro					2,427.34	2,427.34
Do	Paradise-Verde	Salt River Valley Water Users' Association		929.14	929.14		929.14

Expenditures by Bureau of Reclamation and cooperating agencies for June 30, 1927—Continued

State	Project	Cooperating agency	Cooperative contract			United States, not under contract	Grand total
			United States	Cooperating agency	Total		
Arizona—Continued.							
Do	Colorado River diversions		$1,957.23		$1,957.23		$1,957.23
Do	Colorado River tributaries					$4,966.06	4,966.06
Arizona-California	Boulder Canyon	Imperial irrigation district, Coachella Valley district, Palo Verde levee district, City of Los Angeles, City of Pasadena	35,000.00	$140,000.00	175,000.00	156,293.62	331,293.62
Do	Colorado River Basin					209,863.79	209,863.79
Do	do	Advisers				2,899.74	2,899.74
California	Imperial Laguna	Imperial Laguna Water Co		1,543.81	1,543.81		1,543.81
Do	Imperial Valley	Imperial irrigation district	13,008.99	26,009.66	39,018.65	2,794.04	41,812.69
Colorado	Dolores					4,256.27	4,256.27
Do	White River					4,357.00	4,357.00
Do	Little Snake River					951.43	951.43
Do	Montezuma					4,918.10	4,918.10
Do	Upper White River					6,282.27	6,282.27
Do	San Juan Basin					6,307.61	6,307.61
Colorado-Utah	Lower White River	State of Utah	6,615.25	6,615.25	13,230.50		13,230.50
New Mexico	San Juan Basin	State of New Mexico	7,426.34	7,426.33	14,852.67		14,852.67
Do	La Plata					5,014.09	5,014.09
Utah	Castle Peak	State of Utah and Mormon Church	999.45	999.45	1,998.90	23,054.23	25,053.13
Do	Dixie					863.52	863.52
Do	Utah reconnaissance					632.59	632.59
Do	Mammoth Reservoir					404.27	404.27
Do	Price River					145.40	145.40
Do	Green River water right					252.74	252.74
Do	Green River	Salt Lake Chamber of Commerce	5,247.09	5,247.09	10,494.18		10,494.18
Do	Transmountain diversions					3,555.02	3,555.02
Wyoming	Church Butte					1,442.28	1,442.28
Do	Green River Basin	State of Wyoming	3,681.76	3,700.52	7,382.28		7,382.28
Do	Green River					320.15	320.15
Do	Lyman					2,477.77	2,477.77
Total			82,140.48	218,785.74	300,926.22	479,381.08	780,307.30

It is clear that the city of Los Angeles and affiliated agencies, through their control of the investigating moneys, influenced the Reclamation Service to support Boulder Canyon as the site. In view of the subsequent activities of the city of Los Angeles and affiliated agencies, it is equally clear that the city of Los Angeles abandoned the idea of constructing a power project on the Colorado River with its own funds and supported instead the proposition of obtaining funds from the Federal Treasury for this purpose.

To carry out its ends there was organized in southern California an organization known as the Boulder Dam Association, of which the city of Los Angeles is a member. This association has been one of the great lobbying organizations in behalf of the Boulder Dam bill. In 1924 its secretary was Mr. Burdette Moody, who was also business manager of the board of public service commissioners of the city of Los Angeles.

The statement of receipts, July 19, 1924, audited by W. M. Irwin, auditor, shows sources of revenue of the Boulder Dam Association as of that date, a copy of which I inclose herewith:

Sources of revenue of the Boulder Dam Association:

Receipts from beginning	$9,660.00
Imperial irrigation district	4,750.00
Los Angeles Bureau of Power and Light—	
To San Diego office	1,000.00
To Los Angeles office	3,750.00
Cities meeting at Santa Ana	365.00
United States veterans of El Centro	10.00
Spruce Farm Center of Brawley	20.00
City of San Bernardino	15.00
Total	19,570.00

By S. C. Evans, executive director.

Audited by M. W. Irwin, auditor. Statement of receipts, July 19, 1924, City Hall, Long Beach, Calif.

In March, 1924, the city of Los Angeles passed the following resolution:

"On written recommendation of the special counsel by Floyd M. Hinshaw, Mr. Dykstra moved the adoption of the following resolution:

"'Whereas the city of Los Angeles is vitally interested in the matter of inducing Congress to provide the necessary funds for the construction of a high storage dam at or near Boulder Canyon on the Colorado River, because of the fact that such dam, besides insuring protection to Imperial Valley and other menaced sections against the floods of the Colorado River and greatly extending irrigation in the lower Colorado Basin, will make possible the development of a great amount of hydroelectric power; and

"'Whereas an organization known as Boulder Dam Association, composed of representatives of the various municipalities, districts, and communities interested in said project, has been formed for the purpose of providing such publicity, and such organization is to be supported and financed by participating public agencies, and it appears desirable that the city of Los Angeles, as a member of such organization, should contribute its share of the legitimate expense of such publicity work: Now, therefore, be it

"'*Resolved*, That a demand for $250 in favor of the Boulder Dam Association be, and the same is hereby, ordered drawn and approved on the "power revenue fund."'

"Seconded by Mr. Baker and carried by the following vote:

"Ayes: Messrs. Baker, Burton, Dykstra, the president.

"Noes: None." (Twenty-fourth minutes of the board of public service commissioners, city of Los Angeles, p. 484, March 21, 1924.)

On June 12, 1923, there was authorized an additional amount, not to exceed $1,500 per month, to the Boulder Dam Association, $1,000 of which was thereupon ordered drawn upon the power revenue fund. (Twenty-third minutes of the board of public service commissioners, city of Los Angeles, pp. 21, 22, 94, 95.)

On February 19, 1924, a sum of $500 was voted for the same purposes. (Twenty-fourth minutes of the board of public service commissioners, city of Los Angeles, pp. 12, 376, February 19, 1924.)

On April 30, 1928, I am informed that the Los Angeles Public Service Commissioners appropriated another $1,000 for the purpose of persuading Congress to construct a high dam at Boulder Canyon. How much in addition Los Angeles may have directly or indirectly appropriated to the Boulder Dam Association to influence public opinion I can not now testify to.

The Boulder Dam Association has published many pamphlets which it has distributed to the public and to the Members of Congress, copies of which I submit herewith. The purpose of the publication was to influence public opinion and the opinion of Congress.

In 1923 the public service commissioners of Los Angeles passed the following resolution:

"'*Be it resolved*, That Ralph L. Criswell, president of the council, and W. B. Mathews, special counsel, be authorized to proceed to Washington, D. C., to give attention to the interests of the city as involved in the Swing-Johnson bill, pending before Congress, for the development of the Colorado River, and that their necessary expenses in the matter be paid by the department out of the power revenue fund.'

"Seconded by Mr. Dykstra and carried by the following vote:

"Ayes: Messrs. Baker, Dykstra, Haynes, the president.

"Noes: None." (Twenty-second minutes of the board of public service commissioners, city of Los Angeles, pp. 21, 182, January 16, 1923.)

The representatives of the Boulder Dam Association and of the city of Los Angeles, together with representatives of the Imperial irrigation district, to which reference will later be made, have been constantly present at all of the hearings on the Boulder Dam bill and have been in constant contact with Members of Congress for the purpose of persuading them to support the proposed legislation.

The Imperial irrigation district has been active in other ways. I submit herewith as evidence the following, taken from a statement submitted by officials of the Imperial irrigation district, which will be found on pages 257–258, part 2, hearings before the House Committee on Irrigation and Reclamation on H. R. 2093, Sixty-eighth Congress:

1918. Various payments and expenses of directors, representatives, presenting valley's problems	$31,641.24
1919. Various payments and expenses of directors, representatives, presenting valley's problems	25,348.60
1922. Expenses of directors and representatives attending conferences with Secretary of the Interior, State and county institutions, American Legion, and other civic bodies	10,672.38
1923. Expenses of directors and representatives attending conferences with Secretary of the Interior, State and county institutions, American Legion, and other civic bodies	20,523.30
Conducting congressional party through Imperial Valley	15,978.82
1924. Expenses of directors and representatives attending conferences with Secretary of the Interior and arid lands committee at Washington, D. C	3,193.26
1924. Advances made to various representatives of district to cover expenses while in Washington, D. C	2,250.00
Total	109,607.60

I submit an analysis of the $15,978.82 item for conducting a congressional party through Imperial Valley:

Analysis of expenditures in connection with the conducting of congressional party to Imperial Valley during the month of March, 1923

Expenses, including railroad and Pullman fares, hotels, meals, and miscellaneous items for—	
R. D. McPherrin	$8.50
J. Stewart Ross	68.22
C. W. Brockman	47.50
F. H. McIver	247.18
J. S. Nickerson	22.04
B. D. Irvine	55.56
Elmer W. Heald, American Legion	113.08
F. W. Greer	700.65
Mark Rose	94.25
Earl Pound	64.06
Ira Aton	83.84
Phil D. Swing	261.88
Ray S. Carberry	103.03
Rental moving-picture projection machine	35.00
Expenses of congressional party at—	
Glenwood Hotel, Riverside	380.26
Barbara Worth Hotel	854.83
Labor and material and train expense, miscellaneous labor and material, Andrade	250.32
Southern Trust & Commerce, advanced for expenses—Pullman and meals	1,664.00
Refund on sale of banquet tickets	102.50
Southern Pacific Co., rail, Pullman fares, and meals	1,751.14
Kodak supplies for congressional party	30.30
Photographs of congressional party	10.00
Drayage on congressional party's baggage	58.50
Printing of banquet cards	20.75
Southern Pacific Co., Pullman and rail fares of congressional party	8,951.54
Telegrams and telephone tolls	25.57
Photographs, Keystone service	50.00
Barbara Worth Hotel, miscellaneous	18.06
Miscellaneous unallocated charges	111.26
Total	15,978.82

E. E. KIEFER, *Chief Accountant.*

The above items were submitted by E. E. Kiefer, chief accountant, Imperial irrigation district.

I am informed that Mr. John R. Haynes, one of the public service commissioners of the city of Los Angeles, has been very liberal in his donations to the Boulder Dam lobby.

How much may have been expended, either in cash or in kind, since 1924 I do not know, but I submit that if, as of that date, before the bill had reached the stage in its legislative career at which it might have been considered by the House, $129,177.60 (the sum of expenditures by the Boulder Dam Association and the Imperial irrigation district) had been expended in its behalf, then, as of this date, it is reasonable to conclude that at least four times that amount has been expended.

In this connection I call the attention of this commission to the special train which came to Washington in 1927, carrying lobbyists for the Boulder Dam bill; I call the attention of this commission to the many news advertisements containing large photographs and black-typed narrative of the Boulder Dam, and of the merits of the bill under consideration, which have appeared very frequently throughout the past few years in the Hearst newspapers and in the tabloids. I call the attention of this commission to the many boxes of grapefruit and oranges which have been presented to the Members of the Congress. I call the attention of this commission to the speeches which have been made throughout the country by representatives of the Imperial irrigation district and of the city of Los Angeles. I call the attention of this commission to the great number of Californians now in Washington lobbying for the Boulder Dam bill. I call the attention of this commission to an appropriation of $20,000 by the board of supervisors of Los Angeles County on May 3, 1928, for the purpose of lobbying for the Boulder Dam bill.

I have submitted evidence, which is conclusive, that over $129,000 was expended in behalf of the Boulder Dam bill as of the middle of the year 1924. I have indicated to this commission many other additional items for which moneys have been expended, the purpose of which was to influence public opinion and the Congress.

I submit to this commission that in view of the activities of the city of Los Angeles and other California municipalities in amending the dam inspection bill of 1917 to exclude municipalities from State supervision, and in view of the activities of the city of Los Angeles through the use of its great political power with relation to the inhabitants of the Owens and Santa Clara Valleys in California, and in view of the activities of the city of Los Angeles and affiliated agencies, not only in exerting its great political power but also in expending huge sums of money to influence public opinion and the Members of Congress to support Federal ownership of a tremendous power project, one can not but conclude that activities by political subdivisions to influence public opinion can be as insidious and as dangerous to the body politic as can be the activities of any other type of organization.

[From the San Diego Union, April 20, 1928]

IMPERIAL ASKS SAN DIEGO AID ON DAM FUNDS—$100,000 TO BE RAISED FOR LOBBY IN WASHINGTON ON BOULDER BILL LEGISLATION

The people of Imperial County are looking to the people of San Diego County to help them in the common cause of putting through the Boulder Canyon Dam legislation, according to C. A. Hall and George Whitlock, of the American Conservation Club of the Imperial Valley, who are in San Diego seeking funds to help in the last push in Washington.

"The people of the Imperial Valley are spending $100,000 this year to maintain the necessary lobby in Washington," said Hall yesterday. "Legislation of this nature is costly, and we are fighting the wealthiest and best-organized opposition lobby that ever went to Washington. The people of the valley can't carry all the load, and they are appealing to San Diego County, which will benefit almost as much as Imperial from the dam construction, to help carry on the work and to put over the legislation.

"This bill will do more for southern California than any other legislation ever initiated. It will produce enormous publicity all over the country. Thousands of people are just waiting for the passage of the bill to come to southern California, and I firmly believe that real-estate values will increase 10 per cent within 24 hours after President Coolidge signs the bill.

"This is a worthy and necessary cause. The San Diego Chamber of Commerce and many leading citizens here have given it their full indorsement, and the chamber is going to help all it can with funds. But it is necessary for us to make an appeal to the citizens of the community to help with funds now. The time is short, and we want the people of San Diego to help and help now."

EXCHANGE QUOTATIONS AND EUROPEAN CURRENCY

Mr. COPELAND. Mr. President, may I have the attention of the Senator from Nevada [Mr. ODDIE]? I desire to ask the Senator what has become of Senate Resolution 95, referred to the Committee on Mines and Mining, providing for the reprinting of Senate document serial 8 on foreign exchange quotations and European currency and finance. Early in January I introduced a resolution (S. Res. 95) calling for the republication of that Senate document.

Mr. ODDIE. Mr. President, the Committee on Mines and Mining expect to have a meeting in a very short time with reference to that matter. I want to say that I consider the resolution a very important one. The subject matter included in it is worthy of the grave attention of the Senate, and I hope that something will result.

Mr. COPELAND. May I inquire if there is any opposition in the Senate to the project?

Mr. ODDIE. I have not heard of any opposition. It has not been brought before the Senate.

Mr. COPELAND. Does the Senator know of any Senator who is in opposition to it?

Mr. ODDIE. There was opposition to it two years ago from various Senators, but I think it can be explained in a very satisfactory manner to them at this time.

Mr. COPELAND. May I inquire of the Senator from Utah [Mr. SMOOT] what his attitude is regarding the matter of the reprinting of the Senate document relating to foreign exchange quotations and European currency and finance? I know that he has given much thought to the matter. There are so many inquiries coming from every section of the country that I am very eager to have the Committee on Mines and Mining take action in the matter. Does the Senator from Utah know of any opposition to the republication?

Mr. SMOOT. Mr. President, unless there is some real demand for it I can not see why it should be reprinted. There were a great many copies printed originally.

Mr. COPELAND. What would the Senator consider a great demand? I think I have had a letter from every bank in the United States and from every college and from everyone in the United States interested in the subject of finance. Is that a demand?

Mr. SMOOT. I do not know when those banks asked the Senator, but I do know the original issue was sent to banks wherever they asked for it up to the time this resolution was submitted.

Mr. COPELAND. May I ask the Senator in all kindness and with deference if he is opposed to the matter?

Mr. SMOOT. I would be opposed to it unless there is a real call for the document. I have never received a request from anyone except those to whom I sent copies of the document when it was originally published.

Mr. COPELAND. I shall take pleasure in showing to the Senator from Utah a great stack of requests from every part of the country for the publication brought up to date. I believe, without knowing anything about it personally, from the character of the persons who have inquired and the nature of the requests, that it must be a very valuable document.

Mr. SMOOT. I shall be glad to have the Senator submit the requests to me.

Mr. WALSH of Montana. Mr. President, may I inquire of the Senator from New York why he did not have the resolution referred to the Committee on Printing?

Mr. COPELAND. Because, in the first place, the report was gotten out by the Committee on Mines and Mining, and in order to bring it up to date there must be some further work done on it that seems to be within the purview of that committee.

Mr. WALSH of Montana. I understood that the resolution merely provided for a reprint.

Mr. COPELAND. It provides for a little more than that. It says:

The Committee on Mines and Mining be, and is hereby, authorized to revise to date and publish with illustrations—

And so forth. That, apparently, would require some little work.

ANNIVERSARY OF DEATH OF STONEWALL JACKSON

Mr. BLEASE. Mr. President, on the 10th day of May, 1863, there passed away at Guinea Station, Va., one of the greatest generals this country has ever known. My State, South Carolina, set apart that day as Confederate Memorial Day. I ask to have printed in the RECORD an article furnished me by Miss Anna Jackson Preston, sponsor for the South at the reunion at Little Rock on this day, being a short sketch of the life of her great grandfather, Gen. Stonewall Jackson.

I also ask to have printed an address delivered by Dr. W. E. Abernethy to the Daughters of the Confederacy at Statesville, N. C., on May 10, 1927, and a short article by Bishop Charles B. Galloway.

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

STONEWALL JACKSON

Thomas Jonathan Jackson, usually known as Stonewall Jackson, was born in Clarksburg, Va., now West Virginia, on the 20th day of January, 1824. He died at Guinea Station, Va., on the 10th day of May, 1863, being 39 years of age. He was the son of Jonathan Jackson, of Clarksburg, a promising and well-to-do young lawyer, and his beautiful and accomplished wife, Julia Beckwith Neale. His great grandfather, John Jackson, the first of the line in America, by birth a Scotch-Irishman, came from London about 1748, and located first in Maryland and later the western portion of Virginia. The Jacksons became in time quite a numerous family, owning large boundaries of mountain land. They were noted for their honesty, indomitable wills, and physical courage, holding many positions of public trust and honor in what was then known as western Virginia.

EARLY CHILDHOOD

When Thomas Jonathan Jackson was 3 years of age his father died with typhoid fever, contracted while he was nursing his little daughter who also died. He left a widow and three children in very limited circumstances. Mrs. Jackson, after recovering in a degree from the double shock—the death of her daughter and husband—supported her little family as best she could with her needle and by teaching school for about three years when she married Capt. Blake B. Woodson, a gentleman from eastern Virginia, of excellent family and delightful manners but visionary and unsuccessful. When her health became impaired the children were placed temporarily with relatives. A year later Jackson's mother died, and thus at the age of 7 he was left a penniless orphan.

One story most characteristic of him is that when about 12 years of age he appeared at the house of Federal Judge John G. Jackson in Clarksburg, and addressed his wife, saying, "Aunt, Uncle Brake [referring to the relative he was then living with] and I don't agree. I have quit him and will never go back any more." He never did, but walked 18 miles to the farm of Cummins Jackson, bachelor half-brother of his father. There he lived happily until he was appointed to West Point through the political influence of his Uncle Cummins, at the age of 18. Before going to West Point he held his only political office, that of constable, and satisfactorily discharged the duties of the office.

The first year at West Point, having had but indifferent preparation, he stood near the foot of the class, but each year by dint of untiring study he advanced steadily until he graduated No. 17 in a class of 60. One of his professors remarked that if there had been one more year in the course before graduation he would have led his class.

IN MEXICO

After graduating at West Point in 1846 he at once went to the Mexican war and served with distinction in the battles there, coming out brevet major, with a noble reputation for bravery and extremely popular with the Mexican people of the higher classes for whom he entertained to the end of his life great admiration.

AT LEXINGTON, VA.

In 1851 he became professor of military tactics at the Virginia Military Institute, Lexington, Va., known as the West Point of the South, at a salary of $1,200 per year and a residence. Lexington was at that time a small town in the midst of the Blue Ridge Mountains, also the seat of Washington College, now Washington-Lee University. The community at that time was largely dominated by the Presbyterian Church, whose pastor was Rev. William S. White, for whom Jackson formed a great affection. General Jackson was deeply interested in religious matters, and though baptised in the Episcopal Church, joined the Presbyterian Church the first year he was in Lexington.

In 1853 he married Miss Eleanor Junkin, daughter of Dr. George Junkin, president of Washington College. In a year his wife died. The young husband was heartbroken and his thoughts turned more than ever to religion. In fact, it was at this time that his intense religious nature began to assert itself outwardly.

In 1855 Jackson and Col. J. T. L. Preston, who was subsequently his adjutant general, organized a Sunday school for negroes in Lexington. Some local antagonism was aroused against them because slaves were taught to read and write in this school. The school was carried on successfully, however, up to the outbreak of the war.

On the 16th day of July, 1857, he was married to Miss Mary Anna Morrison, of Lincoln County, N. C., the daughter of Dr. Robert Hall Morrison, who founded Davidson College, Davidson, N. C., and Mary Graham Morrison, a sister of Gov. William A. Graham, of North Carolina.

IN THE WAR BETWEEN THE STATES

Though opposed to secession, Jackson, like many of the leading citizens of the South, was equally opposed to the coercion of the Southern States; and, therefore, promptly offered his services to the State of Virginia when war was declared against it, believing that his first and highest loyalty was to his native State.

Jackson had been commissioned by the Governor of Virginia to take charge of the State militia detailed to keep the peace during the trial and execution of John Brown at Charlestown in 1859. In a letter to his wife he gave an interesting account of this occurrence. At the actual outbreak of hostilities he spent his time drilling soldiers. He was then made colonel of the Virginia State troops. First at Manassas, he was given his famous sobriquet of "Stonewall," by General Bee, of South Carolina. His promotions to brigadier, major general, and lieutenant general were very rapid. His fame as a soldier rests largely upon what is known as the valley campaign, where in rapid succession he won a series of brilliant victories—McDowell, Winchester, Port Republic, Cross Keys, and Cedar Mountain. Of these he himself is said to have considered Cedar Mountain his greatest victory.

On May 3, 1863, in the midst of the brilliant victory at Chancellorsville, he was wounded by his own men, usually supposed to belong to one of the North Carolina regiments, and died a week later.

After half a century has elapsed, it is hard to realize the feelings of sorrow and hopelessness which swept over the South when the news of Jackson's death flashed along the wires. Everywhere men and women broke down and cried as though a beloved member of their own family had been taken. When the news of his death reached Europe the newsboys and porters in the hotels announced that "Stonewall Jackson was dead," for his was a familiar name throughout the world. The people of all nations felt a great soldier and a noble Christian hero had fallen, while in the hearts of the people of the South there was a deep and unexpressed fear that the cause which they loved so well had suffered an irreparable blow the day his casket with the Confederate flag wrapped around it was placed in the cemetery at Lexington.

It is not our purpose to attempt any eulogy of Jackson's career as a soldier. The English historian, Colonel Henderson, probably the greatest military critic of the nineteenth century, says that he was in no way inferior to Wellington, Napoleon, Lee, or any of the great generals of history. He was one of the few generals who was never defeated, and without any effort on his part maintained the confidence and admiration and, one might say, the adoration of all his troops.

APPEARANCE AND CHARACTERISTICS

In private life Jackson was a simple, rather silent Scotch-Irish, Presbyterian gentleman, with large blue eyes, pensive and deep; dark-brown hair, which was very slightly curly and worn rather long; about

5 feet 11½ inches in height, with a fine, full figure. His complexion was fair, almost like a girl's, except when tanned by outdoor exposure. He was noted for his politeness, gentleness of manner, and love of children. While never talkative, he felt always the duty when in society to be responsive to the conversation of others, and was at times a delightful companion and full of pranks and humor, though these occasions were rare. His habits of life were methodical and rigid. According to Dr. R. L. Dabney's Life of Jackson, he always rose at dawn, had private devotions, and then took a solitary walk. When at home family prayers were held at 7 o'clock, summer and winter, and all members of his household were required to be present, but the absence of anyone did not delay the services a minute. Breakfast followed, and he went to his classroom at 8 o'clock, remaining until 11, when he returned to his study. The first book that then engaged his attention was the Bible, which was studied as he did other courses. Between dinner and supper his attention was occupied by his garden, his farm, and the duties of the church, in which he was deacon. After supper he devoted his time for half an hour to a mental review of the studies of the next day, without reference to notes, then to reading or conversation until 10 o'clock, at which time he always retired. There was no variation in this daily program.

There were certain maxims of his life which had much to do with framing his character. One was that "you can be what you resolve to be," the other, "do your duty." His last works are supposed to have been, "Let us cross over the river and rest under the shade of the trees," though others of the attendants at his bedside tell us that the last words were, "Soldiers, do your duty."

General Jackson left one infant daughter, 6 months old, whom he had the privilege of seeing upon only one occasion, when Mrs. Jackson visited him in camp. He named her Julia Neale, for his mother, and in 1885 she married Capt. William E. Christian, of Richmond, author and newspaper man, now living in Washington, D. C. She died in 1889, leaving two infant children, the oldest, Mrs. Julia Jackson Christian Preston, wife of Randolph Preston, an attorney, lives in Charlotte, N. C., and has five children; the youngest, a boy 18 months old, bears the name of his great-grandfather. Mrs. Christian's son, Thomas Jonathan Jackson Christian, is a major in the United States Army, now stationed (1928) at the University of Chicago. He married Miss Bertha Cook and has two children, a boy, Thomas Jonathan Jackson Christian, jr., aged 11, and a girl, Margaret, aged 7.

General Jackson left surviving him an only sister, Laura, the wife of Mr. Jonathan Arnold, of Beverley, W. Va. This sister survived him until the year 1911, when she passed away at the age of 85 years, leaving one son, Hon. Thomas Jackson Arnold, and a number of grandchildren surviving her.

Mrs. Mary Anna Jackson, the widow, lived in Charlotte with her granddaughter until March 24, 1915, when at the age of 83 she passed to her reward. Her Christian faith, great wisdom, and cheerful, courageous disposition marked her as a most unusual woman. Her plan of life was as simple as her husband's, which consisted of finding out each day what she believed to be her duty, through prayer, Bible reading, and meditation, and then doing it uncomplainingly and with as little affectation as possible.

In 1907, when offered a pension by the Legislature of North Carolina, though she greatly needed it, she authorized one of her relatives, then a member of that body, to say that she preferred the money be given to help needy soldiers, or to found a school for wayward boys. At this session there was chartered the Stonewall Jackson Training School, one of the greatest institutions of its kind in America, and certainly the name it bears is an appropriate and inspiring one for the 500 boys enrolled there.

General Jackson's life was representative of the simple virtues for which the South was noted—honesty in thought, speech, and action, freedom from sordid ambition for wealth or notoriety, a high sense of honor and chivalry, unselfish patriotism, and benevolence toward his fellow men. To these traits were added an absolute reliance upon God, and trust in His providence as guarding, guiding, and controlling the daily lives of His servants.

Heroes of the Sixties

(Address delivered before the Confederate Veterans and Daughters of the Confederacy in Statesville, N. C., May 10, 1927, by Dr. W. E. Abernethy)

Daughters of the Confederacy, old veterans, ladies, and gentlemen, when Pericles ascended the hustings to deliver an eulogy over the Athenians who had fallen at Samos, he prayed to all the gods that he might utter no word unworthy of their fame. In some such spirit I approach the discharge of the duty with which you have honored me to-day.

In that memorable year of Our Lord 1860, no lovelier land lay under the circuit of the sun than that which in terms of tender endearment we call the "Old South." Here nature had lavished all her treasures. Mountains lordly as Olympus broke the hurricane's wing and the cyclone's wheel, standing sentinels around hills of embannered grain. Valleys fertile as the deltas of the Tigris or the Nile, clad in cotton, echoed to the happy songs of contented slaves. Mines rich as Golconda locked the sunshine of buried centuries in their vaults. Virgin forests rivalling those of Lebanon rang with the riotous carnival of the southern birds. Lakes, lovely as Leman or Lucerne, mirrored the sky as blue as that which bends above the Bay of Naples. Here dwelt a peaceful, pastoral people, living in Acadian simplicity, bowing to none but God, loving the old flag which their fathers had followed, and the Union which they had fashioned, coveting no man's goods, meddling with no other's conscience; utterly content only to be let alone in the home which the good God had given them, in possession of the rights clearly guaranteed them under the Constitution.

The flowers of the fateful summer of 1861 were not full blown when the sound of the sullen battery had supplanted the songs of peace. Eleven sovereign Southern States stood in embattled array on the border of our beleaguered land, lifting a new banner to the breeze against the old flag of our fathers, and striving to the utmost of human valor to sever by the sword the bond of an intolerable union. Were they right or wrong? On these memorial days it is just and right that we appeal for the verdict of history. It makes a material difference in our own self-respect as to whether we regard ourselves as the sons and daughters of patriots or traitors.

Lowell, in his address on Lincoln, says: "The impatient vanity of South Carolina hurried 10 prosperous Commonwealths into a crime." That I deny to-day with deep indignation. The assertion that our fathers would shatter the Union for the sake of slavery is the frothing of a flannel-mouthed fool, and deserves to be answered in language too lurid for the lips of a preacher. They fought for the Constitution as its framers understood it. Why should the South desire to destroy the Union? It was born in the brain of a southern sage; its freedom was won by the sword of a southern soldier, and it had been graced by the genius of southern statesmen.

The first Declaration of Independence was made in Charlotte in 1775; the first call for a Continental Congress came from Richard Henry Lee, of Virginia, in 1774. The national Declaration of Independence was drawn by Thomas Jefferson in 1776, James Madison, of Virginia, was called "the Father of the Constitution." The new Government was organized by the same southern soldier who had won our freedom. It was not in a fit of passion that our fathers broke the bonds of the Union, but it was because there was nothing else to do. I boldly assert that secession was justified by the Constitution, and, beyond that, by the right of revolution.

First, as to the Constitution: The original thirteen States were settled as separate and sovereign. The Declaration of Independence declared they were free and independent States. The treaty of peace with Great Britain called them by separate names as sovereign and independent States. Under the articles of Confederacy and Perpetual Union, the States reserved their separate sovereignty, and limited Congress to an "express" delegation of power. It was on motion of Richard Henry Lee, of Virginia, the convention was called to "revise the Articles of Confederation and Perpetual Union." That convention gave us the Constitution drawn by the hand of James Madison. It was not then, but years later, that the enemies of the South came to the conclusion that when the Constitution supplanted the Articles of Confederation, then the supreme sovereignty passed from the States to the Federal Government. At the time of its adoption everybody believed that the States were sovereign, and the Federal Government was but the servant; that it was a government not of the people but of the States. Nobody dreamed that the States were creating a corporation whose clutch later would choke its makers. The Federalists came to camp in the preamble, and bowed in worship before the words, "We, the people," ignoring the fact that the words "people" and "States" were used in the same sense in the ninth and tenth amendments. In the ninth: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people." Then, in the tenth: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, or reserved to the States, respectively—or to the people." Under article II of the Constitution and the twelfth amendment, the President was not—and is not to this day—elected by the people but by the States through electors appointed as the State legislatures should direct—and on failure to so select he should be chosen by the States in the lower House of Congress, each State having one vote. Under article 1, the Senators were to be elected not by the people but by the States through their legislatures. All the justices of the Supreme and Federal Courts were elected not by the people but appointed by the President by consent of the Senate, both of which were creatures not of the people but of the States. It was not by accident or oversight that the word "perpetual" was left out of the new Constitution, for no man of that day dreamed that the States had surrendered their right at any time and for any reason to withdraw from the Union as freely as they had entered it.

Without this understanding, so notorious that it was not even discussed, not a single State would have entered the Union. Very early the course of events proved this true.

In 1797, John Adams, suffering from fatty degeneration of the ego, had Congress pass the alien and sedition laws, under which he, without any process of law, could banish any alien or imprison any citizen whom he disliked. It was answered by the Kentucky resolutions drawn

by Thomas Jefferson. Surely he knew what sort was our Government. Those resolutions recited: "The Federal Government is one of delegated powers for special purposes; each State reserves the residing mass of right to itself; when the General Government assumes undelegated powers its acts are null and void; each State has the right to judge for itself as to the infraction and the mode and measure of redress." In the selfsame year Virginia passed some resolutions drawn by Madison, "the father of the Constitution." Surely he knew what the Constitution meant. Those resolutions said: "We will defend the Constitution and the Union; the Federal Government is a compact of States; it is limited by the plain terms of the Constitution, and its acts are invalid if not authorized by grants in the Constitution; in case the General Government exceeds its granted powers the States have the right and duty to interpose."

There is hardly a State in the Union that has not at one time or another claimed the right of nullification or secession—they amount to the same thing. Josiah Quincy the younger proclaimed in Massachusetts the right of a State to nullify any act of Congress for any reason. In 1791 Congress laid a tax on liquor. Pennsylvania answered it by the "whisky rebellion." Utterly ignoring two proclamations of President Washington, she captured the Government officials. By strange coincidence it was the father of Robert E. Lee, "Light Horse Harry," who was sent by Washington to put down that rebellion.

In 1807 Congress passed the embargo act. All the New England States entered into a conspiracy with England and with Sir James Craig, Governor of Canada, to secede from the United States and unite with Canada, and they employed as their agent a naturalized Irishman named John Henry for the sum of $5,000. All that stopped it was the repeal of the embargo. In 1812 Congress passed an act declaring war with Great Britain, and President Madison called on the States for troops. Massachusetts and Connecticut spurned the act and the call. The Massachusetts Legislature said, "We spurn the idea that the free, sovereign, and independent State of Massachusetts is reduced to a mere municipal corporation without power to protect itself from oppression from any quarter." Where was the lordly Daniel Webster then? We listen in vain for that stentorian voice. But this is not all. The Legislature of Massachusetts issued a call for a convention of all the New England States; and they met in Hartford in 1814. For three weeks they sat behind locked doors. An officer of the Government watched them as far as he could. We know only what they gave out: They demanded that the war with England should stop at once; they denied the right of the General Government to call or control State troops; they declared the right of the States to nullify any act of Congress and to resist its enforcement by any means in their power. Where, oh, where was the lordly Daniel then? There is no doubt nor room for doubt that the New England States would have seceded from the Union then if the war had not stopped.

In 1816 Congress passed an act incorporating the United States Bank. The Legislature of Maryland declared the act unconstitutional, and, though overruled by the United States Supreme Court, the supreme court of Maryland, in the case of McCulloch *v.* Maryland, sustained the nullification. As early as 1793 James Iredell, of North Carolina, then a justice of the United States Supreme Court, said in Chisholm *v.* Georgia that the States were completely sovereign in regard to the powers they had not delegated to the Federal Government; as late as 1830 the Legislature of North Carolina refused to pass a resolution denying the right of secession, and in 1832 Senator Nat Macon said any State could withdraw from the Union on first paying its proportional part of the national debt.

Amidst all the thunder of fierce debate that shook the national forum from 1820 to 1860 historians concede that the position of the North was more moral; that of the South more logical. In the Senate of 1830 the speech of Hayne was an unanswerable argument for the Constitution; that of Webster an unanswerable plea for the Union. But while the right of secession slept in the Constitution like a sword in its scabbard, the Southern States would never have drawn it forth if they had not been harried and harassed beyond all endurance. Virtually the South was driven out of the Union by a rabid northern majority ruled not by reason but by the white-hot logic of passionate fanaticism.

Slavery was not the cause of the war; it was merely incidental. The position of southern leaders was expressed in the words of Lee: "Secession is anarchy. If I owned the 4,000,000 slaves, I would give them all for the Union." The colonial South was opposed to slavery, it was forced on her by New England States' slave traders who bought the slaves with New England liquor. At one time Virginia and Georgia comprised all the Southern States of the original thirteen. Twenty-three successive times the Legislature of Virginia refused to receive the slaves; but under the influence of Massachusetts slave dealers, poor, crazy King George forced Virginia to let them in. George Whitfield, cofounder of Methodism, dumped a cargo of slaves on Georgia over the bitter protest of the governor.

Moreover, it was the Northern States that set slavery in the Constitution as an integral part of it. Its adoption was effected by nine Northern States with a population of 2,000,000 and four Southern States with a population of 1,000,000. But it was soon found that negro slavery was not profitable in the North. With the coming of the cotton gin it became immensely profitable to the South.

When the Northern States had sold their slaves to the South they caught a malignant case of religion; slavery was a sin and must be suppressed. In 1908 a North Carolina barkeeper was converted, he sold his bar to his brother, and joined the church, and adopted the slogan of the Anti-Saloon League, "To hell with liquor." That was now the northern attitude. Press, platform, and pulpit poured forth a fiery denunciation of our people.

The happy relation between the slaves and Ol' Marse and Ol' Missus was colored by the lurid light of frenzied fiction. The Methodist Episcopal Church was sure we were going to hell without a return ticket. In 1844 James Andrew, of Georgia, was bishop. He had married a wife. In fact, he had married two wives. Both of them held inherited slaves. Andrew was opposed to slavery. He said to the slaves, "You are free so far as I can set you free; go in peace." But they would not go. Andrew made this frank, manly statement to the general conference of 1844. They kicked him out, and the South went with him.

Every so-called "compromise" in Congress was really a concession by the South to save the Union. In 1820 the Missouri compromise barred slavery from all territory north of 36° 30'. That was clearly unconstitutional, but the South submitted. In the case of California in 1850 the northern majority killed its own Missouri compromise because part of the State lay south of the dividing line. Again the South submitted. In 1854 Kansas and Nebraska knocked at the door. Douglas proposed his squatter sovereignty; that is, let the States decide for themselves by popular vote. The rabid abolitionists now untombed and paraded their own baby, which they had smothered—the Missouri compromise. Douglas won, and the battle of ballots was on in Kansas. Proslavery won at the polls. The duly elected legislature met at Lecompton, drew up a constitution, and sent their Delegate to Congress. The abolitionist, defeated and disgruntled, seceded, withdrew to Topeka, and set up an independent government. Again the battle was on—not of ballots but of bullets.

Then, in 1857, came the Dred Scott decision. Dred Scott was a Missouri slave who had sued for freedom. The United States Supreme Court said, "Negroes are not citizens and can not become so by any process known to the Constitution. They can not sue or be sued. They are only chattels in law. The Constitution gives the owner the right of taking them as property into any State or Territory. Therefore the Missouri compromise and all other compromises are null and void."

This decision, mark you, was effected by northern and not southern judges. On the bench sat five northern and four southern justices—Taney, of Maryland; Grier, of Pennsylvania; and Nelson, of New York, voted for the decision. Fondly our fathers dreamed that this settled the matter forever. Then the abolitionists began to "cuss" the court and the Constitution. Thad Stevens said that Taney went to hell for that decision. The Constitution was denounced as a "Covenant with hell and a league with death."

The fugitive slave law was annulled by the passage of "personal liberty" bills in the following 14 States: Connecticut, Illinois, Indiana, Iowa, New York, Massachusetts, Michigan, Maine, New Jersey, New Hampshire, Rhode Island, Pennsylvania, Wisconsin, and Vermont.

Then came the election of Lincoln. It has been charged that the election of Lincoln was not sufficient to justify secession. Standing as an isolated incident, this might be true. I know Lincoln said in his first inaugural that he had no purpose or power to interfere with slavery in the States and no express power to interfere with it in the Territories. But Lincoln, with all his power, would have been but a feather in the tempestuous passion of the party which elected him. They declared slavery was a sin and must be suppressed. Lincoln himself had said, "The Nation can not survive half slave and half free."

As a last gesture of despair the South threw a "sop to Cerberus" in the Crittenden resolution of 1860, offering to restore the Missouri compromise. Douglas, Davis, and Stevens believed its passage would restore peace and save the Union. It was beaten by northern votes. The Southern States were given to understand that they could remain in the Union only when shorn of their sovereignty and under a constitution regarded as a rotten rag. So, justified by the Constitution and clean of conscience, the South rescinded the ordinances under which she entered the Union.

When South Carolina resumed her separate sovereignty, then all her forts and arsenals reverted to her rightful possession. She sent Adams, Barnwell, and Orr to Washington to negotiate for their peaceable surrender. In answer the Government sent the *Star of the West* with reinforcements for Fort Sumter. This was a flagrant invasion; this was the first act of open war. The shot from the Confederate batteries in Charleston Harbor was the answer to that invasion.

The story of that struggle against such fearful odds has become the wonder of the world. On one side was a nation of 22 States and 10 Territories, with a population of 21,000,000 of white people, whose starry standard shone on every shore and sea of the planet. She had her army and her navy, her factories and munition plants, and the unlimited credit of the world.

We had 11 States, with a population of 10,000,000, including 4,000,000 slaves. New York, Pennsylvania, and Ohio together could send two fighting men to our one into the field. We were without army or navy, without factories for clothing or weapons, without the recognition of a single nation, practically without arms save such as freemen may find or fashion in the hour of oppression. Yet, with unfaltering faith and undaunted daring we unrolled the "Southern Cross" to the sky above the bravest, truest men that ever marched to war's wild music.

Never were men better lead than by the stainless sword of that superbest soldier of the centuries, Robert E. Lee, and never was a leader more faithfully followed than by the heroes in gray.

Eulogy knows no language nor language any eulogy to fashion a fitting wreath for Lee. Nor was self-sacrifice more sublime than when he gave up his princely home rich in tender and heroic memories, resolutely refusing the supreme command of the Nation's Army, to live or die with his people. He well knew that our cause was hopeless without the recognition of some great nation, yet he said: "We have a duty to perform."

"His was all the Norman's polish and sobriety of grace,
All the Goth's majestic figure, all the Roman's noble face.
And he stood the tall examplar of a grand heroic race.
Truth walked beside him always
From his childhood's early years,
Honor followed as his shadow; valor lightened all his cares;
And he rode—that grand Virginian, last of all the Cavaliers."

The genius of Napoleon; the courage of Cæsar; the fortitude of Wellington; the devotion of Leonidas; the chivalry of King Arthur; and the purity of Chevalier Bayard—all met and mingled in the perfect character of Robert Lee. Grand as he led his legions in the land of the Montezumas, grander as he rode "Old Traveler" along the dusty line of gray, grander still as he rode through the smoking streets of his conquered capital and heard the applause of the victors, grandest of all as, with the mist of unshed tears in his eyes, he faced his fate at Appomattox.

For one moment there came to his soldier soul the desperate dream of a final charge. "How easy," he said, "to ride along the lines and end it all!" He knew that at the flashing of his blade every tired, ragged southern soldier would die with him there. But above the sulphurous smoke of battle rose the vision of the stricken South, and he said: "We must live for our people." Sadder words never leaped from lips of mortal than these, "Men, we have fought through the war together; I have done my best for you; my heart is too full to say more." The greatest man of the Old Testament, Moses, cried to God: "Save my people; if not, blot out my name from Thy book!" The peerless man of the New Testament, St. Paul, said: "I could wish myself accursed from Christ for my kinman according to the flesh!" On that supreme height with these heroic souls stands Robert Lee, as he sacrificed all for his people.

What shall we say of the "Bluelight Elder," Stonewall, the unconquered and unconquerable? He never lost a battle and he never entered one without a prayer to God. Every old veteran of the Shenandoah campaign will recall the sharp command: "Halt!" and the dust-brown ranks stood with bowed heads while he lifted his gauntletted hands to Heaven. Then the clear, crisp command: "Hold your fire till you come within 50 yards of the enemy; then fire, and give them the bayonet, and when you charge yell like devils!" No line ever withstood that fiery onset. Hugo said of Napoleon that he embarrassed God. An all-wise Providence had to take Stonewall Jackson to Heaven before the Confederacy could fall.

But while we pay loving tribute to-day to our leaders, Lee and Jackson, Stuart, Johnston, and the long roll of fame, we would not forget the common soldier. We are told that Sir Christopher Wren built St. Paul's and Michaelangelo built St. Peter's, we hear nothing of the common workmen who translated their dreams with trowel and chisel. History heralds the proud admiral who wins the sea fight; it forgets that the men who handle the guns on the blood-besprinkled decks and the stokers down below the water line feeding the furnace—these made victory possible. We sing of the general with gleaming spur and shining epaulette riding along the line; sometimes we forget the unsung soldier standing in the trenches. No bulletin of war to blazon his name; yet in simple, heroic devotion, he does his duty and crowns his leader with victory.

Veterans of the South, I salute you reverently. Your record has become the priceless heritage of history. For four fearful years, through cold and hunger and homesickness, you fought on and on, undreaming of surrender. You were never conquered by Yankee blades or bullets. A deadlier enemy struck from the rear. The unuttered need of our defenseless women and children at home clamored for your aid. God never made more heroic women. Their tender hands, unused to toil, were called to crush the nettle of war. They slept in naked beds, for the sheets were gone to stanch the soldier's blood. The fields were untilled, for the plow horse was pulling the cannon. Food was scarce and money worthless. A calico dress cost $500; flour was $500 a barrel; corn, $30 a bushel; potatoes were $30 a bushel; bacon was $7.50 a pound; eggs were $5 a dozen; sorghum molasses $20 a gallon; yet our more-than-Spartan mothers locked their lips in silent suffering, and sent cheering messages to the front.

Your valor was unconquerable, your defeat was decreed in the chancery of heaven. An iron pen dipped in blood, wrote into the Constitution an interpretation never meant by its framers but one necessary to the perpetuation of the Union. God Almighty needed this undivided Nation. Among the old Hebrews, when a lasting covenant was made each of the contracting parties opened a vein in his arm, and they let their blood flow in a common stream. This blood covenant was irrevocable. So in the red blood of the North and of the South poured together on many a battle field a bond of Union was made which never shall be broken.

To-day you are facing a deadlier enemy than the boys in blue; you are getting old. The shadows are lengthening, and the days are darkening. The thin gray line is growing thinner and grayer. Only a few fleeting years and the last old veteran shall have crossed the river to rest with the leaders under the shade of the tree of life. But into the shadows of old age and into the darkness of death you shall be followed by the reverent regard of our men and the gentle ministries of our women.

When Alexander stood by the tomb of Achilles he said: "O happy Achilles, to have had Homer for your herald." So fortunate are you to have the dear daughters of the Confederacy to guard your memory and garland the graves of your comrades.

Daughters of the Confederacy, I salute you lovingly. No nobler ministry was ever committed to more faithful souls than that of yours to scatter sunshine over the darkening pathway of living veterans and scatter the fragrant flowers of spring over the graves of the dead. They shall live forever in the love and memory of a brave people.

The wild rose of spring dashed with the dews of dawn and sweet with the meadow's breath, the flaming laurel on the sloping highlands, and the shrinking violet in the lowly dell—all are fragrant with their memory. The song birds and the babbling brooks shall chant their names. Nature's cathedral voices, the soft south winds shall breath their story to the hills, and old ocean shall peal, like some mighty anthem to the star of heaven.

"The meanest rill, the mightiest river,
Rolls mingled with their fame forever."

A JUDICIAL ESTIMATE OF JEFFERSON DAVIS

That which preeminently signalizes the public character and parliamentary career of Jefferson Davis was his sincere, unwavering devotion to the doctrine of State sovereignty and all the practical questions that flowed therefrom. He held with unrelaxing grasp to the fundamental fact that the Union was composed of separate, independent, sovereign States, and that all Federal power was delegated, specifically limited, and clearly defined. The titantic struggles of his entire public life were over this one vital issue, with all that it logically involved for the weal or woe of his beloved country. The insistence of Mr. Davis and his compatriots was that the Constitution and laws should be obeyed, that the individual sovereign States must regulate their own domestic affairs without Federal interference, and that their property, of whatever kind, must be respected and protected. They resisted any invasion of the State's right to control its own internal affairs as a violation of the sacred Federal compact.

And, by the way, our present-day political discussions are eloquently vindicating the patriotic jealousy of Mr. Davis for the rights of the States. The most significant fact of these strenuous times is the solemn warnings in endless iteration and from both political parties against the ominous encroachment of Federal authority. More and more the Nation is seeing that Jefferson Davis was not an alarmist or an academical theorist, but a practical, sagacious, far-seeing statesman, when he contended so persistently for the rights and unconstrained functions of each member of the Federal Union. And it is an interesting and suggestive fact that the latest historians and writers on constitutional government sustain this fundamental contention of southern statesmen.

Mr. Davis wrought with all his great ability and influence to preserve the Union. He favored and earnestly advocated the "Crittenden resolutions" on condition that the Republican members of the peace committee would accept them. Had they not stubbornly refused (and they did it at the advice of Mr. Lincoln), war would have been averted and the dissolution of the Union prevented or postponed.

By the sacred political convictions which had inspired his every public and patriotic service Jefferson Davis consistently lived to the end. Without compromise or modification and with never a suggestion of contrition or concession, he died in the accepted faith of his fathers. And for that fearless and unshaken fidelity to his honest conception of truth and duty the South will continue to adore him, the world will never cease to admire him, and with a wreath of unfading glory the genius of history will not fail to crown him. Had he ever recanted or even compromised, had he ever apostatized or even compromised, had he shown in any way that his often-reiterated doctrines were not the

undying convictions of his sincere soul, had he ever pleaded for pardon on the ground that he had misconceived the truth and misguided his people, the South would have spurned him, the North would have execrated him, and the verdict of history would have deservedly and eternally condemned him. But in the calm consciousness of having done what sacred duty and the cause of constitutional liberty demanded to the end of his days he walked with a steady step that knew no variableness or shadow of turning. The banner under which he fought went down in clouds and gloom, but was never furled by his hands. (Bishop Charles B. Galloway.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H. R. 5297. An act for the relief of Christine Brenzinger; and

H. R. 10799. An act for the lease of land and the erection of a post office at Philippi, W. Va., and for other purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 10360) to confer additional jurisdiction upon the Court of Claims under an act entitled "An act authorizing the Chippewa Indians of Minnesota to submit claims to the Court of Claims," approved May 14, 1926.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11026) to provide for the coordination of the public-health activities of the Government, and for other purposes.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. CARAWAY. Mr. President, in lieu of the amendment I offered yesterday afternoon and which is to be voted on this morning, I wish to offer as a substitute the amendment I send to the desk. I ask the clerk to read it, and I should be very glad if those Senators who are interested in it would listen to the clerk's reading.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 205, after line 12, in lieu of the committee amendment striking out lines 12 to 14, inclusive, it is proposed to insert:

Upon each sale, agreement of sale, or agreement to sell (not including so-called transfer or scratch sales) any products or merchandise at, or under the rules or usages of, any exchange, or board of trade, or other similar place, for future delivery, for each $100 in value of the merchandise covered by said sale or agreement of sale or agreement to sell, 50 cents, and for each additional $100 or fractional part thereof in excess of $100, 50 cents: *Provided*, That if any person who shall contract for future delivery of cotton or grain shall furnish an affidavit stating that he is the owner of such cotton or grain and that he has the intention to deliver such cotton or grain, or that such cotton or grain is at the time in actual course of growth on lands owned, controlled, or cultivated by him, and that he has the intention to deliver such cotton or grain, or that he is at the time legally entitled to the future possession of such cotton or grain under and by authority of a contract for the sale and future delivery thereof previously made by the owner of such cotton or grain, giving the name of the party or names of parties to such contract and the time when and the place where such contract was made and the price therein stipulated and that he has the intention to deliver such cotton or grain; or that he has the intention to acquire and deliver such cotton or grain; or that he has the intention to receive and pay for such cotton or grain, shall in that event pay no taxes. But if such affidavit shall be made willfully false, then the maker thereof shall be guilty of perjury and upon conviction be punished as provided by law.

Mr. CARAWAY. Mr. President, if I may have the attention of the Senate for a few moments, let me say that the amendment just offered in lieu of the one we discussed yesterday afternoon will prevent what is called short selling. It would not prevent anyone who owns cotton or grain or who has it in course of production or who holds a contract from some one who has it or has it in course of production from selling that contract. It would not prevent the mill hedging on that sort of a contract. It would tax rather heavily those who sell what they have not and what they never will have to those who do not want it and never expect to receive it. That is what the amendment in its present form does. Under it anyone may sell for future delivery without tax anything he has or has in course of production or that he has under contract to buy.

The evil lies not in the sale for future delivery; no one objects to a man selling what he is going to produce to be delivered in a number of months thereafter; no one objects to a mill which is engaged in spinning cloth buying from somebody who is going to have the raw material in advance of the time it manufactures the product. We object only to people selling what they never have and never expect to have.

Mr. OVERMAN. Mr. President, may I ask the Senator a question for information?

Mr. CARAWAY. I will be glad to answer the Senator.

Mr. OVERMAN. Suppose a cotton mill wants 10,000 bales of cotton delivered and authorizes me as a broker to hedge for it on that contract—I call it a contract, but I will say its purpose to buy.

Mr. CARAWAY. In other words, it wants to buy a contract for a future delivery of 10,000 bales.

Mr. OVERMAN. Yes.

Mr. CARAWAY. The mill may do that, but before it can be sold to the mill you must hold a contract from somebody who has that cotton or somebody who is growing that cotton.

Mr. OVERMAN. I could not, then, telegraph to the cotton exchange to buy 10,000 bales.

Mr. CARAWAY. You could; but nobody on the exchange could sell it unless he had a contract from somebody who is going to own it. For instance, about 6,000,000 bales of American cotton, in round numbers, is all that is spun in America in a year. Yet they sell on the exchanges in the United States in excess of 200,000,000 bales.

It has been said by the defenders of this system that a future contract, a hedge contract, may be sold five or six times over. Granting that—though I do not think anybody ever has been able to establish it—there would be use for only twenty-five or thirty million of future-contract sales to take care of every bale of cotton that is to be spun in America. Instead of that, they sometimes sell that much on the exchange within a week; and against that we protest.

I have in my hand a letter from the Direct Sales & Finance Co., a concern of Fall River, Mass., with main office at Franklin Building, 100 Purchase Street, Fall River. The letterhead bears the legend "Grower to mill." They handle about 135,000 spot bales a year, and possibly are the largest concern selling directly to the mills in America. If I may trespass upon the time of the Senate for a few moments, I wish to read the letter. It is under date of April 7, 1928, and it is addressed to me:

I have your letter of April 4, and have handled as much as 135,000 bales of cotton in one season in this section.

I might say that I wrote a letter to the company to ascertain how much they handled.

I feel that the manipulation which is possible in New York has seriously interfered with the free movement of cotton and is one of the important factors disturbing the textile industry to-day.

One of the mill men in this section, who is also a national figure in the textile industry, informed me yesterday that there was a lack of confidence in cotton goods, going back to the retailer. This was caused by the steady decline in prices during the present season and may take considerable time to adjust itself.

I am thoroughly familiar with the working of the cotton exchange, having traded in rather a large way and also tendered and taken up cotton from the New York stock. All of the following statements are of facts of which I have personal knowledge and on which I can give exact information and names if desired.

In 1923 the cotton business was disrupted by a corner managed by Cooper & Griffin, which cornered March, May, and July. Early in that season I hedged staple cotton, with the market around 29 cents, which was worth at the time in the neighborhood of 36 cents.

Due to the manipulation the New York market advanced to over 35 cents, mills in this section practically stopped buying cotton entirely, and, although I had a loss of over $3,000 in each future contract, the cotton which I had hedged had shown no advance whatever, and was unsalable to the mills even at contract price.

This situation became so serious that mills closed down a great deal of machinery, purchased practically no cotton, and finally in July many of them tendered on New York contracts the cotton which they had in their warehouses. It was more profitable for them to do this than to run the mill; and this consumption which was lost removed this buying power from the market, with a consequent decline to owners of cotton after July contracts had expired.

The latter part of July I tendered on two July contracts cotton at about 35½ cents, when similar cotton could be purchased at the same time in the South at slightly over 29 cents. At that time it was impossible to get cotton from the South into New York in time to tender; and, if my memory is correct, the difference between New York and New Orleans was approximately 6 cents a pound.

Anyone who had hedged cotton during the spring or summer, and who did not tender it, had a very serious loss; and those who did tender were only able to lessen in a small way this loss, which must have been

very serious to a great many owners of cotton. I know it was very expensive to us; and the high market in New York was of no advantage to the southern owner of cotton, as he was not in a position to take advantage of it, as it had curtailed the buying of actual cotton.

There is quite a long letter here arguing it out, the result of which is that in his conclusion the grower of cotton lost heavily on the manipulation in the futures market. Doubtless the Senators from Massachusetts, who are familiar with textiles, will know this concern, and know whether it is reputable or not. It is the Direct Sales & Finance Co., of Fall River, Mass. It offers to make good by giving the names and dates of the transactions to anyone who wants to know about them.

Mr. President, I offer this letter to be printed in the RECORD.

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

The letter is as follows:

DIRECT SALES & FINANCE CO.,
Fall River, Mass., April 7, 1928.

Hon. T. H. CARAWAY,
Washington, D. C.

DEAR SIR: I have your letter of April 4, and have handled as much as 135,000 bales of cotton in one season in this section.

I feel that the manipulation which is possible in New York has seriously interfered with the free movement of cotton and is one of the important factors disturbing the textile industry to-day.

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Anyone who had hedged cotton during the spring or summer and who did not tender it had a very serious loss, and those who did tender were only able to lessen in a small way this loss, which must have been very serious to a great many owners of cotton. I know it was very expensive to us, and the high market in New York was of no advantage to the southern owner of cotton, as he was not in a position to take advantage of it, as it had curtailed the buying of actual cotton.

It is possible for New England to ship cotton into New York and tender within 48 hours, and I knew the mills in this section had shipped in considerable long-staple cotton late in July. In addition to the cotton which was shipped into New York, Cooper & Griffin agreed to buy cotton from certain mills and resell it to them provided the cotton could not be tendered on any contract in which they had an interest. They also purchased in the South cotton owned in the Eastern States which could have been tendered, and by holding this cotton off the market they were in a position to penalize all persons who were short the New York market, either as a speculation or as a legitimate hedge.

Knowing that this cotton was in New York and also that mills had practically no cotton to run, I got in touch with Mr. McCuen, who was handling the details of the cotton in New York for Cooper & Griffin. They had taken up, I believe, in the neighborhood of 65,000 bales, which was all of the cotton tendered. In this there were several thousand bales of staple cotton, a large part of which I purchased and which was shipped to New Bedford.

The handling of the market in 1923 was for no legitimate purpose. It was an absolute corner, run for the purpose of making money out of the shorts and for no other purpose. Cooper & Griffin gave plenty of warning of what they were doing and most of the New York brokers were familiar with what was going on. It was the legitimate cotton shipper who used the market as a hedge who was hurt and all owners of cotton indirectly by depriving them of a market for their actual cotton by maintaining fictitious values of which they were unable to take advantage.

These same people ran a corner in 1920, when futures were forced to 43 cents, followed later by a decline in the following months to very nearly 10 cents. To blame all of the subsequent declines on the corner would probably be incorrect, but they unquestionably made the subsequent declines more serious.

Since this corner, manipulation has tended in the other direction by keeping in New York under control of one organization practically all of a large stock in New York.

I have considerable sympathy with the attitude of Mr. Clayton in his controversy with the New York exchange, as he has at least handled actual cotton, whereas most of the active members of the exchange have been out of the cotton business for some time or have never engaged in the handling of actual cotton.

I believe that Mr. Clayton is correct when he says that if he did not control the market it would be impossible for him to do business; but, on the other hand, this is very little satisfaction to the small dealer in cotton who finds it impossible to make a profit in the face of competition as it is to-day.

Early this season, owing to the scarcity of low grades in the present crop, we tried to purchase in New York on a basis to figure more than 100 points over the contract price low middling contract cotton. There were at that time over 30,000 bales low middling value cotton in New York, but we found that no one would sell this cotton and either did not care to or were afraid to interfere with the owners of the stock.

I can not see why the tendering of 100,000 to 200,000 bales of cotton on first notice day is necessary for the protection of hedges. There are few, if any, dealers in New York who would be able to take this entire stock as tendered. For this reason it forces out of the market every owner of a contract and makes it impractical to own contracts after the 15th of the month preceding the contract month. This, of course, keeps the spot month down, and as actual cotton, to a large extent, is based on the spot month, also keeps the price at which cotton can be sold at a level below what it would be if there was not this manipulation on notice day.

When this practice of tendering practically the entire stock was first inaugurated by Anderson, Clayton & Co. the market dropped off very decidedly on notice day, and the difference between the spot and following months was widened. This is not so noticeable at the present time, as the adjustment is spread out over a longer period, but has the effect of depressing the spot month over a period of two or three weeks instead of concentrating this pressure on one day.

I firmly believe that unless the contract is put under strict control either of a body of the exchange or, preferably, a Government commission of practical cotton men, that a great many of the handlers of cotton will be forced out of business entirely. Up to the present time it has ruined a great many shippers and injured the credit of a great many more, and as far as I can see, up to the present time nothing has been done which gives any hope of improvement in the future.

I hope the above will be of value to you, and if you wish me to explain further will be pleased to do so.

Yours very truly,

EDW. C. PEIRCE.

Mr. CARAWAY. I have here—it will take me only a minute to read it—a letter from one of the large milling concerns, the Bay State Milling Co., millers of hard spring wheat and rye flours. Their address is 608 to 622, Grain and Flour Exchange, India and Milk Streets, Boston, Mass. I might explain that this letter is preceded by another letter, which I shall offer for the RECORD, which shows that the manipulation in wheat hurt both the farmer and the millman:

Referring to my letters of April 30 and May 1, if you have not happened to see a summary of the trading in wheat "futures," alone, in Chicago last week, you will be interested to know that the sales officially reported for the week were 478,000,000 bushels for each day, the session being three and three-quarters hours, except on Saturday, when it is two and one-half hours.

In other words, in one week they sold 478,000,000 bushels of wheat every day in three and a half hours, except that on Saturday they compressed the sales of that wheat into two and a half hours.

You will note that upon the basis of these transactions the entire wheat crop of the United States would be sold in 10 days.

Now, here is the interesting part of it:

* * * * * * * *

During the week the range in price was 17½ cents per bushel, the widest fluctuation on one day being 7 cents per bushel, the narrowest 2⅛ cents, the average daily range being 4⅝ cents per bushel. Bear in mind that this does not represent a steady movement up or down

but a constant swinging back and forth many times during the day. You can realize the impossibility of safely using such a market for the legitimate purpose of hedging or as a basis for the purchase of wheat from the farmer.

I do not advocate the complete abolition of trading in "futures," but I do believe that measures should be adopted that will prevent gambling in foodstuffs by hosts of small speculators and a comparatively few large ones having no legitimate connection with the production, processing, or distribution of grain and its products.

You will be further interested to know that the trading in corn "futures" during the week totaled approximately 225,000,000 bushels, oats and rye—I have not the exact figures—approximately 50,000,000 bushels, making a total of over 750,000,000 bushels of grain "futures" traded in in the six sessions of the Chicago Board of Trade alone.

Can there be any excuse for gambling of such magnitude in foodstuffs?

Yours very truly,

BERNARD J. ROTHWELL.

A longer letter that preceded this, to which this letter came as a supplement, contains the information that the price of wheat was broken by the great drive 17½ cents a bushel. It would represent prosperity to every wheat grower in America if he could get 17½ cents cash more per bushel for his wheat than he had been getting; but he does not get it because somebody gambles in his product and prevents his reaping the world's price for it.

The letter is too long for me to read, and I ask that it be inserted in the RECORD, together with a supplementary letter of May 1.

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

The letters are as follows:

BAY STATE MILLING CO.,
Boston, Mass., April 30, 1928.

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

MY DEAR SENATOR CARAWAY: I understand that your bill with regard to the control or elimination of "future" trading in grain is now under consideration, and I have been asked to write the Senators and Representatives from this State urging them to oppose its passage.

I am unwilling to do this, as, not having copy of the bill at hand, I am not familiar with its provisions.

That trading in grain "futures" has in the past been most seriously abused is unquestionable. It is carried to such extremes as to make hedging, which is a necessary factor in the merchandising of the crop and the milling of its products, an added liability rather than a protection, which it was designed to afford.

So intolerable had this fictitious grain trading become in 1924–25 that many in the milling industry believed that prohibition of "future" trading in wheat would be decidedly the lesser of two evils.

During the last two years, owing partly to closer relation of supply and demand the world over, and the consequent lessened opportunity for wide speculative swings, and partly, perhaps largely, to the activity of professional speculators being centered upon the stock market, these causes combined resulted in a reduction of "future" trading from an average of perhaps 65,000,000 bushels per day—occasional peaks of eighty or ninety million bushels, and on some occasions during the period referred to of 100,000,000 bushels; in one day 150,000,000 bushels, or nearly one-fourth of the entire crop of that year—to 10,000,000 or less bushels per day up to within a few months.

As a result of the unfavorable crop conditions in a part of the wheat area, gambling in grain has again assumed large proportions and is now running in the neighborhood of 60,000,000 bushels or more per day. On this basis, the entire prospective crop of the United States is being sold in Chicago alone once every two weeks. By far the greater proportion of this trading is by outright gamblers having no direct or indirect connection with the production, processing, or distribution of the actual grain or its products.

This has resulted in an advance of over 40 cents per bushel in "May" and "July" wheat in Chicago. This has been of little advantage to the producer, because nine-tenths of the crop had already left his hands.

The activities of this gambling element will probably, as in the past, be on the opposite side of the market as soon as the farmer begins to make deliveries of the new crop. At that time, not the weight of the crop itself, but the added weight of the millions and millions of bushels of paper wheat thrown on the market will tend to depress the price unduly.

As in the past, there will be such wide fluctuations in price as to make it necessary for the country dealer to protect himself, so far as possible, by a wider margin between central market price and price paid the farmer.

The miller will be unable to hedge with any safety or to calculate accurately the cost of his product. There were long periods during 1924–25 when a miller could not tell, from one hour to another, within 25 to 50 cents per barrel, or more, what it was costing him to make a barrel of flour.

I would like to point out that the greatly lessened activity of grain gamblers during the past couple of years was not due to any reforms by the grain exchanges, which have persistently refused to publish from day to day information regarding volume of trading, segregated as to months; total of outstanding "short" interest in each month, etc. All of this information is in possession daily of the grain futures administration of the Government, but the Agricultural Department has shown no disposition to publish such information, although it has been called for by the Millers' National Federation and by numerous individual millers throughout the country. No sound reason can be assigned for the refusal to publish this information; its suppression can only be in the interest of the professional grain gamblers. Its publication would involve no additional expense to the Government.

I believe it should be insisted upon by all who favor minimizing the evils inherent in trading in breadstuff "futures."

Personally, I have always believed that prohibition of speculative "short" selling would be a decided advantage to all concerned except the grain gamblers and their brokers, "short" selling being confined to the holders of the actual grain or its products, and, if necessary, to the farmer who had a crop about to be harvested, every "short" sale being based upon the identical grain or its products.

I likewise believe that all "future" trading should be limited to not exceeding three—or at the outside, four—months in advance, instead of eight or more months ahead as is the case at present.

Whatever you can do to minimize the evil effects of unlimited speculation in grain will, I believe, be to the interest of all legitimately connected with it from producer to final retail distributor.

Yours very truly,

BERNARD J. ROTHWELL.

DAILY STOCK LETTER

NEW YORK, May 3, 1928.—Two important financial developments scheduled for to-day are the meeting of the New York Federal Reserve Board, which may possibly increase the rediscount rate and publication of monthly loan figures by the stock exchange. Heavy selling featured yesterday's market on widely disseminated reports that the New York rediscount rate would be raised and that loan figure reach the $5,000,000,000 mark. A strictly economic interpretation, even assuming these anticipations were realized, would not be bearish. The business of the country will always have first call on the money market and the stock market will get the money only when there is a surplus. Legislation would not change the economic flow of money. If New York is to be the largest of international money exchanges, moreover, why should brokerage loans be limited to $5,000,000,000? The total borrowings in New York City real estate alone, we understand, exceed that figure. The psychological effect of a higher rediscount rate and a very large increase in brokerage loans would undoubtedly inspire some selling of weakly held securities. We would not look for more than a temporary setback, however, followed by the usual upward procession in selected stocks.

While Radio is making an impressive showing, the volume is not sufficiently large yet to indicate that the present is more than an intermediate move preparatory to a broad advance somewhat later. We note impressive buying of General Motors by interests who are not seriously disturbed by Ford competition. The rank and file of traders have been selling General Motors short and the technical position is considered strong at the present time. American Can broke through its old record high, and we again advise its purchase at the market. We look for a large increase in Can's earnings, not so much on account of a heavy increase in sales, but rather on account of the introduction of new machinery which will lower the cost of production. American Can Co., we understand, has exclusive control of patents on this new machinery. We look for a consolidation of the recent sharp gains in the oils stocks which we have been recommending, followed a little later by new high prices. In the rail group we are decidedly partial to Canadian Pacific, which offers speculative possibilities on a basis of possible segregation plans which are not matched by any American railroad. Four months ago the average daily trading in wheat on the Chicago Board of Trade was less than 10,000,000 bushels a day. Now transactions are running at the rate of about 100,000,000 bushels a day. This gauges the big increase in public participation in the commodity markets. Interest in securities and commodities is nation-wide and the public is in a decidedly bullish mood. It will take more than a minor economic influence to shake the public's confidence, and we note no major influence on the horizon at the present time.

JACKSON BROS., BOESEL & CO.

BAY STATE MILLING CO.,
Boston, Mass., May 1, 1928.

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

MY DEAR SENATOR CARAWAY: Supplementing my letter of April 30, you will perhaps be interested in the inclosed Associated Press report of yesterday's grain market, clipped from to-day's Boston Herald. I

have not yet seen the volume of trading yesterday, but I presume that it ran in the vicinity of 75,000,000 bushels.

I also inclose telegraphic advice of the market report in to-day's Chicago Tribune and Chicago Journal of Commerce, and also on the telegram marked "4" some private advice as to the character of the trading.

To-day's wheat market was a wild one in Chicago, price covering a range of over 5 cents per bushel, and fluctuating widely back and forth every few minutes, finally closing about 4 cents per bushel lower than yesterday.

I mention this simply as confirming what I stated yesterday—that such incessant fluctuations make impossible either accurate calculation of wheat values in the country or of the cost of manufacturing grain products.

Yours very truly,

BERNARD J. ROTHWELL.

Mr. CARAWAY. I have here a letter from the Texas Wheat Growers Association, at Amarillo, Tex. These gentlemen are engaged in the marketing of wheat. Many of us know that northern Texas produces a considerable amount of wheat. The letter is so short and to the point that I want to read it:

TEXAS WHEAT GROWERS ASSOCIATION,
Amarillo, Tex., March 22, 1928.

Senator CARAWAY,
Washington, D. C.

DEAR SENATOR: The country for six years has been stirred from center to circumference by the graft and scandal in the Teapot Dome lease case, but if the editorial written by Carl Williams in the Oklahoma Farmer Stockman of March 15 is correct, and it evidently is, the Teapot Dome graft is a small affair compared with the exposures made by Mr. Williams.

The editorial says: "On July 30, 1926, Chicago, December wheat touched $1.50. On or about that date two big speculators began to sell short and kept on selling until by September 4 they had between them accumulated a short line of more than 23,000,000 bushels. This was the largest volume of speculative wheat ever dealt in on either side of the market at one time by any two men in the history of the Chicago Board of Trade. As a result of the short operations of these two men, and for no other known or guessed-at conditions whatever, the price of wheat dropped 18 cents a bushel between July 30 and September 4. So far as I know this is the plainest and the worst case of artificial manipulation of the wheat market known in history. In August, September, and October more than 60 per cent of the wheat crop of the United States goes to market. During these three months of 1926 these two speculators for their personal profit took 10 cents a bushel out of the pockets of the farmers who sold wheat in the United States. It meant a direct loss of not less than $40,000,000 to the wheat growers solely because two heavyweight speculators with plenty of money for manipulation saw a chance to grab more."

That shows that in 35 days the wheat farmers were deliberately swindled out of more money than is involved in the Teapot Dome case.

Then from the best information that we can get the public lost in margins they had bet on the game of these two men more than $86,000,000. Thus, robbing the farmer and the public of $126,000,000 in 35 days. Why does not Congress take cognizance of this crime and graft and either stop it or create public sentiment so it will stop it?

Awaiting your reply, we are,

Yours truly,

TEXAS WHEAT GROWERS ASSOCIATION,
L. GOUGH, *President.*

I have in my hand a letter from the American Cotton Association and Better Farming Campaign of Greenville, S. C. They are headquarters of the American Cotton Association and Cotton News, St. Matthews, S. C. The letter is signed by Harvie Jordan. I presume everybody knows who Mr. Jordan is. The letter is too long to read, and I want to insert it in the RECORD. Mr. Jordan is protesting, in the name of the cotton growers of the South, against a continuation of the conditions which he says and which his association says—because he writes as the president of his association—are robbing the southern cotton growers of what little chance they have under the law to make a profit.

I ask to have the letter inserted in the RECORD.

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

The letter is as follows:

AMERICAN COTTON ASSOCIATION AND
BETTER FARMING CAMPAIGN,
Greenville, S. C., April 13, 1928.

Hon. T. H. CARAWAY,
United States Senate, Senate Office Building,
Washington, D. C.

DEAR SENATOR CARAWAY: I notice in the press dispatches that you have introduced a bill to abolish the present cotton futures exchanges. I would be pleased to have a copy of your bill, so as to study and familiarize myself with its terms. The legitimate cotton trading system as at present organized depends upon "hedging" practices to insure against market fluctuations in the price of spot cotton bought from farmers for future sale and distribution to consuming mills. This has been necessary, due to the dumping methods of marketing in the fall months, when a large proportion of the crop has to be bought, stored, and financed until sold to the mills for forward delivery.

On the other hand, the system employed on the exchanges which permits unbridled speculative purchases and sales of cotton-futures contracts by persons and firms not engaged in any department of the legitimate industry has developed evils which seriously jeopardize the welfare of the growers and interfere with the orderly business of manufacturers. For several years I have contended that limitations should be placed by law upon the unbridled sales of fictitious cotton futures by individuals and firms for speculative purposes. I have also contended that when a contract or contracts for spot cotton sold on the exchanges is tendered to the purchaser, and not accepted, that such cotton should not be permitted for retender under future contract sales.

This would prevent the accumulation of a lot of spot cotton in any market for purposes of futures trading and consequent manipulation. I am now and have always been interested in the welfare of the cotton growers, and have never felt that our system of marketing and pricing spot cotton was fair or just to the farmers. I have had experience as a cotton grower for 50 years. While the evils of the present system of cotton-futures trading and control of spot markets by exchange dealings should be cured by proper amendments to the Federal cotton futures act, I doubt the wisdom of abolishing the system without a better and safer method being provided. There is but one way I have been able to work out that would simplify the market system, maintain fair prices for spot cotton, and protect the growers without so much reliance of the cotton trade on futures contracts. The plan in brief is to store and retire from the market each year the estimated surplus or carry-over for several months until it is needed by the mills for consumption. Dumping the surplus on the market every year is what depresses prices, fixing them upon as low speculative basis as the industry can stand, and with consequent heavy financial depression on the growers, who are merely pawns in the world cotton industry. If Congress, or the banks of the South, would provide a fund of, say, $100,000,000 as foundation capital to be handled by a strong financial organization in the South, it would be ample as a revolving fund to protect and retire the surplus cotton each year.

When only the actual supplies of raw cotton are placed in the markets for a 12-month period, based upon consumptive requirements, the legitimate laws of supply based upon demand will function and the staple will command its fair value unhampered by speculation. When the surplus is gradually sold its value, less interest, storage, insurance, and costs of handling, should be distributed to the growers who produced it, less loans advanced.

It should be handled by proper agencies in the South and the business put under the administration of trained and efficient bankers. The details of storing and making loans on the surplus cotton would have to be handled by local bankers of each county, each county's part of the whole prorated. The cooperative marketing associations could handle the surplus prorata part of their members. While the great masses of the growers could be reached through the county unit system.

The evils and depressing influences of speculation in raw cotton, with or without futures exchanges, will never be corrected until a sound system of protecting the surplus of crops is properly provided for. There can be no stability of prices so long as several million bales of cotton is dumped upon the markets each year that are not required for consumption purposes during the year in which it is sold. Safety to the farmer and minimizing the evil effects of extreme speculation depends upon a proper solution of that problem.

I am presenting these suggestions for your thoughtful consideration.

With best wishes,

Yours very truly,

HARVIE JORDAN.

Mr. CARAWAY. I have here a letter from Shreveport, La., from F. R. Shuford, who for six years was the auditor of a cotton association, and for a number of years had to do with a broker's office. It unqualifiedly condemns gambling in the future market. I ask to have it inserted in the RECORD.

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

The letter is as follows:

SHREVEPORT, LA., *April 17, 1928.*

Senator CARAWAY, of Arkansas,
Washington, D. C.

DEAR SIR: I am interested in a small way in the cotton investigation that has been going on for several weeks in the Senate. It occurs to me, though I am only a small figure in the cotton world—but have worked from the Carolinas to west Texas during the past 20 years as interior cotton buyer—that the Senate or House either in Washington does not know how to go at finding the faults in the cotton market South, or

else know and don't want to know for political and financial reasons. This I do not believe holds true with yourself.

Let me ask you to bring out from witnesses the culling out of cotton and redelivering all bad-classed bales they find in cotton they take up. This is bad abuse. I have seen 100 per cent consist of parts of 40 contracts—of course, this was the cull—out of cotton received on the exchange. It has been abused during my time of over 25 years in the business. The way to stop it is that 100 per cent must contain one serial contract number and can not be retendered if split or part of the original 100 taken out without being recertificated in hundred bales; then the classers might turn the cotton down as off grade. Let me say that classers get off, all of them, at times, on the exchange or anywhere else; and then we don't know but what the big fellows can reach a small man classing cotton in many ways—you can only deliver late 100 per cent New York. It should contain only one serial number—New Orleans the same, Houston for Chicago—50 per cent is the contract. It will prevent culling out the good cotton in the contracts and retendering the offs of all contracts in class and staple.

To find out about manipulation introduce and pass bill that all sales across the ring of all exchanges must actually be kept correct by the superintendent of the exchange—who bought them and who sold them and what months traded in; the broker must give the person or persons he has traded for or acted for; make a strong penalty attached, and that the Senate committee has access to check these exchanges up any time. A manipulator will buy and sell through a dozen brokers, called floor traders. Cut out floor trader and make him tell who he is buying or selling for. I have been from Mississippi to west Texas recently, and all of us poor little cotton men laugh at the investigation as a farce. If the superintendents of the exchanges are forced by law to keep the sales of all—every—contract daily, as to seller and purchaser, with some Government agency authorized to check the exchanges, you could discover the manipulation. I venture to say that every cotton buyer in the Cotton Belt knows that the big fellows, Anderson-Clayton Co. and McFadden, with their New York friends, manipulate the market constantly. It is easy for them, but is a complicated business to the average business man, big or little. If the cotton exchanges were prohibited or done away with the farmer and the public would be better off in the South. In the West, if the grain exchange was done away with the western farmer would be better off. If the stock exchange, New York, was done away with the public generally would be better off. These are institutions sponsored and regulated and brought into use for financiers; they are not for the poor man in any way, shape, form, or fashion under the sun. They have made the Senate and House think they are needed for hedging purchases. That is the veriest rot of it all. Did it ever occur to you that the financiers need an exchange for marketing everything the farmers grow and their own stocks, but they do not need any exchange to market any articles or anything they produce for the consuming public?

The farmer does not need any exchange. What in the world is there to guarantee the farmer after he puts his seed in the ground whether he will harvest a crop at all, whether a good one or small one?

It took me over 20 years to decide that the cotton, stock, and grain exchanges were for the rich people only. They are of no use to the farmers of the West and South, and the public ought to stay out of the stock market.

I am sure the South in few years would reap advantages if the cotton exchanges were done away with.

A small crop of cotton advertises itself very quickly to the trade and a big crop the Government advertises in July to the world. What chance has the farmer?

Cotton should be marketed like all other merchandise, covering a period of about eight months, the mill buying the cotton as they sell the goods, or otherwise suiting themselves, and it does not need any hedges—that's a farce to fool the Washington politician.

I will venture the assertion that the cotton crop of 1927–28 has been sold through New York and New Orleans over one hundred times, probably 150,000,000 bales bought and sold. I have seen in my time 500,000 traded in one day.

Yours truly,

T. R. SHUFORD,
230 Egan Street, Shreveport, La.

Mr. CARAWAY. I have a letter from N. C. Williamson, at Millikin, La., in which in the very strongest terms possible he asks that Congress do something to prevent the destruction of agriculture by the gamblers on the exchanges. He professes to have had quite a considerable experience with them, and is a grower of cotton. Since I do not want to take the time of the Senate to read it, I ask to have the letter included in the RECORD.

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

The letter is as follows:

MILLIKIN, LA., *March 8, 1928.*

Senator CARAWAY,
Washington, D. C.

DEAR SENATOR: There has always been serious doubt in my mind as to the necessity of the cotton exchanges as presently governed and operated, and I am frank to say I have no definite idea just how they could be regulated so as to serve the grower instead of the speculator. I notice you have a bill which, if passed, will destroy the exchanges, for the reason they could not exist if confined in their trading to actual hedges of spot cotton.

If you have not the information as to how many bales of cotton are bought and sold through the exchanges, it will be very interesting to you, and I suggest that you get these figures for use before the committee. You will have to get this data from the Department of Internal Revenue in Washington, they having the record of tax collected on each trade executed. This is the only place the figures can be secured, and then it will take your influence as a Senator to obtain them.

I can not see why these figures should not be published the same as sales of spot cotton each day and the sale of stocks on the New York Stock Exchange; however, it is not done. To prove how they guard these figures, just send some one around without letting them know you as a Senator want the figures, and see what he may be told.

It will be particularly interesting to see how many bales of actual cotton are delivered on contracts through the exchanges.

The last figures I have are for the year 1921–22, when 78,361,700 bales for New York and 40,701,700 for New Orleans, as published in the report of the Federal Trade Commission in 1924. During this year about 640,000 bales were delivered on contracts. The volume of business is larger now, and the Chicago Exchange will add quite a volume of business not included in the above.

I think it would be good to amend your bill so as to require the publication every day of the number of bales traded in through all the exchanges the same as spot-cotton sales are reported and published in all the different markets.

If the exchanges are to serve the grower as a vehicle for hedging his crop, the minimum number of bales for a trade should be reduced to 25 or even lower, instead of being 100 in New York and New Orleans and 50 in Chicago.

There is one thing we must not overlook in thinking of the exchange as a clearing house for all cotton markets, as they may term it, and that is, for every sale there must be a buyer, and if conditions are too rigid against the buyer, the markets might be restricted and thus prices depressed more easily. On the other hand, the reverse might be true if rules are too rigid for the sale of cotton. What we want is a more stable value for cotton. It appears now that trading facilities are more favorable to the speculative seller than the buyer.

While I have no definite information to support my belief, it is my firm conviction that the drive made on the market during the past few months has been a determined effort to destroy the cooperatives, and unless some strong Government agency is created to finance the surplus control of farm products the big spot dealers, together with the speculative interests, will always control prices. Personally, I like the Jardine plan for providing funds for surplus control as against the equalization fee as provided in the McNary-Haugen bill. Doctor Kilgore does not represent the thought of more than a very small percentage of cotton growers, and his attitude should be more practical. I am a member of the cotton cooperatives and president of the Louisiana association at this time; and while I am speaking personally, I know the Louisiana cotton growers with whom I have talked are in favor of the appropriation by Congress of a fund as suggested by Jardine instead of the equalization fee. Doctor Kilgore represents the thought of a few of the cooperative leaders who decided that is the right plan to stand out for. This may be all right, but I want to see the machinery set up and worked out in a practical way by capable men after it is started, if we can do no better.

I write only to possibly give you some thought that might be of assistance, for this is a great big question and one that affects vitally every cotton grower in this Nation.

Yours very truly,

N. C. WILLIAMSON.

Mr. CARAWAY. I am not unmindful that many may say that legislation of this great importance ought not to be included in a revenue bill. It is the only way, however, in which we are going to get a chance to have a vote, uninfluenced by other considerations, on this question of short selling.

Let me say again that I presume that most of us who live in the South grow cotton. I commenced when I was 7 years old working in a cotton field. I believe I know all about its production, and I am reasonably familiar with its sale. I have been a hired hand; I have been a share cropper; I have been a tenant; and now I am what is called in my country a shade-tree farmer. I have an equity in the land, and I rent it out, and between the sheriff and myself we get what the cotton grower makes off of it. The sheriff gets the most of it. Therefore, I am not speculating about what I am talking about.

I have seen the price of a load of cotton, where it left the plantation to go to a gin not in excess of 2 miles away, drop $10 a bale while the farmer traveled those 2 miles. There will come a wire that the Liverpool market opened at such a figure. Every cotton merchant in America drops his price immediately. There is a decline. On the other hand, if there is an advance,

he says, "I will wait to see whether that is a reaction or whether it is just a temporary flurry." He follows every decline down, but he does not follow every rise up; and it is perfectly reasonable that he should not do it, because as long as you give to people the right to sway and control a market by betting that the price will go up or down, that there are more people on my side than on your side, nobody can do business safely on that sort of a market; and he necessarily hedges at the expense of the grower of the product.

I said I have seen cotton drop $10 a bale in the time I mention, and that is more profit than the people who grew that cotton had in it. They lost more while they were going from the plantation gate to the gin than a year's toil produced; and the result is—I do not know how it is in other States, but I can speak with authority for my own—that I know hardly a single producer of cotton on a large scale who is not insolvent.

This gambling, Mr. President, is reflected not alone in the loss of profits by the growers of cotton; it is reflected in the loss of industry in New England; it is reflected in the loss in the buying power of all the people living in the southern cotton-growing belt. It is reflected, therefore, in every walk of life in America; and I presume what is true about cotton is true about wheat.

We will get a vote on it, Mr. President. As I said yesterday, let me repeat, there is not a Senator on this floor who would record his vote in favor of opening a gambling hall in the District of Columbia.

There is not a State in this Union that licenses gambling. They all pronounce it a crime. Yet the greatest gambling institution the world ever knew would pale into insignificance compared with the gambling on the cotton and grain exchanges in America. The double crime is that the people are gambling, not in their own wealth, but they are gambling in the sweat and toil of every man, woman, and child who eats his bread in the sweat of his brow. If Senators would not vote to license a man to open a gambling house here in the District of Columbia, where he can bet his own money and lose his own money, or win somebody else's money who may bet with him, can we afford to license a gambling place that is not only an infinitely worse one but that is going to take the profits of people who never saw it and had no chance to win on its gamble?

REVISION OF ARMY PROMOTION LIST

Mr. BLACK. Mr. President, due to the fact that a flood of telegrams has come to the Members of the Senate in the last few days from a certain group of officers with reference to Senate bill 3089, introduced by me, without attempting to go into the merits of the bill completely I desire simply to give a sufficient explanation so that those who are here will understand the source of the dissatisfaction and the reasons for the introduction of the bill. I shall be very brief, and I desire to make this statement in order that Senators may understand something of the underlying reasons behind the bill and behind the objections.

When the war was over there was a large group of officers who desired to be admitted into the Regular Army. Provision was made for examination. Any person who desired to get into the Regular Army had a right to apply for appointment to the grade he believed himself qualified to fill. If he thought he was capable of being a captain, he could apply for a captain's commission. If he thought he was capable of being a major, he could apply for a major's commission. If he thought he was capable only of being a second lieutenant, he could apply for a second lieutenant's commission. Every man in the United States who wanted a commission in the Army, whether he was already in the Army or not, had a right to take that examination. The statement has been made to Senators in telegrams that the examination was not open to all. That is incorrect. It was open to any man who was in the Army or out of the Army.

An elaborate system of examination was prepared. Men were invited to come into the Army under this competitive system. I have in my possession here the rules governing that examination. Age was to count. Business experience in the outside world was to be considered in the grade or commission which the man received.

Under this elaborate system of examination competitive tests were held. Various commissions were issued to thousands of officers—some of them received appointment as second lieutenants after they applied for this particular commission and met the test provided, some of them were made first lieutenants, some captains, some majors, and some lieutenant colonels.

After they had stood these tests they received their commissions. Then the War Department, interpreting the national defense act in such way as to deprive these officers of the benefits of the competitive test, scrambled together the lieutenants and captains and permitted 1,500 lieutenants to skyrocket over night above 1,500 captains. This stepping-up process was without examination or test. Many who had stood the examination for second lieutenant, who wanted nothing else, who evidently felt that they could get nothing else, stepped immediately over the men who had stood the examination for captain, and to-day the men who received the captain's commissions by competitive test have standing over them, blocking their promotion, men who either could not or did not stand the test. This has blocked the promotions of worthy and capable men, without fault on their part, for a period of about 10 years.

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

Mr. BLACK. Yes.

Mr. KING. What class of men was it who received those discriminating benefits?

Mr. BLACK. The class of men mainly were provisional second lieutenants—and I will explain that in just a moment—or Regular Army officers.

Mr. KING. Were they graduates of West Point?

Mr. BLACK. Some of them were; some of them were not. There is one major who has given a study to the effect of my bill who in 1916 was a cadet at West Point. A man who is now a captain and is blocked was at that time a lieutenant colonel in the National Guard on the border. That lieutenant colonel stood an examination and received a captain's commission. To-day the man who was a cadet at West Point in 1916 is a major, although he has been in the service only since 1916, and this other man has been in the service about 10 years longer.

When war was declared, the Government needed officers, and an order was issued to the effect that any man who had been to West Point and had made as much as 30 per cent on his test, even though he had flunked and failed to stand the prescribed examination, should be given a provisional second lieutenant's commission. Four hundred and thirty-three men who had previously failed to pass the examination at West Point were given second lieutenant's commissions. Those men to-day rank the graduates of West Point who were in their class and who successfully stood the examination. One of them is here lobbying against this bill. He failed in the class of 1916. He failed to pass the test at West Point, but under the needs of war time received a provisional second lieutenant's commission. This officer to-day ranks every member of his own class of 1916 at West Point, although he failed and the other classmen passed satisfactory examinations. The reason he ranks them is the same reason these other officers are ranked by men who previously had lower grades.

The provisional second lieutenants, in the main, were granted commissions before they did a day's service in the Army. They were selected and were given commissions that same day. On the other hand, the emergency officers who went to the training camps were compelled to work three months, and then, if they met the test, secured their commissions. That gave to the provisional second lieutenants, it will be noted, a longer range of service, counting from the date they received their commissions, than was given the man who received an emergency captain's commission in the training camp. The War Department interpreted the national defense act to mean that officers should be promoted according to length of service only, so that if a second lieutenant, who had received a provisional commission started into service the same day a man had started in service in the reserve officers' training camp, that provisional officer's commission ranked from the day he went into the service, but the reserve officer's commission ranked from the day he completed his service in the training camp and was commissioned. So we have the strange and anomalous situation to-day in the American Army, fought for and contested for by these men who are sending the telegrams—the men who receive an advantage which is not theirs—we have the strange and anomalous situation of men who were second lieutenants July 1, 1920, standing above the men who were captains on the same date.

I know an officer who was a captain in a training camp, and he is ranked to-day by every provisional second lieutenant whom he trained as candidates for commissions. He did not get credit even for the length of time he served as a captain-instructor, and he turned out provisional second lieutenants of a less mature age, youthful men, and this weird system switched them above him where they are to-day. They object to this bill on the ground that it is unjust to them. What about the captain?

Those provisional officers are some who are dissatisfied with this bill. They feel that since they have something, they ought to keep it. They have had it for practically 10 years, and in the meantime these men who stood the examination and met the test have their way absolutely blocked by these younger men. We have that situation defended by the War Department, although

the War Department declared at one time that this condition was a menace to the American Army. Yet they say, "Do not try to rearrange it, because it will create dissatisfaction." Of course, it will create dissatisfaction among some of those young officers who have been promoted over older men, who block the way now for those officers who gave up their service in the outside world and entered the American Army with the promise on the part of the Government that they should receive such commissions as they proved themselves capable of holding, but who, strange to say, saw their hopes turned into ashes the very day they won the prize.

Mr. KING. Mr. President——

Mr. BLACK. I yield.

Mr. KING. Does the Senator's bill provide for taking these persons who have these advantages, apparently discriminatorially, and reducing them en bloc and elevating en bloc those who were denied the advantages to which they were entitled?

Mr. BLACK. It provides exactly this——

Mr. KING. It seems to me that to remedy the situation those persons who have been denied advantages ought to be put over the heads of those others, and, if necessary, the others who have had advantages to which they were not entitled should be reduced.

Mr. BLACK. I have provided that the promotion list shall be rearranged and readjusted so that those who were captains in 1920, when they stood this test, shall rank those who were first lieutenants and second lieutenants when they stood the test. That is the reason Senators are receiving telegrams from groups who have obtained something which was not justly theirs and who wish to cling to it.

Mr. COPELAND. Mr. President——

Mr. BLACK. I yield.

Mr. COPELAND. Not for a long time has there been a bill before the Senate concerning which I have had so many letters and telegrams; but they are not all one way.

Mr. BLACK. That is correct.

Mr. COPELAND. I get many telegrams and letters favoring the bill, and others in opposition to it. If the Senator will bear with me, I would like to read from some letters I have and ask him about what is said in them. Here is a letter which states:

We feel that no legislation for a long time has been so calculated to favor the few at the expense of the many or has promised to be so damaging to the democratic spirit of the service.

Granting that injustice may have been done at the inauguration of the present promotion list, it has been in effect now for eight years. A change at this late date would only serve to bring about fresh injustices at the expense of officers who have given their best to the service during this time and bring about the resignation of the best of them.

Unfortunately, the only officers who would suffer are World War veterans who came into the Army from civil life and remained in the service. We believe the Black bill is class legislation in its most superlative form.

Mr. BLACK. I will be glad to explain that to the Senator.

Mr. COPELAND. Let me read another, and then the Senator will have them both.

I am taking the liberty of addressing you with reference to the Black promotion bill.

I will ask the Senator to listen to this and tell me whether it is correct:

As I understand it, these bills provide that all classes which graduated from West Point after the declaration of war, up to and including the class of 1921, and a small group of other officers, gain hundreds of files at the expense of World War officers who entered the Regular Army in 1920, especially former National Guard officers. I am informed that many of the officers who are thus adversely affected were not afforded an opportunity to appear before the Committee on Military Affairs.

Are those statements true up to that point?

Mr. BLACK. No. Those mainly benefited are former National Guard officers and World War veterans. Everybody was entitled to appear before the committee.

Mr. COPELAND. The letter continues:

I am personally acquainted with a number of officers who served creditably with me during the World War, who, upon their return to the United States, became officers of the Regular Army. While I have every respect for the United States Military Academy, I do not think that Congress would really care to discriminate against men who, while former citizen soldiers, served their country faithfully during a period of emergency and who, prompted by motives of patriotism, decided to remain in the Army. I shall be very grateful for anything that you may do to prevent the passage of a bill which would thus unfairly treat men of the highest standing, who are a credit to the Military Establishment of the United States.

Those are the criticisms. I have no desire to enlarge upon them. I do not know enough about it to do so, but I would be glad to know what the Senator has to say in reply.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. BLACK. I would like to answer the Senator from New York first, but if it is in line with his question I yield to the Senator from Pennsylvania.

Mr. REED of Pennsylvania. This is my suggestion. As the Senator knows, and as other Members of the Senate do not know, a minority report was filed against the bill. The committee was divided on it. I am betraying no secret when I say the vote was 6 to 5 in favor of the bill of the Senator from Alabama.

Mr. BLACK. It was 9 to 7.

Mr. REED of Pennsylvania. The Senator must have included some who were not there.

Mr. BLACK. Yes; those who voted by proxy.

Mr. REED of Pennsylvania. In any event, the minority report has been filed and the bill will lead to a long debate. This is what I want to ask the Senator: I am wondering whether it is worth while to start that debate now while we are considering the tax bill. Would not the Senator find that his remarks had greater force if he made them while the bill itself was before the Senate and not now when the tax bill is here?

Mr. BLACK. I expect to do that, but the reason I am making the statement now is this: These telegrams are coming in very rapidly, and a large part of the time of myself and those in my office is consumed in giving information concerning the bill. I am not going to argue the bill at length now. I simply want to explain something about the situation.

Mr. REED of Pennsylvania. While the Senator is doing that will he explain this feature? I have a telegram from an officer in the Second Division, down in San Antonio, an officer who had long experience in the National Guard and who was in the same battery with me in training camp in 1917. He got his commission in August, 1917, and served at the front practically all the time until the armistice. He wires me as follows:

I want to thank you for your splendid support of the customs of the old Regular Army. Any change in the present promotion list will be a huge injustice. At a meeting of a group of officers of the Second Division it was estimated that fully 80 per cent of the lieutenants and captains stationed here will lose hundreds of files. Many contemplate resignation if present promotion list is revised.

Mr. BLACK. I am glad to explain that. In the first place, the contemplated resignation is not limited to any one group. It is the desire of the Army, or at least it is believed by these emergency officers to be the desire of those in charge, that every effort under the sun be made to eliminate them from the Army. That is based upon numerous statements, to the effect that "There is a hump in the Army and we have to relieve it by getting the emergency officers out." In my judgment there is no group of officers more thoroughly competent to fill their positions in the American Army than are the emergency officers who came in from civil life. If I were to put in the RECORD the vast number of letters and telegrams which I have had from men in the American Army who see suspended above their heads the sword of Damocles, proposed by the War Department and sponsored by the minority report of the committee, the information would be surprising to many.

Why do I say that? The first bill proposed by the War Department was a bill to create an arbitrary board of five general officers, with power to pluck any officer they saw fit in the American Army without a trial. They stood for it. They testified for it before the committee. They urged it. They urged that a system of autocracy be perpetuated in the American Army which would be as bad as any that has ever existed in any despotism in the world. They urged a board of five general officers, with absolute power, without a regulation, without a restriction, with the right to put a sword over the head of every officer in the Army and say, "We will put you out if we do not like the color of your hair or the color of your eyes."

Against that bill I had letters from emergency officers all over America and as far as the Philippine Islands, begging and pleading that the American Army be not permitted to hang such a sword over the heads of its officers. These emergency officers wrote me almost as with one accord: "We believe from the evidence before us that it is intended to get rid of the emergency officers who came into the Army in 1920."

The minority bill retains that board of officers. They keep the board limited by such rules and regulations for "plucking" officers as may be promulgated by the President of the United States. In the first place, I am unalterably opposed to giving the President or any bureau or any board the power to enact

regulations tantamount to law. It is my judgment that such practice has already gone entirely too far. All of us know that the President is not a military man. We know that such rules would be promulgated by the same group of officers that came before the Committee on Military Affairs and insisted on the creation of a plucking board with unlimited authority. Therefore, I am opposed to any plucking board, whether it be limited by regulation of law or permitted to be operated within regulations promulgated by the President.

Mr. REED of Pennsylvania. The Senator is talking about the system of promotion examinations suggested by the minority?

Mr. BLACK. I am talking about the system provided in the minority bill.

Mr. REED of Pennsylvania. The same system prevails in the Navy, does it not?

Mr. BLACK. I do not understand that the identical system prevails in the Navy.

Mr. REED of Pennsylvania. They have promotion examinations.

Mr. BLACK. Yes; they have promotion examinations and then select from those who are eligible, as I understand.

Mr. REED of Pennsylvania. That is for promotion to the grades of general officers; but so far as the grades of captain and below are concerned, I do not understand that is correct.

Mr. BLACK. The Senator is correct. It applies above the grade of captain. Some of them are attempting to bring it all the way down the line. The Senator is correct.

There are instances of men who served in the World War who will be injured and others who will be helped by this proposition. It is not limited to any one class. I have, for instance, a letter from a man who was decorated with the distinguished-service cross, who is blocked in such a way that if he lives to be 62 years old he will never rise above a captain. I have a letter from a National Guard officer, as follows:

> In behalf of many hundreds of former National Guard officers throughout the Army please allow me to extend our grateful appreciation for your splendid efforts in our behalf as evidenced by your bill, S. 3089. We note with pleasure that it has been reported favorably to the Senate.

It is no trouble to get letters on either side of the question. What I wanted to show this morning is what is intended to be remedied. It is the insistence of the majority of the committee that when a test has been prepared and a man has met such test, it is undemocratic, it is un-American, it is contrary to every fundamental principle of the progress of human life to take away from him that which he has earned, unless he forfeits it by his misconduct or by his neglect. It is the insistence of the majority that when these men stood that test throughout the Nation, with the statement made, "We will make you a captain if your ability justifies it," that this constituted an implied obligation on the part of the American Government to permit no man, who had stood the test and gotten no further than second lieutenant, to rise above one holding the commission of captain unless the captain was guilty of misconduct or had proven unworthy of the trust which had been bestowed upon him because of merit.

We believe that the only way to build up morale in the Army is to let a man not only obtain but keep that which he can get by meeting the tests prepared by the Government. They talk about unrest and dissatisfaction and resignation. I know men in the Army who gave up lucrative careers in the outside world. I have in mind a man who was graduated by one of the greatest colleges in the world. He gave up a lucrative law practice. He served valiantly and bravely in our Army. When the time came to stand the examination, he concluded to give up his career in the outside world and remain in the American Army. He proposed to do it because he believed that he could stand the test for a captaincy, and that in due course of time he would be promoted so that he might have a normal career in the Army. To-day that man is blocked by more than 3,000 men who were below him on the day he received his captain's commission.

My position with reference to these telegrams is that some of the officers are injured, if it be an injury to take away from them that which was never justly theirs. I would not care, so far as I am concerned, what were the proportionate numbers injured and benefited.

The whole single question in this matter with me is, What is right? Shall we permit these officers who have given to the Government the best years of their service, who have now reached a period in their career when it would be difficult to start out and begin life anew, to be blockaded, to be shut up in a stagnant pool where there is no hope of getting promotion because, forsooth, some man may have had a day's longer service than they, or perchance because some received their commissions at the beginning of training and this captain received his commission when he completed his training. We take the position that we do not disturb the promotion list of the Army when we restore it to the position which was promised these men it should have when they came into the service of the Government. We say that a wrong once done can be cured in only one way, and that is by restoring so far as possible the status quo which existed before the injury was inflicted upon those who met the test which the Government itself provided for them to stand. So much for that.

Now, as to the other feature of the bill. My bill, instead of providing a plucking board, with rules and regulations promulgated by the President or anyone else, and recognizing the fact that there is a hump blocking promotion, and knowing that there should be a normal yearly attrition by retirement, provides, instead of an involuntary retirement as does the minority bill, a method for a voluntary retirement. It holds up, to these officers who have given up their outside life for a career in the Army, a reward, and says, "If you want to go out by reason of the fact that you may not advance as rapidly as you anticipated you would, we will give you a half year's pay and later give you a retirement annuity."

We do that on this basis, that they gave up a business career to enter the Army, and it is neither fair, nor just, nor right for the Government of the United States to set these men adrift, to begin life anew, without aid in their future work. We are unalterably opposed to a forced system of retirement. We stand again holding a sword over the necks of the officers of the American Army, and saying: "We will put you out when we get ready; when we get tired of you; although you have given up your business careers to serve your Government which no longer needs you, we will set you adrift." Therefore we provide for the attrition by the only fair method which this Government can assume, in our judgment, for the benefit of these officers.

We provide a system of accelerated promotion which will really promote the provisional second lieutenants quicker than they can reach such a position now if they remain in the places which they do not justly occupy; and we arrange a flow of promotions, even and smooth, which will permit the American Army to advance as it should and give to every officer, whether he comes from the Military Academy or elsewhere, a normal career in the American Army.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. RANSDELL. Mr. President and Senators, I wish to discuss the amendment offered by the Senator from Arkansas [Mr. CARAWAY], which proposes to impose a tax of 50 cents for each $100 in value on the contracts on the grain and cotton exchanges of the country, which at present prices would amount to about $50 on each contract of 100 bales. This is a very important matter, and I hope I may have the attention of those who must vote upon it in order that they may receive the point of view of one who has studied it very carefully for many years.

To start with, let me say that the presentation of this amendment is an attempt to engraft on this revenue bill a piece of legislation seeking to destroy cotton exchanges, which has been pending more or less continuously in the American Congress for the last half century. In 1892, when the late Chief Justice White was a Senator from Louisiana, the Hatch bill to destroy cotton exchanges was pending. Senator White made a convincing and classical address in opposition to it. From time to time since then measures have been introduced the purport of which was to destroy the contract markets in cotton. I shall speak more particularly of cotton, as I am better acquainted with it, although this amendment reaches both cotton and grain.

It was recognized years ago that there were some evils in the practices of the exchanges, just as there are evils in practically every human agency, and a serious attempt was made to correct those evils. The efforts finally culminated in the United States cotton futures act, which became a law in 1914 and which has since been known as the Smith-Lever Cotton Futures Act. That law was found to be unconstitutional and was reenacted in 1916 in a form which overcame the constitutional objection. It has been in existence ever since, with slight amendments, and has functioned admirably. It justly takes rank with the great constructive pieces of legislation of the last quarter of a century and is fairly comparable with such legislation as the Federal reserve banking act and the act creating the Federal farm land banking system. The Smith-Lever Act has been of very great benefit to the producers and

consumers of cotton in America. When the bill was under consideration an able report was made in support of it, and I will read a brief extract therefrom. That report was prepared by Representative Lever, of South Carolina, and was submitted on behalf of the Committee on Agriculture of the House of Representatives in the Sixty-third Congress. In that report it is stated:

It is the opinion of the committee that the abolition of the cotton exchanges would result inevitably in the monopolizing of the entire cotton crop in the hands of a very few powerful interests with the force and means to fix the price at which the farmer would be compelled to sell his cotton. Fully 75 per cent of American-produced cotton leaves the hands of the producer during the four months of September, October, November, and December. It takes no stretch of the imagination to foresee how utterly helpless the farmer, as a class, would be in his present disorganized condition as a factor in fixing the price of his own product, as against the organized genius and money of the spinners and powerful spot-cotton dealers.

Mr. President, without reading it, I will ask to insert the remainder of that statement, along with my remarks, in the RECORD.

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

The statement referred to is as follows:

The report of the House Committee on Agriculture (Sixty-third Congress), which framed the cotton futures act, had this to say on the functions and economic uses of the cotton exchanges:

"It is the opinion of the committee that the abolition of the cotton exchanges would result inevitably in the monopolizing of the entire cotton crop into the hands of a very few powerful interests with the force and means to fix the price at which the farmer would be compelled to sell his cotton. Fully 75 per cent of American-produced cotton leaves the hands of the producer during the four months of September, October, November, and December. It takes no stretch of the imagination to foresee how utterly helpless the farmer, as a class, would be in his present disorganized condition as a factor in fixing the price of his own product, as against the organized genius and money of the spinners and powerful spot-cotton dealers.

"The fundamental principles of trade is that the buyer always buys at the lowest possible price, while the seller always sells at the best possible price to be had. With this principle in mind and with the economic conditions surrounding the southern farmer not overlooked, it does not take a prophet to foretell what must be the result of a contest between the farmer on the one hand and the spinner and big spot-cotton dealer on the other in a struggle for fixing the price of cotton. The farmer can not hope to survive in such an unequal contest. He would be forced to peddle his cotton upon the streets and to take such prices for it as had been agreed upon, secretly, perhaps, by these big interests. He would be absolutely at their mercy without even the law of supply and demand to aid him.

"Any legislation, therefore, which eliminates from the cotton trade the element of legitimate speculation and legitimate speculators must, in the opinion of the committee, result disastrously to the producer, especially at that season of the year when the bulk of the crop is moving from him into the channels of commerce. Cotton exchanges properly regulated in their operations, in that they afford opportunities for legitimate speculation, may be made to be of real benefit to farmers, merchants, and spinners. The legitimate speculator, operating through the exchanges, is the only buffer standing between the helpless producer and the powerful buyer of his product."

Mr. RANSDELL. Let me remind Senators that there are literally thousands—I presume hundreds of thousands—of people in this country who are engaged in the production of cotton and the consumers are the spinners. Practically all the cotton is consumed by the mills, the manufacturing establishments. There are only a few hundred of those that buy the cotton of this country, and, of course, there are many of them abroad. I do not pretend to say that the splendid men who handle the manufacturing business of our country, and who have added so much to the wealth of this Nation by handling it in a successful manner, would form a combination or engage in a monopolistic endeavor to buy the cotton at prices which suited them, but I do say that there are so few of them it would be feasible for them to have an understanding among themselves to that end. I also insist that it would be impossible for the farmers, the producers, so to organize in order to put up the price, because there are so many of them that they could not possibly organize effectively for their own protection.

In this connection let us see what happens on the exchange to help the producer. When the cotton crop is being marketed it is all bought by merchants, who hope to sell to the mills and consumers, or it is purchased directly by the mills themselves, who go into the market for that purpose and who furnish a rather limited demand, because the farmer usually sells his cotton within 90 days after it is baled, while the mill buys and uses its cotton during 365 days—the entire year. So the mill is buying from time to time as its needs accrue, while the farmer, of necessity, because he can not afford to hold his cotton, must part with his crop within a period of three or four months.

When this situation appears the speculator comes on the scene—the speculator not only in this country but in other lands—in Europe, Asia, even Africa, and other parts of the world. The intelligent speculator says, "Cotton is too cheap. I will buy some cotton as a speculation, just as I would buy stocks, bonds, or real estate as a speculation, believing they are too low, and they are going to go up in price, and I can make money on the enhanced value of the cotton." Many people take that view if the price is low, and there is quite a widespread buying movement.

Everyone knows that when there are a good many buyers in the market the price of the commodity tends to go up. It rises in value; and, as it goes up, the farmer gets the benefit of the increase in value. As it goes up, the mill man who has been holding back says to himself, "This product is going up. I had better lay in a pretty good supply. I am going to need for my mill this year 10,000 bales, perhaps 12,000 bales; I need a thousand a month. I will not take chances on the commodity going out of sight, but I will go in the market and purchase 12,000 bales, 1,000 bales per month, for future delivery, not expecting actually to take up that cotton on contract, but as an insurance." That is called a "hedge," and the purpose is to assure him a supply of raw material at the rate of a thousand bales per month for the price set out in the insurance contract—a perfectly legitimate transaction.

This manufacturer has to make his contracts to deliver his product a long time in advance—6, 9, 12 months in advance. How can he intelligently say at what price he can sell the manufactured product unless he knows what the raw material is going to cost him? It is impossible for him to know what it will cost unless he does one of two things: He could buy it, of course. He could actually go in the market and buy 12,000 bales of spot cotton, pay the cash for it, and store it in his warehouses.

Mr. SMOOT. If he had the cash.

Mr. RANSDELL. If he had the cash, as the Senator from Utah so tactfully and wisely suggests; but it would take a great deal of cash to do a thing of that sort, and then he would be out the interest on his money for that time, and would be obliged to insure the spot cotton for that time. It would be a most troublesome and expensive transaction; whereas by going in the contract market and making a trade, an agreement to have a thousand bales per month delivered to him, at the end of each month he sells his future contract and buys on the spot market the corresponding amount of the particular quality of cotton needed for his mill. He has not been out of his money, except a very small portion of it. He has not had to tie himself up with the expense of storing, and insurance, and loss of interest, and innumerable transactions.

Mr. President, the most important feature of the cotton exchange is the insurance feature. It is just as important as insurance in any other kind of business.

Now, I am going to read a statement from a very able man who lives in Arkansas. I have been told that he was born in Louisiana, and if he was I am proud of it; but I understand that he lives now in Arkansas. His name is Sidney West, who has just retired as president of the American Cotton Shippers Association, which organization embraces more than 90 per cent of the cotton merchants of the South. Here is an analysis which he gave before the Senate committee on the question of the insurance feature of the cotton exchange:

Boiled down, the thing looks to me like it comes to this: A number of years ago, before we had marine insurance, people who shipped stuff around the world had to make much larger profits than they do to-day, when we can, for a very small premium, have our marine risks insured. The cotton people under the present system have price insurance, and it would be much better if these exchanges were called price-insurance associations, as Lloyd's is called an insurance, than if they were really called futures.

Senator RANSDELL. They are really price insurance?

Mr. WEST. They are really price insurance associations. They are not themselves companies. It is simply a place for people to meet.

Senator RANSDELL. It is very much like Lloyd's in that respect, is it not?

Mr. WEST. Yes; it is, exactly. Lloyd's is not an incorporation, as an insurance company is in this country at all. It is just a meeting place where these underwriters get together, this terrible speculating that we hear so much about. We have underwriters of marine risk, underwriters of fire, underwriters of credit insurance, underwriters of all sorts of insurance. They are speculators, if you please. That is just

exactly what they are, speculators, as much so as in the cotton business. In the cotton business there is a price underwriter. He bets it is going up or down, just like if I have insured a home in Little Rock, the insurance company will bet me a hundred dollars to two that it will not burn up this year. That is all it amounts to.

Any changes, as we know, upset confidence. I am from a farm State. The exchange that I represent there, of which I happen to have been president, 60 per cent of its membership are farmers, and we do not know a lot about the technical side of these things, but we do know this. We know what happened to us there in our State. I am also interested in a little bank. Futures went up very high in 1919 and 1920, during the winter of 1920, and then the next fall they were very cheap, and still kept getting cheaper. The man who had taken price insurance—and they were forced to do it in my town of Little Rock, because the banks would not loan them any money—was able to pay off his bank, and there was not a dollar lost by a bank in Little Rock on a cotton man. In other sections of Arkansas, where they are not quite so conservative, cotton shippers and merchants, the banks do not understand the economic functions of the futures, they did, or lots of them, and I will say they are in a poor condition. I don't mean that any of the banks are going to bust down there, but they are not flourishing with money.

Here is a buyer and here is a seller. Their interests are diametrically opposed. They have got very little in common. The buyer wishes to buy as cheaply as possible always, and the seller wishes to sell at the highest price obtainable all the time.

Senator RANSDELL. And the ultimate buyer in this country is the spinner?

Mr. WEST. Yes, sir; he is the spinner. I am a buyer this minute and a seller the next. I am one of those horrible middlemen, and maybe I should be eliminated, and I will be whenever there is a cheaper way of handling the cotton crop than the present one; I will go by the board, and ought to go by the board.

Please listen to this:

The spinners, being much wealthier men, commanding much greater credit than any conceivable combination of farmers that I can think of, if we have no futures markets, the spinners could get together and make a combination of credits and would not pay very much for the commodity which they were trying to buy, because the speculator would not be in there. Maybe some man in India believes cotton is selling too cheap in the United States and he buys a lot of cotton here. That helps to stabilize the price.

Senator RANSDELL. Suppose the spinners were the only buyers, Mr. West, and they chose to get out of the market for a few weeks. What would happen then?

Mr. WEST. It would be just like it was in 1914. There would be no bottom to it.

Senator RANSDELL. Just like some other agricultural commodities—no bottom?

Senator KEYES. Then, I understand your position to be that they are really a protection to the grower?

That refers to these horrible exchanges that we hear so much about.

Mr. WEST. Positively.

Senator KEYES. It is a fact that they do not buy through the exchanges?

Mr. WEST. I should say that 98 per cent of the spinners, or 99 per cent of them, never take up a bale through the exchange, Senator. The exchange is simply an insurance association. It is a body politic. The cotton exchanges do not make money at all, just like you might belong to a church or something of that kind. It is just a trading place.

Senator RANSDELL. The spinners do use the exchange as an insurance to hedge? When a spinner wants a thousand bales of spot cotton six months in advance, he will go on the exchange and buy a thousand bales of future cotton for the time?

Mr. WEST. That is right.

Senator RANSDELL. To insure that he is going to get his spots at the price?

Mr. WEST. Mr. Chairman, I did not mean that the spinners did not use the exchanges as price insurance, but for the actual acquisition of their spot cotton which they spin they do not use it.

Senator KEYES. Yes; that is what I understood.

Mr. WEST. That is the way I understood your question.

Mr. President, without reading, I ask to have the remainder of the statement of Mr. West inserted in the RECORD.

The PRESIDING OFFICER. Is there objection?

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

Senator Dial's bill, the one that he withdrew, and the one that he now wishes passed, I believe that is the thing we are talking particularly to-day——

Senator KEYES. Yes; also a bill introduced by Mr. CARAWAY.

Mr. WEST. Well, I was going to come to that.

Senator Dial's bill would have the same effect upon the marketing of cotton as if insurance companies with whom I have my fire insurance policies would say to me, "I will only insure certain qualities of your cotton against fire." Immediately my financial backers, my bankers, would want to know, "Well, what part of that cotton is insured? That is the cotton that we want to loan money on. We won't loan you any money on this other cotton that you can not get fire insurance on." That is, the whole thing is a question of insurance. A great many people don't believe in insurance. I think Senator CARAWAY does not believe in insurance. He told me that yesterday afternoon, that he had practically no insurance. We are able to get this price insurance to handle cotton on about as close a profit as possible, 1½ to 2 per cent, and out of that we have to pay everything. If I handle 50,000 bales of cotton in a year, at $2 a bale, and do $5,000,000 worth of business, if I make $50,000 a year on my business I am delighted and have done very well. People in the wholesale dry goods business, wholesale jobbers and grocers, who handle $5,000,000 worth of business, if they don't clear pretty near a million they feel like they have got a very hard deal. That is true in the State of Arkansas. I don't know about any place else. Without price insurance it would be impossible for us to do business on so small a margin.

Senator Dial misunderstands the functions of the future exchanges, I believe. He wishes to force everybody to trade on a modified form of section 10 of the Smith-Lever bill. Now, I am from the country, and before the passage of this Smith-Lever bill I felt that people in my position were at a very serious disadvantage many times. Under the present system I have just as much protection as anybody. The Government functions in this matter just as in any other law for the protection of the farmer, and the Smith-Lever bill is as much a protection for the farmer as for the cotton exchanges.

Mr. CARAWAY wishes in his bill to eliminate the speculator.

Senator RANSDELL. That would destroy the exchanges?

Mr. WEST. That would destroy the price underwriting feature of the cotton exchanges just as if you said to any insurance underwriter they could not any longer underwrite. To-day you get credit insurance from Lloyds. Is costs you pretty big, but you can get it. In 12 months' time they will guarantee the bank against loss under certain conditions.

Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales, you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges, because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out, and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out, and another one takes effect when it gets on the railroad. Then, when it arrives at the compress at Little Rock the railroad policy is canceled out and the other policy takes effect at Little Rock. Then, when I sell that cotton, if it goes on the railroad again I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured, on an average, against fire, about six different times. There are 10,000,000 bales of cotton, and there are at least 60,000,000 bales insured against fire.

Senator RANSDELL. That is a very interesting fact. I did not realize that, but I see the truth of it.

Mr. WEST. Mr. Chairman, you asked for suggestions that would better the situation.

Senator KEYES. Yes. We would certainly be very glad to have them if you have any.

Mr. WEST. No. I must frankly admit that I am not intelligent enough to offer any constructive suggestions on this subject unless it would be to increase the number of grades deliverable on a contract rather than to decrease them. That is the interest of my State, because we are pretty far north, and our growing season is short. Our cotton is generally of poorer grade than the rest of the people's, with the exception of western Tennessee, Missouri, and northern Mississippi, possibly. That is the only suggestion I could make of that nature.

Another thing. We all know that uncertainty upsets confidence, and we have had this Smith-Lever bill as an excellent thing, but this business of putting a law in that changes your price insurance policy over night is very destructive of confidence in values. I think one thing that is the matter with the markets now—it has been sluggish for six weeks or more—one thing is the fear on the part of a lot of us that something drastic will be done in regard to futures, and our ability to get price insurance will be destroyed or so badly impaired that we won't be able to finance our business.

The head of the Arkansas Bankers' Association, president of one of the biggest banks in that State, told me that if this law passes there was not a firm that would do business in Arkansas in the cotton business that his bank would be willing to loan more than 40 per cent of the value of cotton or any other commodity which could not get price insurance which, in a very short time, would concentrate the cotton business into the hands of a very powerful, rich firm. People working way back in the woods, willing to work for a small profit,

sort of keep the thing from getting into the hands of a very few people.

Senator RANSDELL. Mr. West, do you know of any very well-defined sentiment in your State for the passage of this Caraway bill or the Dial bill?

Mr. WEST. The only sentiment in my State is in opposition to both bills. I have heard no favorable expression about either.

Senator RANSDELL. But there is a decided opposition to them?

Mr. WEST. The very fact that I am here, sent here by my exchange to fight this thing.

Senator RANSDELL. Which is not a future exchange at all?

Mr. WEST. Not at all.

Senator RANSDELL. And you are not a member of any futures exchange?

Mr. WEST. Not at all. There is only one man a member of our spot exchange in Little Rock, Ark., that is a member of any futures exchange, and I think he is the only member of any futures exchange in the State of Arkansas.

Senator KEYES. He is a member, as I understand it, as an individual?

Mr. WEST. As an individual; yes, sir.

Senator KEYES. Not representing your exchange?

Mr. WEST. Not representing our exchange at all. Now, as I told you, 60 per cent of our membership are farmers.

Senator RANSDELL. That is, cotton farmers, men who produce cotton themselves?

Mr. WEST. Yes, siree.

Senator KEYES. Mr. West, do you agree with the previous witness that the passage of the proposed legislation, instead of benefiting the grower, would actually injure him?

Mr. WEST. Yes, sir. I think he would be very much in the same predicament that he was in 1914, when there was no futures market. With price insurance I am ready to buy cotton every day at a pretty fair value, based on that price insurance, and without it I could not.

Senator RANSDELL. And there are a great many other people in your position, sir, ready to buy cotton every day, thereby furnishing buyers for the commodity?

Mr. WEST. Yes, sir.

Senator RANSDELL. And without these exchanges you would not be buying?

Mr. WEST. I would not.

Senator RANSDELL. So there would be no people in the market purchasing the commodity, and without purchasers it would naturally go down, wouldn't it?

Mr. WEST. Yes, sir. I agree thoroughly with the other witnesses in that respect. I think it is much better for the farmer. He gets a better price. He can market and does market, I believe, 60 or 75 per cent of his cotton in a very few months out of the year. The mills do not buy anything like that amount of cotton from the farmer at that time. Somebody must take up that slack. They must carry that stock of cotton just as a wholesaler carries a stock of dry goods, or whatever business he may be in. The reason he carries it is because he is convenient to the market, for his retailers to come in and buy from him. The farmer is selling from 60 to 70 per cent of his product in 90 days, and the world is using 100 per cent, or about 100 per cent of his product in 12 months. You can readily see what would happen to him without a lot of people taking up that slack in that time.

Mr. RANSDELL. To those Senators who have come in since I started, and did not hear what I have attempted to explain, I would like to say that I am opposing the effort of the junior Senator from Arkansas [Mr. CARAWAY] to impose a tax of 50 cents for each $100 in value on contracts in grain and cotton. I will not go into an explanation, except to say that, in my judgment, if this tax is imposed, it will completely destroy the grain and cotton futures exchanges. I do not think they can exist, I do not think it will be possible for them to do the legitimate business which everyone admits they should do, and which forms decidedly the most important part of their functions, if this amendment were adopted. I think they would be absolutely destroyed.

The Senator from Arkansas [Mr. CARAWAY] indicated in his address yesterday that nearly all the business of the exchanges was gambling. He said:

> Instead of about 50 per cent of them being wild, it would be safe to say that 999 out of every 1,000 deals are pure gambling.

I would not venture to set up my personal opinion against that of the Senator from Arkansas, but I would like to read just a line or two from the recent testimony of Mr. Marsh, former president of the New York Cotton Exchange, made before a subcommittee of the Committee on Agriculture and Forestry, of which the senior Senator from South Carolina [Mr. SMITH] is chairman. Mr. Marsh was being questioned about the amount of the trading on these exchanges, in connection with a resolution looking into supposed troubles in cotton marketing. On page 201 of the printed hearings before a subcommittee of the Committee on Agriculture and Forestry of the United States Senate, Seventieth Congress, first session, pursuant to Senate Resolution 142, a resolution to investigate the recent decline in cotton prices, appears the following:

Senator RANSDELL. Do you know what those proportions are in New Orleans?

Mr. MARSH. I do not, sir.

Senator SMITH. Now, I would like to emphasize for a moment what you have said, not to break the continuity of your statement. The proportion of the speculative operations on the New York Cotton Exchange, as revealed by proper investigations, is about 15 per cent, as compared to 85 per cent of the so-called legitimate hedging business; is that correct?

Mr. MARSH. That is correct, sir.

Mr. CARAWAY. Mr. President——

Mr. RANSDELL. In just one moment. I want to make a statement in regard to that, and then I will be glad to yield.

Mr. Clayton, who I believe is considered the head of the biggest cotton firm in America, also testified before the same subcommittee, and on page 760 of the hearings—April 11, 1928—he made this statement in reply to a question from Senator HEFLIN:

> Senator HEFLIN, I am very sorry to have to disagree with you on that. I think Mr. Marsh said that 80 to 85 per cent of the trading on the exchanges is legitimate trading, and that the other 15 to 20 per cent is speculative trading. I think Mr. Marsh has the speculative too small. But if the proposition is even 60 and 40 per cent, the futures markets are bound to reflect the prices that are struck as a result of that legitimate trading. Therefore, the futures markets do not fix the prices. They reflect the price which results from the legitimate factors.

From that evidence, and from all the investigation I have been able to make, legitimate trading constitutes a very large percentage of the transactions on the cotton exchanges, though there is a considerable speculative element. I am inclined to think, agreeing with Mr. Clayton, that the speculative part of these transactions is more than that stated by Mr. Marsh, although Mr. Marsh was for many years connected with and president of the New York Cotton Exchange, has been in the cotton business for many years, and had absolutely no motive to misrepresent that I can see, and is a recognized economist of high standing. He stated as his fixed opinion that 80 to 85 per cent of the transactions were legitimate hedging or price-insurance transactions, and only 15 to 20 per cent speculative.

I now yield to the Senator from Arkansas, if he wishes to ask a question.

Mr. CARAWAY. I just wanted to ask the Senator this question: About 6,000,000 bales of cotton is all that is consumed in the domestic market in this country per annum, is it not?

Mr. RANSDELL. I think it is rather more than that. I do not know just what it is this year.

Mr. CARAWAY. It is about that, I think the Senator will find. He will find that the speculative sales reach about 200,000,000 bales.

Mr. RANSDELL. Where will the Senator find that?

Mr. CARAWAY. If the Senator will send down to the Department of Agriculture they will send him up a statement of the number of sales day by day.

Mr. RANSDELL. I would rather the Senator would send for the statement, if he wants it. I do not know whether it is true or not. I do not think it enters into the argument at all. I do not admit the correctness of it, but it is immaterial.

Mr. CARAWAY. I have a letter here from the Bay State Milling Co., which has mills at Winona, Minn. It has its general offices in Boston. I just want to read a paragraph. This is dated May 9:

> Referring to my letters of April 30 and May 1, if you have not happened to see a summary of the trading in wheat futures alone in Chicago last week, you will be interested to know that the sales officially reported for the week were 478,000,000 bushels—

He is talking about wheat—

> for each day, the sessions being three and three-fourths hours, except on Saturday, when it is two and one-half hours.

That was the trading each day in wheat.

> You will be further interested to know that the trading in corn futures during the week totaled approximately 225,000,000 bushels a day. Oats and rye have not exact figures. Approximately 50,000,000 bushels a day. Making a total of 750,000,000 bushels of grain futures traded in on the stock exchange of the Chicago Board of Trade.

In other words, they would sell the entire crop of grain in 10 days. That does not reach the high-water mark. I am credibly informed that in one day in Chicago at one time they sold as

much wheat as was grown in America that year. How much of that necessarily would be gambling?

Mr. RANSDELL. I do not know, and I doubt whether any other Senator can say. Some of the Senators from the grain States probably can tell something about that.

Mr. CARAWAY. The Senator would have a strong suspicion that there was a good deal of gambling, would he not?

Mr. RANSDELL. There may have been some speculating there. I do not admit that all these trades are gambling. A great many of them may be speculative. The Senator would perhaps call it gambling if a man were to go on the stock exchange and buy some of the stocks and bonds of the Radio Corporation, for instance, or of some of the railroads. I would not call it gambling. I grant you that in that instance he would have to pay the then market value of the property, but he would not buy it unless he thought he was going to make money on it.

Mr. CARAWAY. Let me ask the Senator this question: When a man sells that which he does not have and never expects to have to a man who never expects to take it and never does take it, and they simply settle on a difference, is that gambling?

Mr. RANSDELL. I do not think it is gambling at all. I think it is a price-insurance contract.

Mr. CARAWAY. The Supreme Court of the United States said it was. The courts of every State in the Union, I think, have so stated, that wherever the settlement is made on a commercial difference it is a gambling contract, and void.

Mr. RANSDELL. The Federal courts have repeatedly held that such contracts are legal and enforcible.

Mr. CARAWAY. They have said that where there is a settlement on commercial differences, where the contract does not contemplate delivery, it is gambling.

Mr. RANSDELL. Will the Senator please put that in the RECORD, quote from the Supreme Court, and put it in along with his remarks?

Mr. CARAWAY. I will; but I wanted to know whether the Senator knew it.

Mr. RANSDELL. I am not supposed to know all the Supreme Court has said. I am not in the active practice of law, having given up the practice when I entered Congress 29 years ago. I do not keep up with their decisions. I have not seen such a decision as that. Will not the Senator please place it in the RECORD?

Mr. CARAWAY. Very well.

Mr. RANSDELL. Answering the question about the large volume of sales, I want to quote from a gentleman from the Senator's own State. I do not know whether the Senator stands by him or not, but I understand he is a good, reliable man, Mr. Sidney West.

Mr. CARAWAY. He lives in Louisiana.

Mr. RANSDELL. Mr. West stated before the committee that he lived in Arkansas; but if he is a Louisiana man, I am proud of it. If he was born and reared in Louisiana, I am proud of such a citizen; he is a very intelligent one.

Mr. CARAWAY. He did not go there until he became thoroughly imbued with the idea that the way to raise a crop was to go on the stock exchange. Then he went to Louisiana.

Mr. RANSDELL. Maybe he learned something wise from the people of Louisiana. This is what Mr. West said in testifying before the Committee on Agriculture and Forestry in regard to this awful amount of sales about which the Senator from Arkansas is talking:

> Mr. CARAWAY wishes in his bill to eliminate the speculator.
>
> Senator RANSDELL. That would destroy the exchanges?
>
> Mr. WEST. That would destroy the price-underwriting feature of the cotton exchanges, just as if you said to any insurance underwriter they could not any longer underwrite. To-day you get credit insurance from Lloyd's. It costs you pretty big, but you can get it. In 12 months' time they will guarantee the bank against loss under certain conditions.
>
> Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised. You take the matter of fire insurance on that same number of bales, you will find it relatively about the same number as the 100,000,000 they speak of being traded in on the future exchanges; because every time I move a bale of cotton from one warehouse to another—buy it, for instance—when it is moved out of the warehouse that insurance policy is canceled out, and when it gets to my warehouse my policy covers it. When it gets to the depot my policy is canceled out, and another one takes effect when it gets on the railroad. Then, when it arrives at the compress at Little Rock the railroad policy is canceled out and the other policy takes effect at Little Rock. Then, when I sell that cotton, if it goes on the railroad again I cancel my Little Rock insurance and another policy takes it up, and so on, and it is carried right through. Each bale of cotton is insured, on an average, against fire, about six different times. There are 10,000,000 bales of cotton, and there are at least 60,000,000 bales insured against fire.
>
> Senator RANSDELL. That is a very interesting fact. I did not realize that, but I see the truth of it.
>
> Mr. WEST. Then we are attacked about this 100,000,000 bales traded in when only 10,000,000 bales are raised.

That is the very point Senator CARAWAY is talking about. He says 200,000,000 now, but where he got the 200,000,000 I do not know. They might have traded in 10,000,000,000; I do not know; but I do like to have a man present statistics here and not mere statements.

Senators, there are as many or more legitimate hedges or insurances in the commercial transactions relating to cotton as there are insurances against fire relating to cotton. When a farmer sells to the local merchant, that is one hedge. When the local merchant sells to the big merchant, that is another. It goes on from one to another, one after another, until there are at least six or seven absolutely legitimate hedges on each bale of cotton.

I have stated that the effect of the bill would be to destroy the cotton exchange. What would be the effect of destroying the cotton exchange? If there be one criterion for the future, and only one, it is the fact that the lessons of the past instruct and tell us what is going to happen in the future. If I can show absolutely what happened in the past, then Senators can get from the same set of circumstances a pretty good idea about what will happen in the future.

All of us remember the terrible disastrous effect on cotton when the World War broke out in 1914 and the exchanges of the country were closed and ceased to operate. Cotton actually went down to 6 cents a pound. We had a "buy-a-bale" movement. It was away below the cost of production. The exchanges remained out of business or out of commission for three months. I have a number of clippings of articles from the press showing the solicitude of the people at that time. I shall not read them, but I ask permission to insert them in the RECORD as a part of my remarks.

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

The newspaper articles are as follows:

[Mobile (Ala.) Register, September 9, 1914]

Referring to the action of the committees at New York in trying to effect a settlement of contracts made before the war, the cotton-market report in the Mobile Register of September 9 says: "If a settlement of these contracts will open the way for the resumption of business by the exchanges it is 'a consummation devoutly to be wished,' as ever since the exchanges closed shippers, brokers, and manufacturers, as well as everyone else in any way interested in cotton, have been all at sea as to what cotton is worth. The lack of a broad, central market has resulted in an irregularity in prices such as the trade has never witnessed." (Reprinted from Pearsalls News Bureau, September 12, 1914.)

[Atlanta Constitution, September 12, 1914]

The chamber of commerce committee on ways and means to meet the cotton situation has taken steps to cut down the 1915 crop and materially improve the market for the present year's output. The committee also adopted a resolution urging the New York, New Orleans, and Liverpool Cotton Exchanges to open so a definite market price may be fixed on spot cotton for the benefit of the immediate market.

[Textile Manufacturers' Journal, September, 1914]

In any event it is only a wild speculation for mills to sell ahead without a cotton-futures market on which to hedge. If spot cotton should go below 7 cents there is no indication of what it would sell at for four months off, and unless mills can buy their full supply of raw cotton, to cover whatever futures business they should take, they might be caught with the cotton market against them later in the year. There is no doubt in the minds of dealers that the various movements that aim toward the holding or wider buying of cotton have shown direct results in the recent advance of 1½ to 2 cents per pound, but everywhere there is doubt cast upon the permanence of the new level. It is not remarkable that buyers doubt it, because they are always bears, but dealers themselves doubt it. Ginnings are far below the normal now, which indicates the holding of a large volume of cotton, but whether the immense pickings of October and November can so be held is another matter. Spinners are, however, learning the economic value of the cotton exchange. When the exchange was being condemned last spring, dealers said: "Let them close the exchanges with their laws and they will soon see how handicapped they are." The experience has been made and spinners realize how valuable is a futures hedge. (Reprinted from Pearsalls News Bureau, September 28, 1914.)

[New York Journal of Commerce, October 5, 1914]

A special London cable to the New York Journal of Commerce this morning says: "The disorganized cotton position is gradually producing a grave position in the Lancashire cotton industry. Hence demands are becoming insistent that there should be a full, unrestricted resumption of business on the Liverpool Cotton Exchange. There is slight evidence thus far that spinners are buying direct from America. The situation apparently is that spinners are loaded up with Liverpool contracts at high prices. They have hedged against these contracts in New York and New Orleans. On paper these hedges protect them fully against their severe losses on their home contracts. But owing to the closing down of business in America and the great financial risks incidental to covering American commitments under existing conditions, cotton manufacturers and traders are not likely to actively cover their commitments on your side until they have some relief from their losses on Liverpool contracts." (Reprinted from Pearsalls News Bureau, October 5, 1914.)

[Boston Transcript, October 6, 1914]

MEMPHIS, *October 6.*

The absence of a contract market for hedge purposes is having a somewhat serious effect on the situation. Many cotton men hold the opinion that conditions will grow worse so long as the exchanges are closed. Bankers do not care to make full loans on cotton when the holder has no means of protecting such cotton by sales of contracts as hedges. One banker says that his institution would not loan a single dollar on cotton until the exchanges resumed and hedging was restored. Buyers are not allowed advances in the way of overdrafts unless they can show that the cotton for which they wish to pay has been sold. The banks want to be sure of immediate reimbursement if they are to put out their money for purchases of cotton.

Cotton can not be sold to the mills for later delivery without hedging facilities. No buyer here is able to secure actual cotton and carry it until December or January, even if he were willing to do so, because of financial conditions and because of the extreme risk involved. If the contract markets were open, however, many buyers would not hesitate to make sales for December or January shipment. Probably the people of the South never so fully realized the advantages of exchanges as at present. Certainly never before were they so anxious for the exchanges to be in operation.

[Governor O'Neal's address, Alabama State Exposition]

In his opening address at the grounds of the Alabama State Exposition at Montgomery Monday afternoon Governor O'Neal, of Alabama, declared, "The greed and avarice of the spinners of New England is directly responsible for the present condition in the cotton-growing States." He charged that the closing of their spindles at this time was merely for the purpose of creating panic prices for cotton in order that they might step into the market at the psychological moment and buy up their supply for this and next year at panic prices.

Governor O'Neal also said: "There is another thing that must be overcome in the minds of the general public. The people believe that cotton exchanges are merely gambling devices and gambling machines. That is not true. Cotton exchanges are absolutely necessary for the salvation of the cotton crops from year to year, and they and their existence are the salvation of the cotton planter. The teaching that cotton exchanges are gambling devices is wrong; we must recognize the vast importance they are to the cotton grower and encourage their reopening throughout the country." (Reproduced from Pearsall's News Bureau, October 15, 1914.)

[Textile Manufacturers' Journal, October 24, 1914]

The opening of the cotton exchange, it is believed, will exert a bullish influence on raw cotton, as there is bound to be a large amount of buying of hedges and for speculation. A futures market will afford mills a basis for contract work and will give advance orders a safer standing.

[New Orleans Times-Picayune, November 14, 1914]

With the cotton exchanges reopened for future trading the speculative public will be able to deal in the commodity and the producer will no longer be at the spinner's mercy. That the crop of 1914 is a very large one—the largest, perhaps, ever known—is a matter of common knowledge. It follows that several million bales must be carried until a short crop or greatly improved trade creates an imperative demand for the present surplus. That either one condition, or both, will arise sooner or later is absolutely certain unless all human experience is delusory. Even if 5,000,000 bales should have to be impounded in this way, the task would not prove difficult with the vast speculative public to help. With cotton readily salable, bankers will not hesitate to lend and the problem which was recently so acute will solve itself. It remains for the farmer to do his part. Speculation might carry the entire crop at a price, but at only a price low enough to bankrupt every son of the soil. The reopening of the exchanges does not necessarily mean that the price will rise, but only that there will henceforth be two possible buyers for each bale. The lesson has been frightfully expensive, to be sure, but lasting wisdom is not acquired "on the cheap."

[Shreveport (La.) Times, November 14, 1914]

One thing is certain, the futures markets will open with the people of this country in general holding a better opinion of their value and their economic worth more than has ever been entertained before. To put it in the mildest terms possible, the carrying on of the cotton trade during the last three months and a half without the aid of the large cotton exchanges and their future rings, and what used to be called "paper" cotton, has not been a satisfactory experience at all to everyone concerned. The attitude of the farmers has undergone such a complete change that at one of the most important of their gatherings they passed resolutions calling upon the exchanges to reopen as soon as possible. In Congress there now appears to be almost a unanimous desire to build up the futures trade rather than destroy it, and to attempt to destroy the cotton futures markets used to be the favorite performance of statesmen and near statesmen when they thought it necessary to play to the galleries. President Wilson even went so far a short time ago as to express his wish that the cotton exchanges should reopen as soon as possible. Futures trading is apparently entering upon a new phase of its existence.

Mr. RANSDELL. Here is just a brief quotation from the great cotton-producing State of Texas, from Cotton and Oil News, Dallas, Tex., September 17, 1914:

[Cotton and Cotton Oil News, Dallas, September 7, 1914]

The closing of the futures market has certainly eliminated the speculator or "gambler," as some are pleased to term the trader in cotton futures.

Some Congressmen and some agitators among southern cotton growers have long demanded that the speculator be eliminated. Well he has been eliminated, boots, breeches, and all. The exchanges have been closed, another demand of said agitators.

According to the claims and promises of these great reformers the southern cotton grower should now be reaping his profits. The mills would be buying direct from the farmers and paying the latter the big margins that erstwhile went to the exchanges and the gamblers, so called. But what do we see?

Even a blind man can see that the closing of the exchanges and the elimination of speculators have closed the cotton markets and have put the cotton grower entirely at the mercy of a few spot buyers for the mills. The cotton grower is forced to accept any price offered him.

The cotton mills are also handicapped since they can not go into the open market and buy cotton for future delivery by putting up a margin of about $5 per bale in cash, one-tenth of the value of cotton. Now that he is required to pay cash this buying power is paralyzed and he only purchases one-tenth the quantity of cotton he was able to buy when the exchanges were open and future trading possible.

Under these conditions there is no wonder that cotton has declined and keeps declining.

Our reformer friends among the farmers have simply been forced to take the physic they have been so long prescribing and it certainly should make them sick of silly and quack nostrums.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. RANSDELL. I yield.

Mr. SIMMONS. I understood the Senator to say that at a certain time the exchanges were out of commission temporarily.

Mr. RANSDELL. On account of the war.

Mr. SIMMONS. And that during that period cotton fell to 6 cents a pound.

Mr. RANSDELL. Yes; it did.

Mr. SIMMONS. Was there anything in the amount of cotton produced in that year or in the amount of cotton goods consumed that year or in the international relations of this country that would have accounted for that tremendous drop?

Mr. RANSDELL. Not altogether. There was a large crop produced that year. As I recall, it was around 14,000,000 bales. The Senator will remember that there was such a dearth of shipping that we could not send our cotton across the sea. A great many of our men, ordinarily engaged in industry, were put into the service or at least we put them in the service in 1917. But I am talking about 1914. We all were on the qui vive. We feared the war would break out, and there were untoward conditions, but the stopping of the cotton exchanges completely closed all speculation in cotton. That is the point I am trying to reach.

Mr. HEFLIN. Mr. President, if the Senator will permit me——

Mr. RANSDELL. Pardon me just a moment and then I shall be glad to yield. They completely stopped everything except the actual demand for the spot cotton. In spite of the war there were many people in this country with large sums of

money who felt that cotton was too low at 6 or 7 or even 8 cents a pound who would have gone into the exchanges and bought cotton, if they could have done so, and who did go in as soon as the exchanges opened, and cotton began to come up immediately.

I now yield to the Senator from Alabama.

Mr. HEFLIN. The Senator will recall that the exchanges were not closed until cotton had reached about 6 cents. The war broke the price, which was 14 cents a pound, and it went down to the bottom like an iron wedge dropped in a well. When it was down there, the exchanges were dubious themselves about whether they could handle the situation. They were not very much opposed to the matter of withdrawing. The exchanges were not opposing very seriously the closing, which was because of World War conditions being so dreadful, and they were very uncertain as to what the future would bring forth. My recollection is that they were not closed until cotton had dropped, while they were still running, from 14 cents to 6 cents, or $40 a bale.

Mr. RANSDELL. I think the Senator is mistaken. The last quotations on the New Orleans Cotton Exchange, July 31, 1914, were as follows: January, 10.65; March, 10.75; May, 10.80; October 10.57; and December, 10.60. The quotations on the New York Cotton Exchange for the same date were as follows: October, 10.50; December, 10.75; January, 10.70; March, 10.79, and May, 11.10.

I have already placed in the RECORD quotations from several papers in which I think the Senator will be interested.

As I said before the Senator from North Carolina [Mr. SIMMONS] returned to the Chamber, there has been agitation for 50 years to destroy these exchanges. I stated that my great predecessor in this Chamber, the late Edward Douglas White, made a wonderfully practical address in 1892, fighting the same kind of legislation as that before us now. I stated there had been argument after argument, debate after debate, effort after effort to destroy the exchanges. I read from the report of the Committee on Agriculture and Forestry of the House of Representatives, which was headed by Mr. Lever, of South Carolina, in collaboration with the Senator from South Carolina [Mr. SMITH], when Mr. Wilson was President, in support of the Smith-Lever Cotton Futures Act, which I designated as a great piece of legislation. It was intended to cure certain bad practices in the exchanges.

No friend of the exchanges has ever said they were perfect. No friend of the exchanges says they are perfect now. The Senator from South Carolina [Mr. SMITH], in a most intelligent and comprehensive manner, has been conducting hearings to ascertain whether there are any troubles at the present time in the exchanges that can be cured by legislation. I have on my desk two bills which have been introduced, one by myself to prevent manipulation in cotton contracts and one by the Senator from South Carolina [Mr. SMITH] to prevent manipulation in cotton contracts. The Congressman from Georgia [Mr. VINSON] has a most comprehensive measure pending in the House to prevent manipulation in cotton contracts. All of those pieces of legislation are intended to correct what is recognized as an existing evil. But, Senators, the authors of none of these bills seek to destroy that great commercial agency which has been in existence in the country for nearly 60 years and which the ablest economists of the land have recognized as very beneficial to the cotton industry. If anyone can point out a better agency, then in heaven's name let him do so, and I for one will say "Thank you," and will push the exchange aside, if I can, by legislation, but not until something better is presented. In the meantime let us try by proper legislation to overcome what may seem to be bad.

Mr. SIMMONS. Mr. President——

Mr. RANSDELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I infer from the Senator's remarks that he interpreted my interrogation of a few moments ago as having been made in a spirit of hostility.

Mr. RANSDELL. Not at all. I thought the Senator too wise a man to favor such legislation as this is supposed to be. His record is too well established in the Senate for me to suppose any such thing as that.

Mr. SIMMONS. I must confess that I am not familiar with the technique of the subject. I think the Senator from Louisiana is. I think the Senator from South Carolina [Mr. SMITH] is. I am very glad for Senators to have the benefit of the discussion of this question by both of the able and learned Senators to whom I have referred.

I agree with the Senator that legitimate hedging, and that is the only kind of hedging I know anything about, is not speculation. The object of hedging, as I understand it, is to secure a guaranty by a perfectly reliable and solvent person or institution that one's cotton or corn or wheat will be worth so much at a given time.

Mr. RANSDELL. The Senator is right.

Mr. SIMMONS. That is its object.

Mr. RANSDELL. That is correct, to insure it just like one would insure his house against fire.

Mr. SIMMONS. It is an insurance and a guaranty, and nothing else.

Mr. RANSDELL. That is all.

Mr. SIMMONS. It is not speculation, if that is correct.

Mr. RANSDELL. That is my idea. Of course, some people may speculate. Some may go into the exchange who are not actually hedging, but are merely speculating.

Mr. SIMMONS. A policy of insurance against fire is pure speculation on the subject of whether there will be a fire.

Mr. RANSDELL. Absolutely.

Mr. SIMMONS. I do not know of any cotton dealer who does not, when he buys a large lot of cotton, feel that safety and prudence require that he shall hedge against loss. I think nearly all the spinners of the country do the same thing, and I do not think they do it in a spirit of speculation at all. They do it because they want to stabilize the price of their own product, and in that way they can stabilize it by being guaranteed against a certain fluctuation in the price of the raw material out of which they produce it.

Mr. RANSDELL. The Senator is entirely right; they can not stabilize it in any other way.

Mr. SIMMONS. I agree with the Senator thus far, and I say that the number of bales of cotton that are actually produced in excess of the demand of the cotton mills does not measure the extent of the legitimate transactions in cotton. We have got to take in these other transactions that do not contemplate actual delivery, but contemplate a guaranty of a certain price. When those are taken in, I think we shall have taken in a large part—I do not know how much; I have never estimated it; the Senator from Louisiana probably has the proportion; but I think it will be a considerable part, to say the least—of the transactions that take place on the exchanges. That is the only place where we can go to get this guaranty.

Mr. RANSDELL. That is correct.

Mr. SIMMONS. Eliminate that and we should have no place to go to get it, and no person and no institution or corporation to which we might go.

Mr. RANSDELL. Certainly; it is the only cotton insurance association that we have. We can not go to a fire insurance company, for they will not give the guaranty to us; we can not go to a life insurance company, for they will not do so. The cotton exchanges are the price insurance associations, just as Lloyd's in England is the great marine insurance association; they are of the same character.

Mr. SIMMONS. Mr. President, I was very much interested in the statement of the Senator from Louisiana a little while ago about the tremendous drop in the price of cotton that occurred while the operations of the cotton exchanges were suspended. I asked the Senator the question I did because if there was no circumstance connected with the production of cotton in that year, or in the general domestic and foreign uses of cotton, the figures the Senator gave were very convincing. I asked him the question for the purpose of ascertaining those facts. Now, what I am interested in hearing the Senator upon is this: If we shall destroy the cotton exchange, for the same reason we should destroy the wheat exchange; for the same reason we should destroy any speculative organization in stock and bonds; for the same reason we should destroy or discourage, whichever the case may be, by placing upon it a handicap or a burden dealing in livestock on the stock exchanges of the country, especially in Chicago. If all of those exchanges as a result of that burden that we place upon them or propose to place upon them, are destroyed—I do not say they will be, but if they are destroyed—what will be the effect upon the standardization, if I may use that term, of prices?

People produced in the hope of securing a certain price; that is certainly true of certain lines, for instance, in the manufacturing industry, and it ought to be true in the growing of cotton, but circumstances are such that it can not be altogether so. However, if we destroy these exchanges, will we or will we not bring about a state of chaos as to prices in this country? When we want to know the price of hogs, we go to Chicago to find the price. When we want to know the price of cotton, we go to the quotations of the New York market.

Mr. CARAWAY. Mr. President, will the Senator permit me just a moment?

Mr. RANSDELL. I decline to yield. I will yield to the Senators one at a time.

Mr. CARAWAY. I merely want to ask the Senator a question.

Mr. RANSDELL. I decline to yield to any other question until the pending one is disposed of.

Mr. SIMMONS. If these institutions from which we get our quotations of prices shall be destroyed, then what will be the condition with respect to prices generally in this country? Will they not depend almost entirely upon local conditions? Will the price be reflected by world conditions to any particular extent?

Mr. RANSDELL. Is that the Senator's question?

Mr. SIMMONS. That is my question. What I fear is it might bring about a general collapse of stable prices in the products of this country. I am not expressing an opinion definitely one way or the other, but I want to hear the Senator, who, I think, has given a great deal of study to this question.

Mr. RANSDELL. I thank the Senator for his courteous question, and I will endeavor to answer it as well as I can.

Mr. SIMMONS. The Senator from Arkansas [Mr. CARAWAY] tells me privately that there is no future market with reference to hogs and livestock.

Mr. RANSDELL. He is right; but there is a future market with reference to the products of hogs, lard, and so forth.

Mr. SIMMONS. Possibly the Senator from Arkansas is right about that technically.

Mr. RANSDELL. There is no future market in hogs themselves on the foot, but there is in the products of hogs.

Mr. SIMMONS. But it is a fact that the livestock market in Chicago fixes the price upon livestock, whether hogs or cattle.

Mr. RANSDELL. Not on the foot but in the finished product.

Mr. SIMMONS. I thought it was also on the animal itself.

Mr. RANSDELL. I do not so understand, but of course the price of the animal is gauged by the price of the finished product.

Mr. SIMMONS. Probably it is; they fix it by the price of the finished product, and the price which they fix is the price at which that product is now being sold throughout this country.

Mr. RANSDELL. That is right.

Mr. SIMMONS. To illustrate: I know something about the hog business; at one time we started, in certain sections of my State at least, a great movement to raise hogs, but when we had raised them we had no market for them; we found we could not sell them; the local demand would not take the product. Certain local concerns, one located in Richmond, advertised that they would pay for any number of hogs that might be brought to them the Chicago price. That meant the price fixed on the Chicago stock market, I presume.

Mr. RANSDELL. The price as reflected on that exchange.

Mr. SIMMONS. That price, as I have reason to believe, was very much in excess of the local price at which the hogs were selling in my community and in my section of the State.

Mr. RANSDELL. Of course, it would be necessary to add transportation charges.

Mr. SIMMONS. Of course, transportation charges would be added. The result was that, although the movement for the raising of hogs had been halted by the fact that there was no local demand, when the producers found a market in which they could sell their hogs for a fixed price, the industry was revived and became a very extensive one and is to-day a very extensive one in that section of the country. The hogs are brought to a certain distributing point; they are there placed on cars and sent to Richmond, Va., and sold at a staple price. That has been a very great encouragement to the production of livestock in my State.

Mr. RANSDELL. And the Richmond people gave a price based upon the Chicago market.

Mr. SIMMONS. Exactly.

Mr. RANSDELL. Now, I will try to answer the Senator's question applying it to cotton. In the first place, the cotton exchanges do not make the prices but merely reflect them; the transactions between the buyers and sellers of the world are reflected on the exchange; a record is kept of them, and every morning in the State of the Senator from North Carolina those who buy cotton and who deal in cotton, be they mills or cotton merchants, receive quotations from the New York market, the Chicago market—I am speaking about the Chicago cotton market now—and the New Orleans market.

Those markets in turn get quotations from every place in the United States and abroad where cotton is bought and sold. Those cotton exchanges are clearing houses for the whole world, and they reflect the prices at which cotton is dealt in. They are in close touch with European countries which consume our product. They are in close touch with the great Liverpool exchange, with the Bremen exchange, with the Havre exchange, and I believe there is one in Alexandria, Egypt. They are in the closest touch with the cotton-consuming public of all the world. They know from the reports how much cotton is on hand everywhere on earth, and how much cotton is needed for the mills everywhere on earth. They deal with the situation in a broad, comprehensive way.

Suppose we did not have these exchanges. How could the intelligent people of New Bern, N. C.—that is, the Senator's home, I believe—know whether there was a shortage of cotton in Egypt and in India and in Russia and in Africa and in South America? What would they be able to tell about it? It costs a great deal of money and effort, and requires a trained organization to get all these facts, to collate all these facts, to bring them into scientific, intelligent computations and put them before the world. Otherwise they could not tell anything about it. Therefore, a local condition would exist in New Bern, and some of the buyers there might say, "Well, we do not know. There is a mighty small crop here in North Carolina. I believe cotton is going to go up," let us say at the present time, "to 24 cents a pound, and I am going to buy all I possibly can." But there may be conditions somewhere else in the world which would induce the same men to feel that it would be risky to pay any more than to-day's market on that cotton. Or the farmer might say, "There is a very good crop here in North Carolina, and I believe cotton is going to go down." But from the information gathered by the exchanges, which is, of course, available to producers as well as consumers, he learns that there is a shortage of cotton elsewhere in the world, which enables him to avoid sacrificing his crop. In fact, they would not know what to-day's market is without this service of the exchanges.

Mr. SIMMONS. Then I understand the Senator to say that if the cotton exchanges are permitted to exist, the price of cotton will be substantially the same from one end of the United States to the other?

Mr. RANSDELL. Absolutely.

Mr. SIMMONS. But if we destroy them the price of cotton may be one thing in one State and another thing in another State?

Mr. RANSDELL. It actually was during the time when we did not have the exchanges.

The Senator was just about to ask me if such a state of affairs would not have a bad effect on the price of cotton, as I understood his question.

Mr. SIMMONS. I meant to ask this question: The Senator stated that as a result of the cotton exchanges establishing prices, the price of cotton was the same in every part of the United States.

Mr. RANSDELL. Substantially—leaving out of consideration transportation charges, of course.

Mr. SIMMONS. Yes; omitting those from the question altogether, as a matter of course. Now, if the institution which has brought about this condition is destroyed, or is so handicapped by taxation that it can not function, would it not follow that the price of cotton would range differently in different sections of the country, in different States, and possibly in different sections of the same State?

Mr. RANSDELL. It surely would. Another thing, Mr. President, I do not know that the Senator from North Carolina heard the first part of my argument. In the first part of it I tried to show that the speculators, by going into the market, had a steadying and a buoying effect on it.

Suppose cotton is pretty low, as I tried to say, when we did not have the exchanges, in the World War. It went down to 6 cents a pound. There were a great many people in the United States who knew that cotton was intrinsically worth a good deal more than 6 cents. They might have to hold it for a year or two, but they knew it could not be produced at 6 cents. There were no exchanges for three months on which they could buy cotton. They were closed. Of course these speculators who lived in Paris, London, Brussels, Rome, Madrid, Calcutta, Tokyo, or some other place, could not go down into North Carolina and buy the actual spot cotton. They could say, however, "Cotton is too low; I am going to load up"; and they would load up; and as soon as the exchanges began to operate they began to buy cotton and buy cotton and buy cotton; and that immediately steadied the price, and it went up and up and up. It was a wonderfully steadying factor and raised the price materially, to the benefit of the producer.

Mr. President, what makes prices? Demand for the product. There may be a great supply of anything, but if there be no demand you can not get much for that product. In addition to the legitimate hedging which I tried to describe and which, according to Mr. Marsh, former president of the New York Cotton Exchange, constitutes from 80 to 85 per cent of all the

business on the exchange, there is a considerable speculative element; and I do not know that it is wrong to speculate. I have done some speculating in real estate myself at times. I paid only a little money down. I have speculated in various things. I would make a small cash payment and get credit on the balance, hoping that the product would go up and I could sell it at a nice little profit.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER (Mr. HARRIS in the chair). Does the Senator from Louisiana yield to the Senator from North Carolina?

Mr. RANSDELL. I yield to the Senator from North Carolina.

Mr. SIMMONS. I have not understood the Senator as antagonizing the elimination, if it were feasible, of purely speculative dealing in cotton or any other agricultural product. I think everybody is agreed that if there is any way by which that can be done without at the same time destroying these exchanges, or placing upon them such a serious handicap as would probably prevent their functioning as they should in the interest of business and in the interest of maintaining and stabilizing and steadying prices in the country, we ought to adopt that legislation, if anybody can present it here in a form that will be accepted as accomplishing that purpose and not going farther than that. I understood, however, that the Senator was making the point that if this heavy burden were placed upon a part of the operations of cotton exchanges, it would probably destroy the exchanges.

Mr. RANSDELL. Not only in my judgment, Mr. President, but in that of a great many others, it would have that result. I understand that as a practical proposition you can not use them for the legitimate insurance business without the possibility of their being used for speculation. It is all so blended that you can not separate it. The exchanges would be destroyed if a tax of this kind, which amounts to $50 a contract, were imposed. It would completely destroy the exchanges, both grain and cotton.

Mr. SIMMONS. I understand that the purpose of the Senator from Arkansas is to prevent, by imposing a tax, these speculative transactions on exchanges. The question to my mind is whether he has not fixed the penalty so high that it might possibly be too serious, and might accomplish more than he has in view.

Mr. RANSDELL. As I understand, in trying to cure the disease he would kill the patient.

Mr. SIMMONS. I do not know whether that would be so or not.

Mr. RANSDELL. That is absolutely so, in my judgment.

Mr. SIMMONS. I understand that to be the contention of the Senator.

Mr. RANSDELL. That is my contention, without a doubt.

Mr. SIMMONS. I think it is a very serious question.

Mr. RANSDELL. And does not the Senator think we ought to go very slowly in destroying or in endangering a great agency of commerce that has existed for nearly 60 years, that is used so extensively by so many people engaged in the agricultural business? Unless we are certain we are right, had we not better go slowly? Had we not better follow the lead of the senior Senator from South Carolina [Mr. SMITH], for instance, in the bill which he has just introduced to-day seeking to correct some possible evils? Had we not better follow the bill which I introduced, seeking to correct similar evils; or the bill which the Congressman from Georgia introduced, seeking to correct some evils instead of destroying the whole thing, instead of pulling down the house on its inmates?

Mr. SIMMONS. I understand that that is the question in difference between the Senator from Arkansas and the Senator from Louisiana. The Senator from Arkansas contends that it will not destroy the exchanges. I do not understand it to be his object and his purpose to destroy the exchanges. The Senator from Louisiana contends that it will. That is where I want enlightenment.

Mr. RANSDELL. If I may just put it in this way, the difference between the Senator from Arkansas and the Senator from Louisiana is this: The Senator from Louisiana stands by the existing institutions, by something that has been used for years and years and years. The Senator from Arkansas wants to destroy them. He wants to put in something else. "He who asserts must prove" is a principle of law with which the great Senator from North Carolina certainly is familiar. I am not seeking to do anything here except to maintain the status quo; that is all. I do not want to do a thing but let these exchanges alone. Is not that a different position from his? I think it is very different.

Now I want to proceed, because I have taken up too much time already. I was trying to place in the RECORD some newspaper statements about the condition in 1914. I will read just one or two very brief ones, and will ask to put the others in the RECORD without quoting them.

I had just read this sentence:

Some Congressmen and some agitators among southern cotton growers have long demanded that the speculator be eliminated. Well, he has been eliminated—boots, breeches, and all. The exchanges have been closed, another demand of said agitators.

According to the claims and promises of these great reformers the southern cotton grower should now be reaping his profits. The mills would be buying direct from the farmers and paying the latter the big margins that erstwhile went to the exchanges and the gamblers, so called. But what do we see?

Mind you, this is a great Texas paper. There are no future exchanges in Texas.

Even a blind man can see that the closing of the exchanges and the elimination of speculators have closed the cotton markets and have put the cotton grower entirely at the mercy of a few spot buyers for the mills.

I hope every Senator who contemplates voting for this amendment will consider that sentence.

Mr. President, without reading, I ask to be permitted to place in the RECORD the statements of two Secretaries of Agriculture in opposition to this identical bill, or a bill so near it that it is just as dangerous—Secretaries Wallace and Jardine—both addressed to the chairman of the Committee on Agriculture and Forestry of the Senate, expressing the utmost opposition to this bill and saying that it would not be right to pass it.

Here is the closing sentence of Mr. Jardine:

In the meantime, it—

That is, his department—

feels that the hedging function of the future exchanges is of real necessity in the present-day developments of our markets for cotton and grain, and that it should not be destroyed until other means of accomplishing the same end are discovered and established.

May I have the privilege of putting these statements in the RECORD?

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

The matter referred to is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, January 25, 1924.

Hon. G. W. NORRIS,
Chairman Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR NORRIS: In compliance with the request of the clerk of your committee, I submit herewith the department's comment on S. 626, entitled "A bill to prevent the sale of cotton and grain in future markets."

The general purpose of the bill is to prevent the offering to make, or the making, of any contract for the purchase or sale of cotton or grain for future delivery, without intending that such cotton or grain shall be actually delivered or received, and to impose upon the purchaser of such a contract the obligation to accept delivery. To accomplish this purpose the seller is required, before transmitting any message offering to make or enter into such a contract, to furnish an affidavit stating among other things his intention to deliver such cotton or grain, and the buyer is required to furnish an affidavit that he has the intention to receive and to pay for such cotton or grain. It penalizes with fine or imprisonment any person sending or causing to be sent any message offering to make or enter into a prohibited contract and any person owning or operating any telephone or telegraph line, wireless telegraph, cable, or other means of communication, or any agent of such person, who knowingly uses or allows such property to be used for the transmission of a prohibited message. It also prohibits the use of the mails for carrying any written or printed matter tending to induce or promote the making of a prohibited contract and penalizes any person who knowingly uses the mails for the transmission of such matter, or any person who knowingly takes or causes such matter to be taken from the mails for the purpose of circulating or disposing of it.

The bill is based upon the power of Congress to regulate interstate commerce.

During the past 50 years many bills have been introduced in Congress which would prohibit the sale or purchase of contracts for the future delivery of grain or cotton not providing for the actual delivery thereof. None of these drastic bills passed, because evidently Congress reached the conclusion that such legislation would substantially impair, if it would not actually destroy, the valuable hedging facility which is furnished by the making of the vast number of contracts on and through the exchanges in which deliveries are contemplated rather than actually assured. In rejecting these bills it seems that Congress wisely refused to deprive the producers, the merchants, and the manufacturers of these

farm products of the benefit of this insurance against price fluctuations. However, congressional study of the subject matter led to the passage of laws designed to regulate and supervise future trading in cotton and grain, for the purpose of eliminating excessive speculation, market manipulation, dissemination of false information, and other known injurious practices which attended the operation of exchanges in the conduct of their business in future trading. The legislative thought on this subject crystallized into the cotton futures act and the grain futures act.

Since the passage of the cotton futures act in 1914, its reenactment in 1916, and its amendment in 1919, it may fairly be claimed that the quotations for cotton have more accurately reflected the value of spot cotton than was previously the case. As the future quotations have functioned on the value of spot cotton, the market has offered a better opportunity for the making of hedges than was previously the case, when futures sold at a much larger discount compared with spots. The requirement which the act makes of settlement on ascertained commercial differences, rather than on arbitrary differences which were fixed by the exchange rules, has resulted in settlements of such contracts which are much fairer to the buyer. Since ascertainment of commercial differences and the classification of cotton by the department there has been much less opportunity for unfair manipulation of the future market by powerful traders. Practically all interests directly concerned in future trading in cotton agree that the law has been of great benefit, and many of those which formerly strenuously opposed the enactment of the law have accepted it and are operating under it without complaint.

The grain futures act of September 21, 1922, comprehensively places under the supervision of the Secretary of Agriculture the exchange whereon there is future trading in grain. It prohibits the dissemination by an exchange of any of its members of false, misleading, or inaccurate reports concerning crop or market information or conditions that affect or tend to affect the price of commodities, and prohibits manipulation of prices or the cornering of grain by the dealers or operators on the exchanges. This requires the keeping of memoranda and the filing of reports with the Secretary of Agriculture showing the details and terms of all transactions entered into on the board. The Secretary now requires that such reports be made daily. The law has not been in force long enough fully to demonstrate its effect. It is apparent, however, that it has resulted in restraining the dissemination of false or misleading market information, the manipulation of prices, and corners, and has had and is having a stabilizing influence upon the price of grain in that it seems that violent price fluctuations have disappeared. The law has been very helpful, notwithstanding exchange resentment, which has hindered and delayed the full accomplishment of its purpose. While this act permits the buying and selling of contracts for the future delivery of grain under the rules of the exchange which do not provide for actual delivery, nevertheless it has and will restrain the excessive selling or purchasing of such contracts on the part of powerful sinister interests.

Therefore, I am inclined to believe that Congress should give the grain futures act and also the cotton futures act more time to demonstrate their worth before it resorts to far-reaching legislation proposed by S. 626, because I am convinced that the insurance facility is of great value and is largely dependent for its existence upon public speculation in grain and cotton contracts, and this hedging privilege should not be destroyed until these industries find some better way to insure themselves against price fluctuations.

In view of the foregoing considerations, it has not been thought advisable to enter upon a discussion of the legal phases of the bill.

Sincerely yours,

HENRY C. WALLACE, *Secretary.*

DEPARTMENT OF AGRICULTURE,
Washington, January 13, 1926.

Hon. G. W. NORRIS,
Chairman Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR NORRIS: In accordance with your letter of December 9, I wish to submit the department comment on S. 454, entitled "A bill to prevent the sale of cotton and grain in future markets."

This bill, which is based upon the power of Congress to regulate interstate commerce, is intended to prevent the sale of cotton or grain for future delivery without intending actual delivery of the product and to impose upon the purchaser the obligation to accept delivery. The seller is required before transmitting any message offering to enter into such a contract to furnish an affidavit stating, among other things, his intention to deliver the product and the buyer is required to furnish an affidavit that he intends to receive and to pay for such cotton or grain. It penalizes any person sending or causing to be sent any message offering to make or enter into a prohibited contract and any person owning or operating any telephone or telegraph line, wireless telegraph, cable, or other means of communication, or any agent of such person, who knowingly uses or allows such property to be used for transmission of prohibited messages. It likewise prohibits the use of the mails for carrying any written or printed matter tending to promote the making of prohibited contracts and penalizes persons who use the mails for the transmission of such matter or any person who knowingly takes or causes such matter to be taken from the mail for the purpose of circulation.

From time to time a great many bills have been introduced to prohibit the purchase and sale of contracts for the future delivery of agricultural products not providing for actual delivery thereof. Congress, however, evidently concluded that such legislation would impair or destroy the hedging facilities which are furnished through trading on the exchanges, and thus far it has refused to deprive the producers, merchants, and manufacturers of these farm products of the benefit of such insurance against price fluctuations.

Study of the subject matter, however, has led to the passage of laws providing for the regulation and supervision of future trading in cotton and grain for the purpose of eliminating undue speculation and other injurious practices which had crept into the business of future trading.

You will recall that the cotton futures act, which was first passed in 1914, was reenacted in 1916 and amended in 1919. It is believed that the cotton futures markets now offer better opportunity for the making of hedges than was previously the case. The requirement which the act makes of settlement on ascertained commercial differences rather than on arbitrary differences which were fixed by the exchange rules has resulted in settlements of such contracts which are much fairer to the buyer. Since ascertainment of commercial differences and the classification of cotton by the department, there has been much less opportunity for manipulation. Practically all interests concerned in future trading in cotton agree that the law has been of great benefit.

The grain futures act regulates to some extent trading in grain futures. It prohibits such transactions unless (a) the seller actually owns or is the grower of the grain or either party to the transaction is the owner or renter of land on which the grain is to be grown or is an association of such owners, growers, or renters, or (b) the contract is made by or through a member of a board of trade which has been designated as "a contract market." One of the conditions precedent to such designation is that the governing board shall make provision against manipulation of prices and the cornering of grain. The act requires the keeping of memoranda and the filing of reports with the Secretary of Agriculture showing the details and terms of all transactions entered into on the contract markets. It prohibits the dissemination by any person of false, misleading, or inaccurate reports concerning crops or market information or conditions that tend to affect the price of grain. While the law has not been in force very long, it is believed that its enforcement has had a wholesome effect.

Some of our best-known economists have pointed out that future trading is a field which, though large and important, has had comparatively little economic exploration. It is my feeling when called upon to consider any question connected with our future markets that intelligent disposition would be much facilitated if there were more sound information available.

In the administration of the two statutes above mentioned, the department is actively studying the available data, with the hope of being able to offer from time to time suggestions of a more constructive nature for the treatment of problems of this kind. In the meantime, it feels that the hedging function of the future exchanges is of real necessity in the present-day developments of our markets for cotton and grain, and that it should not be destroyed until other means of accomplishing the same end are discovered and established.

Sincerely yours,

W. M. JARDINE, *Secretary.*

Mr. RANSDELL. Just a few words more. I have a statement prepared by me in regard to the legality, the unconstitutionality of this provison, that I should like to put in the RECORD.

The PRESIDING OFFICER. Without objection, it will be so ordered.

The matter referred to is as follows:

The legal advisor of the Department of Agriculture has expressed the opinion that the drastic provisions contained in section 2 of this bill are unconstitutional. It is true that the solicitor was discussing the Candler bill introduced in the Sixty-third Congress (1913–1915) when he wrote that opinion, but I have gone to the trouble of comparing section 2 of the Caraway bill with section 2 of the Candler bill and they are identical, even down to the punctuation, with this exception: In the Caraway bill the words "or grain" are added wherever cotton is referred to, and the penalty is increased from $1,000 to $10,000. Therefore the opinion of the legal advisor of the Department of Agriculture applies to this bill. Here is what he has to say about section 2:

"Under the bill, as drawn, the prohibition in section 2 extends to the sending of messages by telegraph, telephone, wireless telegraph, cable, and other means of communication. It is not clear just what the phrase 'other means of communication' would include. Under the rule of ejusdem generis it would probably be construed as confined to any possible agencies of communication, other than three specifically mentioned, which are based on, or which apply the scientific principles of, the telegraph and telephone. But if the phrase be held to include

such means of communication as railroads and boats, which carry corporeal objects instead of intangible messages, there is, at least, a doubt as to the validity of the proposed legislation when applied to such other means of communication. This doubt arises primarily out of certain statements of the United States Supreme Court in Paul *v.* Virginia (8 Wall. 168) and cases following it.

"It is firmly established that contracts of insurance are not transactions of interstate commerce which are subject to regulation by Congress under the commerce clause of the Constitution. Paul *v.* Virginia (8 Wall. 168); Hooper *v.* California (155 U. S. 548); New York Life Insurance Co. *v.* Cravens (178 U. S. 389). Likewise, contracts for the sale of an article for future delivery are not, in themselves, transactions of interstate commerce if they do not oblige the transportation of anything from one State, Territory, or District to another State, Territory, or District of the United States. (Ware & Leland *v.* Mobile County, 209 U. S. 405.) However, in Paul *v.* Virginia (8 Wall. 183) the court, in the course of its opinion, goes further than to hold that the contracts involved were not in themselves transactions of interstate commerce, and says:

"'These contracts are not articles of commerce in any proper meaning of the word. They are not subjects of trade and barter offered in the market as something having an existence and value independent of the parties to them. They are not commodities to be shipped or forwarded from one State to another and then put up for sale.'

"Because of what has been held in the cases referred to, and particularly because of what was said in the extract just quoted, there is some doubt as to whether the Supreme Court would hold that, under the commerce clause, Congress is empowered to regulate the physical transportation of a written or printed contract or offer to make such contract, which is not itself the subject of interstate commerce."

Nor was the Solicitor of the Department of Agriculture beating a new path in the mazes of law when he took a stand regarding the unconstitutionality of this bill. He was in distinguished company; and perhaps the most eminent of all the jurists who viewed this class of legislation as he did was the late Chief Justice of the United States Supreme Court, Hon. Edward Douglas White. Prior to his elevation to the highest court of the land he had served here as a Senator from my State, and it was while opposing almost identical legislation as this that he made the constitutional argument on the floor of the Senate which attracted the attention of President Cleveland and the bench and bar of the country to his remarkable ability.

That great address has taken its place among the legal classics of America and the words in which he concluded it are as true to-day as when he uttered them. I do not think this committee, in deciding upon the fate of this measure, could do better than to ponder them. Here they are:

"Suppose we do pass the bill and strike the present business methods down, what good is it going to do? Is there not a cotton exchange where futures are dealt in at Liverpool? Are they not on the continent of Europe? Did not just a few days ago a gentleman send me the charter of the organization of a great exchange in the city of Hamburg for the purpose of conducting this business of futures in cotton? Did he not send me a letter from a German merchant saying that they had noticed the intention to strike down the business here, and they hoped it would come to them?

"Is there not a cotton exchange at Alexandria, in Egypt? Does not both the Egyptian and the Indian crop move under the operation of laws of future delivery? Without that system I have shown that the disparity between the American price and English price is large. With the system I have demonstrated that the disparity diminished until there has been an average gain to the producers of this country of over a cent a pound. I am unwilling by my vote here to transfer this vast sum of money out of the pockets of the people of the cotton States into the pockets of the people of Great Britain."

Mr. RANSDELL. Mr. President, without attempting to discuss the matter longer, I hope Senators will bear in mind that this legislation is really to carry into effect the measure which has been pending for a great many years, the bill which is now pending before the Senate and has a preference place on our calendar following the Boulder Dam bill, and it will probably be discussed for days when it comes up; because, when you seek to destroy the existing order, when you do something which will break up and completely put out of business hundreds—I started to say thousands and thousands—of business firms in every part of this country, you should not do that without long and careful consideration.

It would be almost criminal to take such radical action as contemplated by this amendment unless certain of the ground. If it be right, in heaven's name let us do it. If we are going to better the condition of agriculture, which certainly is now to a great extent in the slough of despond, I say in heaven's name let us pass the legislation, regardless of whom it may affect. But until we are certain, I beg of Senators not to vote in favor of this destructive piece of legislation, which offers nothing constructive in lieu thereof.

Mr. CARAWAY. Mr. President, I am conscious of the fact that there is not much gained by bandying opinions as to what the effect of any piece of legislation will be, but I am persuaded that there is one thing that is true. There is a contention on the part of the Senator from Louisiana that future markets can raise prices. He said, when they were destroyed in 1914, the price went down. If they can raise the price, they can lower the price. That is an admission of all we have ever said, that the future markets are not a reflection of world conditions, but permit the gamblers to fix the price of a product that he does not produce. Nobody need argue that the future market can raise the price and then say that it could not lower it, because if it can influence it one way it can influence it both ways.

The Senator from Louisiana admits all we have ever said. The difference, then, between him and me is this: He says the exchange is a good thing because it can raise the price if it wants to. I say that it is a bad thing because it permits people who are gambling in the products of other people's toil to influence the prices of products they have nothing to do with creating. He admits that in his statement.

If anybody who knows enough to find his way to the paying teller's desk should insist that the question of closing the markets in 1914 had anything to do with the deranged conditions of commerce, he would at least do himself some justice if he would go and look into the matter of what at that time destroyed all our foreign commerce. The condition then affected just as much things that were to be sold in Europe, that are not dealt in on the cotton and grain exchanges, as it affects those things that were dealt in on those exchanges. That result followed the closing of the sea, when it was not yet known whether Germany and the Central Powers or Great Britain would control the seas. Therefore any shipment that started out was likely to be seized. Of course, all foreign commerce stopped, and everybody knows that 65 per cent of the cotton grown in America has to find a market in Europe. In the face of these facts, to say that the closing of the stock exchange has a thing to do with the cotton market puts a strain on our credulity.

The Senator from North Carolina and the Senator from Louisiana spoke of fixing the price of hogs on future markets. There is not a future market for hogs. The Senator now can not find out to save his immortal soul what a hog is going to sell for on the Chicago market in the morning. There is no way of finding out. The market opens as the traders open it, and there is no future market anywhere for hogs. The Senator says there is a future market in the products. If there is, it does not control the market of hogs, because they do not undertake to say what the market is to be for hogs to-morrow or the next day or the next. Yet that is about as pat an argument as anything else, an argument dealing with hogs on a future market for cotton.

Mr. President, the only difference on this question is this: Had you rather the people who gamble prosper than the people who produce the cotton prosper? That is all there is in it. Any man with any learning may refine as much as he wants, but he is finally going to vote for one crowd or the other, and he is not going to deceive anybody by his vote. He is going to say, "I would rather the gamblers in Wall Street, in Chicago on the grain exchange, or in New Orleans on the cotton exchange, should prosper, than that the people who produce the bread and meat and clothes we wear should prosper."

I know beyond any cavil, and everybody knows, that speculation to a certain extent influences the prices of products that the people produce. If it did not, here is one thing that is so conclusive that it does not need any argument: You can go to the cotton exchanges to-day and buy a hundred million bales of cotton if you want to do it, American cotton, and every living idiot on earth knows there is not a hundred million bales of American cotton in the world, and will not be, in all human, probability, in the next five years. Yet people will undertake to sell it to you for July or August or September, or whatever the delivery months are.

I know that a man who sells that which he has not to somebody who does not expect to take it, and, more than that, who sells what is not in existence and never will be in existence is one of two things—he is a man who has some means to influence the price when delivery date comes on which he is going to settle, or he is an idiot, and since he has money, and idiocy and money do not dwell long together, we are forced to conclude that he has some way to influence the price on delivery date, and thereby be the beneficiary of a gambler's market.

There would not be anybody rash enough to sell 200,000,000 bales of cotton in a year when there will not be 13,000,000 made,

if he thought there was any way of making him deliver, or suffer for not delivery. He must know how to manipulate.

Gentlemen talk about the exchange being a place where cotton is delivered. The Senator has referred to Mr. Clayton, who I believe is about the keenest gambler in futures I have ever seen. He was so smart that he has brought down the gambling fraternity on his head because he did not play the game according to the rules. He not only skinned all the outsiders, but he went to work with a very keen razor and skinned also the professionals, and Mr. Marsh, who at one time had been the head of the cotton exchange in New York, said the Government ought to indict Mr. Clayton because he was guilty of a dishonorable transaction, that he had manipulated the cotton market, that he squeezed people out of the market, and cost them much money. He sat here with a long array of counsel for weeks to show to the committee—and he convinced every member of it that he was right about it—that you could manipulate the cotton market and ruin people who were not on the inside and engaged in the same manipulation. There was not anybody so full of love for the cotton exchange then when these two were facing each other who undertook to deny that the cotton market could be manipulated.

Mr. Clayton said you could manipulate the New Orleans Cotton Exchange. He said you could manipulate the New York Cotton Exchange. He said they did manipulate the Liverpool Cotton Exchange until it could not be handled as a hedge at all. There was not anybody anywhere—and the Senator from Louisiana was present—who undertook to deny you could do those things.

The statement that the future market gives you the same price for cotton in every place in the United States sounds all right, but if anybody ever grew cotton and sold it at two markets 10 miles apart, he found that that was not true. Some cotton may sell for a cent or 2 cents a pound higher in one town in Texas than in another town in the same county of that State. Everybody has seen that happen. Cotton sells upon the market, unfortunately, as the folks who manipulate the market make it sell. All the witnesses testified before the Smith committee, of which the Senator from Louisiana was a member, that cotton would have sold for a higher price in 1926 if there had not been manipulation. They admitted it, and nobody thought of denying it.

Mr. President, I am astonished that we are told that a legitimate business can not be conducted unless you permit gambling. The Senator from Louisiana says he has speculated in land. He never sold an acre of land to which he did not have title. If he did and it had been found out, he would have had some trouble. You can speculate in land, but you have to have the title to do it. That is all we ask with reference to cotton, that they have the title to the product before they sell it.

Suppose somebody here in the District of Columbia should take a notion he would speculate in city lots and attempted to sell the very ground on which this Capitol stands to somebody who did not know that he did not have a right to do it. He would be in one of two places to-morrow; he would be in jail or in St. Elizabeths. I suspect he would be in St. Elizabeths. Suppose he should undertake to sell the furniture in this Chamber, he would go to one of those institutions. We have asked that the man who sells the thing which the farmer produces shall likewise obtain the right to do it or be penalized for selling that which he does not own.

As the senior Senator from Alabama [Mr. HEFLIN] said yesterday, if you organize a corporation, if the stock of the corporation is capable of being listed, you can list the stock upon the exchanges and have it dealt in, but if you do not want to do that you can not be made to do it. This bill provides only that you can not put the farmer's product on the exchange unless he consents to it. We give him just the same right that is given to every corporation organized in America. You can not sell their stock unless the corporation has listed it, and the right to sell corporation stock goes further than that. If you sell that which does not exist until you produce a corner, they will not let you profit by it. Mr. Clarence Saunders, of Memphis, could give a very learned lecture on that. He bought and bought and bought Piggly Wiggly stock and then made demand for delivery. It was discovered that he had bought more than the outstanding issue and the exchanges would not permit him to force delivery. They broke Mr. Saunders. He took a lot of newspaper space to talk about the exchange turning yellow and "welching" on their game, but they "welched" on it. If it had been a producer of cotton or grain, they would not have protected the people on the other side. They could sell and sell and sell as long as they wanted to, and settle on their commercial differences. We are asking that they apply the same rule to the farmer that they apply to the stocks of the railroads and other commercial institutions whose stock is dealt in on the exchange—that the man who sells must have the right and the power to deliver. When that is a fact we are satisfied.

Mr. KING. Mr. President, the Senator from Arkansas [Mr. CARAWAY] has presented an amendment which deserves most careful consideration. That it relates to a matter of prime importance all concede. There will be differences of opinion as to whether the evils of which the Senator complains can be reached and, if so, whether the amendment which he has offered effectively deals with the same. There will be some undoubtedly who are in favor of checking the evils resulting from dealing in futures upon produce exchanges, who will feel disinclined to support the amendment, being apprehensive that it goes too far and may restrict legitimate transactions. Others may feel that the entire question should be dealt with in a separate bill and not incorporated within a revenue measure.

I concede that the importance of the matter calls for a searching inquiry and that it would be better to deal with it in a special bill. However, the question is before us, and the amendment requires our attention, and we will be called upon to approve or disapprove of the same. It should be stated, however, that the subject has received the attention of committees of Congress during the present session and that the evils of which the Senator speaks were clearly pointed out by witnesses appearing before congressional hearings.

That gambling in agricultural products occurs upon produce exchanges has been established beyond a peradventure of a doubt. That the producers of cotton and wheat have suffered enormous losses through these gambling transactions is a matter patent to everyone.

When these gambling transactions and the evidences of speculations which result in losses to the farmers are pointed out and attempts are made to prevent a continuation of practices so harmful to agriculturists, it is urged that the measures proposed are not satisfactory and will fail to eradicate the evils complained of and the injustices which can not be denied. And there are those who contend that cotton exchanges and produce exchanges are necessary; that though they are tainted with gambling practices they accomplish considerable good.

Mr. President, when exchanges deal in futures and buy and sell commodities which do not exist and which the dealers and brokers do not own and never expect to acquire, injustices are bound to result and farmers are certain to be injured. The violent fluctuations upon these produce exchanges are evidences of gambling practices which can not prove other than harmful to agriculturists and demoralizing to the public. Gambling is not tolerated and many forms of gambling are denounced as crimes. The "corners" which frequently are attempted, and sometimes successfully, in commodities essential to life not only interfere with the ordinary and natural processes of trade and commerce but they work irreparable injury and prove financially harmful to the producers. We hear of stock brokers and produce brokers making millions in their stock-exchange transactions. Perhaps they made not the slightest contribution to the wealth of the country. That stock exchanges and produce exchanges may serve a useful purpose must be admitted, and it is to be regretted that these agencies which may be of value to the people are so often employed illegitimately and in a manner harmful to the public. The amendment under consideration does not interfere with legitimate and proper transactions; it strikes only at those that are improper, fraudulent, and harmful to the producers and to the public.

A few years ago I had occasion to investigate the activities of the New York Stock Exchange, as well as other exchanges in the United States which dealt in stocks and bonds. My recollection is that the data which I obtained showed that an overwhelming majority of the purchases upon the New York Stock Exchange were not actual and bona fide; that is to say, the overwhelming majority of the transactions did not involve the purchase and delivery of stocks. They were "margin" transactions, and the broker did not have possession of the stock and made no deliveries of the stock. My recollection also is that in a great majority of the marginal purchases the purchasers lost what they put up at the time of the purchase. In many cases additional margins were called for and the losses of the buyers were thus increased. With fluctuating markets, thousands of purchasers lose their marginal payments and the brokers reaped large profits. I reached the conclusion from the investigation made that many of the transactions conducted upon stock exchanges were mere gambling transactions.

The data which I obtained also demonstrated that banks belonging to the Federal reserve system, as well as State banks, were supplying hundreds of millions of dollars which were employed in these speculative and gambling transactions. The evidence was so overwhelming that I believed Congress should deal with the subject. I offered a bill which denied the use of

the mails in certain of these stock transactions and forbade banks belonging to the Federal reserve system making loans for stock-speculating purposes and particularly for marginal transactions. I learned during the investigation which I made of the enormous losses sustained by thousands and tens of thousands of individuals who had dealings with the brokers and stock exchanges.

I made inquiries concerning the activities of stock exchanges and bucket shops in various parts of the United States and learned of the havoc wrought and tragedies which often resulted. Thousands of persons buy, knowing that deliveries would never be made and that the brokers did not possess the stocks which they pretended to sell. The markets were watched with feverish anxiety and with the changing figures of the tickers ruin and disaster were brought to a large number of individuals. Upon produce exchanges the same evils existed and the same disastrous consequences followed.

Mr. President, Congress has the constitutional power to deal with these interstate transactions, and it also has the power to tax these exchanges and the brokers who deal upon the same. I would be glad to support a measure that comprehensively dealt with these speculative and stock-gambling transactions and imposed such penalties as would reduce to a minimum the manifold evils resulting from the existing practices upon exchanges. While not satisfied with the amendment offered by the Senator, and recognizing that it will not prove as effective as desired, nevertheless, I shall vote for it. It will be an admonition to those dealing in futures and who convert exchanges into gambling marts that they shall change their ways. It will be a warning to some who deal upon produce exchanges that the agriculturists must not be despoiled and that the results of their toil shall not be utilized to increase the wealth of gamblers.

The PRESIDING OFFICER (Mr. HARRIS in the chair). The question is on agreeing to the amendment of the Senator from Arkansas [Mr. CARAWAY] to the amendment of the committee.

Mr. SMOOT. I call for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. CURTIS (when his name was called). I have a general pair with the Senator from Arkansas [Mr. ROBINSON]. I transfer that pair to the Senator from Oregon [Mr. STEIWER] and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce that the Senator from Oregon [Mr. STEIWER] is necessarily absent on official business.

I also desire to announce that the Senator from South Dakota [Mr. MCMASTER] is absent on official business. He has a general pair with the Senator from New Jersey [Mr. EDWARDS].

I also desire to announce the following general pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. ROBINSON] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Kentucky [Mr. SACKETT] with his colleague the junior Senator from Kentucky [Mr. BARKLEY];

The Senator from Ohio [Mr. FESS] with the Senator from Tennessee [Mr. MCKELLAR];

The Senator from California [Mr. SHORTRIDGE] with the Senator from Mississippi [Mr. STEPHENS]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Montana [Mr. WHEELER].

Mr. GERRY. I desire to announce that the Senator from Kentucky [Mr. BARKLEY] and the Senator from New Mexico [Mr. BRATTON] are necessarily absent on official business, attending a hearing before the committee investigating presidential campaign expenditures.

Mr. MCLEAN (after having voted in the negative). Has the junior Senator from Virginia [Mr. GLASS] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. MCLEAN. I have a general pair with that Senator and therefore withdraw my vote.

Mr. SACKETT (after having voted in the negative). I have a general pair with my colleague the junior Senator from Kentucy [Mr. BARKLEY]. Not knowing how he would vote, I withdraw my vote.

Mr. ASHURST. I desire to announce that the junior Senator from Arizona [Mr. HAYDEN] is detained from the Chamber on important business. If present, he would vote "nay."

Mr. GERRY. I desire to announce that the Senator from Nevada [Mr. PITTMAN], the Senator from Virginia [Mr. GLASS], and the Senator from Mississippi [Mr. STEPHENS] are detained from the Senate on official business.

The result was announced—yeas 24, nays 47, as follows:

YEAS—24

Bayard	Caraway	Harris	Neely
Black	Couzens	Heflin	Norbeck
Blaine	Dill	Howell	Norris
Blease	Fletcher	King	Nye
Borah	Frazier	La Follette	Sheppard
Brookhart	George	Mayfield	Shipstead

NAYS—47

Ashurst	Gould	Moses	Swanson
Bingham	Greene	Oddie	Thomas
Broussard	Hale	Overman	Tydings
Bruce	Harrison	Phipps	Tyson
Copeland	Hawes	Pine	Vandenberg
Curtis	Johnson	Ransdell	Wagner
Cutting	Jones	Reed, Pa.	Walsh, Mass.
Dale	Kendrick	Schall	Walsh, Mont.
Deneen	Keyes	Simmons	Warren
Gerry	Locher	Smith	Waterman
Gillett	McNary	Smoot	Watson
Gooding	Metcalf	Steck	

NOT VOTING—23

Barkley	Fess	McMaster	Shortridge
Bratton	Glass	Pittman	Steiwer
Capper	Goff	Reed, Mo.	Stephens
du Pont	Hayden	Robinson, Ark.	Trammell
Edge	McKellar	Robinson, Ind.	Wheeler
Edwards	McLean	Sackett	

So Mr. CARAWAY's amendment to the amendment of the committee was rejected.

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

SHOOTING OF JACOB D. HANSEN

Mr. COPELAND. Mr. President, I have here a letter from the National Bank of Niagara & Trust Co., of Niagara Falls, N. Y., inclosing copy of a resolution adopted yesterday by the directors of that bank. I ask that the resolution may be read at the desk.

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

The Chief Clerk read as follows:

Whereas one Jacob D. Hansen, secretary of Lodge No. 346, Benevolent and Protective Order of Elks, a reputable, law-abiding, and respected citizen of the city of Niagara Falls, was, on the morning of May 6 last the victim of an unjustifiable and murderous assault committed upon his person by two members of the United States Coast Guard Service stationed at or near Youngstown, N. Y., while he, the said Jacob D. Hansen, was lawfully and peacefully driving his automobile upon a public highway known as the Lewiston Road in the county of Niagara; and

Whereas our said citizen, Jacob D. Hansen, now lies at the point of death as the result of said assault with a bullet through his temple; and

Whereas warrants for the arrest of the perpetrators of said assault have been issued by the proper authorities of the State of New York; and

Whereas the commander of the unit of the said United States Coast Guard Service at Youngstown, N. Y., refuses to allow said warrants to be executed: Now therefore be it

Resolved, That we, the board of directors of National Bank of Niagara & Trust Co. of Niagara Falls, N. Y., hereby indignantly protest against the reckless use of firearms against the persons and automobiles of law-abiding citizens of this community by apparently irresponsible persons of the United States Coast Guard Service, or any other service; and we hereby resolve that every effort should be made to bring said members of the United States Coast Guard to answer in the courts for their assault upon said Jacob D. Hansen to the fullest extent of the law; that copies of this resolution, duly certified, be sent to the Secretary of the Treasury of the United States, Senators COPELAND and WAGNER, and Congressman S. WALLACE DEMPSEY at Washington, and to the district attorney of Niagara County.

Mr. COPELAND. Mr. President, this morning I discussed this unfortunate affair with Admiral Billard, who has charge of the Coast Guard, also with Assistant Secretary Lowman, and at the Attorney General's office. Of course, everybody is very regretful of the terrible incident, but I am satisfied that it is a matter which must receive the very serious attention of the authorities. This morning the Commerce Committee gave consideration to the request I made yesterday. It has been determined that next week there will be a meeting of the committee and that Admiral Billard will be heard, in order that the committee may determine what are the rules and regulations and under what conditions a private citizen may be shot. I think for the time being perhaps there is nothing more that can be done, but certainly there must be a reformation in the methods employed in the attempted enforcement of certain laws.

Here was a citizen who was engaged in a perfectly lawful pursuit. He was going from the home of a friend in the country to his own home in Niagara Falls and while in the outskirts of the town was shot and will probably die. If he lives, he will probably be blind as the result of this assault made upon him by

members of the Coast Guard, who were not out in boats patrolling the border, but were upon the public highway.

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

Mr. COPELAND. I yield.

Mr. TYDINGS. I am in thorough sympathy with the movement which the Senator has initiated, but I should like, nevertheless, to say that I think the Senator must be an optimist. There have been three men killed in my own State under similar circumstances. One had nothing to do with a still, but happened to be driving some cows in the vicinity of it; the prohibition agents mistook him for one of the men who was operating a still, and he was shot down. We have done everything we could to bring these men to proper trial. The Federal Government stepped in and took them out of our State courts and insisted upon them being tried in the United States court, where the United States district attorney acted as the defendant's counsel. Under the circumstances, while I hope this move will meet with some success, certainly similar moves have not met with any success in Maryland. Apparently, it is deemed all right by the Christian prohibitionists to take a man's life because he may have a pint of liquor on his person.

Mr. COPELAND. Mr. President, I am optimistic to this *extent*: I believe when the people of this country are thoroughly informed as to what is going on that there will be such resentment that these violent methods will cease. In this case this man did not have any liquor on his person. He was in his automobile on a peaceful errand and in the middle of the highway. A man came out, a man clothed, according to the story that is told me, in overalls and a sheepskin jacket, with a revolver in one hand and a dark lantern in the other. He waved those instruments in front of the automobile, and the driver of the automobile did what any Senator would have done—he put his foot on the gas and tried to get away from this man whom he thought to be a highwayman.

A hundred yards farther on he met another man clothed in the same way. The second man started firing at the automobile; five or six shots were fired, and one of them entered the brain of the driver of the automobile, an innocent bystander, so to speak, a citizen who had absolutely nothing to do either with the enforcement or the violation of any law.

I am optimist enough to believe, I may say to the Senator from Maryland, that when the officials of this country, and when the Members of the Senate, and when the people at large realize what violent deeds are being committed in attempts to enforce what appears to many to be an unenforceable law, there will be an uprising and a determination that this thing must cease.

For my part I intend to go forward attempting in every honorable way to make it impossible for such a wicked performance to be repeated.

Mr. HEFLIN. Mr. President, I sympathize with this man and his family. If these officers have shot this man under the circumstances related here they ought to be discharged from the service and prosecuted for an assault with intent to murder or for murder if the victim shall die. It is a very serious thing for a citizen driving along the highway to be attacked by officers who are claiming that they are seeking to enforce a particular law. If I had been in an automobile driving along the road and some one had stepped in front of my car with a lantern and a pistol in his hand I would have driven fast to get away if it were possible; I would not have stopped, and I do not think anybody else would. The man had a right to try to get away. He perhaps thought, as the Senator says, that a highwayman was holding him up. He did not know for what purpose—perhaps to rob or to kill him. The case ought to be looked into by the Government, and looked into speedily; there ought to be no dallying with a case like this. There ought to be action to-day, and we ought to know of that action to-morrow. There is no use wasting time to ascertain what are the rules and regulations concerning the Coast Guard. The responsible officials ought to bring these men to the bar of justice, so far as they can, immediately and determine what course they are going to take with them; and if they are not going to take any, then turn them over to the local authorities where this crime was committed.

We ought to be careful whom we put in charge of the law. The chief law enforcement officers ought not to put reckless men in the service. Of course, I know how utterly impossible it is in the selection of hundreds of thousands of officers to select men who are discreet and very careful about what they do.

Some reckless men are bound to get into the service. We ought to weed out the reckless ones and we ought to punish them, and they have been punished in my State. They have been convicted where they have done reckless and outrageous things against peaceful, law-abiding citizens.

I called the attention of the Senate the other day to some outlaws in Kentucky who gathered around the home of a woman with three or four children, whose sister was also living with her. She had reported a distillery. She had walked 14 miles into the town to give this information, so that they could remove this monstrosity near her home that would entice her boys, she thought, and the neighbors' children. She wanted to get rid of that thing. She had a right to do it. She was in the lawful discharge of her duty. She was a patriot, a good citizen, in doing that. These outlaws took the law into their hands. They surrounded her house at midnight. They barricaded the doors from the outside, so that the occupants could not get out, and put the torch to that home, and burned the house. When the house was filled with smoke, and the people living there saw the light of the flames flaring up around, they sought to escape, and found they could not open the doors and get out. One of the boys took an ax, broke open the door, and fled through the flame and smoke; and these outlaws, these men who buck the Government, these men who have sworn that they will not permit the eighteenth amendment, and the Volstead Act, to be enforced, taking the law into their own hands, at the dead hour of night, marching up on the humble home of a good woman, a Christian American mother, and burning her house down on her head, when her boy fled through the flame and smoke, shot him to death. She followed suit, and they killed her in the yard, and shot her other children, and shot her sister.

Senators, we must enforce the law. We must enforce it against such outrageous criminals as those, and enforce it against these men to whom the Senator from New York has called attention. The law ought to be above all alike. There ought not to be any partiality shown. We ought to let these officers who disgrace their positions be punished before the country, and driven in disgrace from the service of the Coast Guard.

That is what I favor. I am not in favor of permitting these law-enforcement officers to impose upon innocent citizens. I am not in favor of allowing them to fire into people's automobiles along the highways. I am against it. They ought to proceed under the law, and they ought to do it decently, and they ought to let every person they approach know that they are only friends in the name of the law trying to carry out the law, and that they are not seeking to shoot people and have them running down the road to escape with their lives.

Senators, we ought all to stand together on those things. We all ought to stand together, and tell the Federal authorities to go after those bandits in Kentucky and offer a reward for their capture. I would vote for a reward of a hundred thousand dollars to catch them, because it would be an outrage to permit these criminals who hide away in the mountain fastnesses of that State or any other to proceed with guns upon the home of a humble American mother in the nighttime and to kill her because she has dared to disclose the fact that the law is being violated in her community, and that she wants to remove temptation from her two boys. We ought to offer a reward for the apprehension of these men that will cause the best detectives in the country to go over that part of the country with a fine-tooth comb and gather them up speedily and punish them, and let others know what will happen to them if they dare to kill people who are good citizens and want the law enforced. Turn out these Coast Guards; punish them for assault with intent to murder; and, if this man dies, send them all to the penitentiary or hang them for that crime.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 750. An act to amend the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended, and for other purposes;

S. 757. An act to extend the benefits of certain acts of Congress to the Territory of Hawaii;

S. 2004. An act authorizing the paving of the Federal strip known as International Street, adjacent to Nogales, Ariz.;

S. 2910. An act granting to the State of South Dakota for park purposes the public lands within the Custer State Park, S. Dak.;

S. 3571. An act granting the consent of Congress to the County Court of Roane County, Tenn., to construct a bridge across the Emery River at Suddaths Ferry, in Roane County, Tenn.; and

S. J. Res. 135. Joint resolution making an emergency appropriation for flood protection on White River, Ark.

TAX REDUCTION

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) to reduce and equalize taxation, provide revenue, and for other purposes.

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

The amendment was agreed to.

Mr. SMOOT. Mr. President, the next amendment is on page 205, the tax on sales or transfers of capital stock. The present law imposes a tax of 2 cents for every $100 of value on transfers or sales of capital stock. The House struck out the provision of existing law and reduced the tax from 2 cents to 1 cent. The majority of the committee decided to retain the existing law of 2 cents instead of 1.

That is about all there is in the matter, with the exception that it makes a difference of $8,800,000 in the revenue. I can not see why the Treasury should not have that $8,800,000. Therefore, the majority members of the committee decided to amend the House provision by striking out "one" and inserting "two," which is the existing law. That, I hope, the Senate will do.

Mr. HARRISON. Mr. President, some of us thought that these war taxes should be, as far as possible, removed. Acting on that theory, we voted in the committee to retain the House provision that sought to reduce this stock-transfer tax.

Mr. SMITH. Mr. President, I am sorry that while the amendment proposed by the Senator from Arkansas [Mr. CARAWAY] was under discussion I was engaged in conference on a measure of considerable interest to this body, and to the country at large, and perhaps to some of those who desire to serve their country in a higher capacity, known as the McNary-Haugen bill. I had hoped to get back to the Chamber before the discussion was over and the vote was taken. I voted against the proposition because the method of our marketing is a matter of very vital interest to the producers of cotton.

From the time cotton has been produced there has grown up a system which, unless one makes a very close and critical study of it, is so technical that a layman, one who does not know about it, can not understand the paradoxes that occur in it.

To illustrate the point I am making, one not familiar with cotton can not understand how the man who buys cotton is called the "bull," or the friend of the producer, when the producer per se is a seller. He can not understand how a man who goes into the market and buys cotton is a friend of the producer who produces it for sale. That is one of the peculiar features that have grown up, and it is for this reason:

When one buys cotton in the future market at a given price he then becomes for the time being, as long as he is in possession of the contract for the cotton, one who expects to get his profit from a rise in the market. Therefore, the more buyers you have, the more they are interested in the rise of cotton. The man who sells his cotton, strangely enough, is the man who is called the "bear," for the reason that if he sells his cotton for future delivery at its price to-day, and the market goes down, when he comes to buy the cotton to fulfill his contract he may buy it at less than he sold it at, and therefore get a profit; so that the lower it goes the greater his profit, while in the case of the man that buys, the higher it goes the greater his profit. That system has grown up, and therefore there is very often a misunderstanding amongst the trade as to why the buyer should be considered the friend of the producer.

There is another feature of this matter that I think will be interesting to those who read the RECORD. I want to make it plain to them that between the 1st of September and the 1st of January the bulk of the crop has passed from the hands of the producer into the channels of trade. That is necessary. The conditions under which the average cotton producer produces his cotton are such that he must market it as soon as it is ready for market, for the reason that the obligation he incurs in the production of it falls due in the month in which it is to be gathered and put in proper marketable form. Therefore we have this condition existing in the Cotton Belt of this country:

There is a 12 months' supply coming on the market within 90 days. The cotton that is put upon the primary market, entering the channels of trade, is a supply that it takes the mills of the world, both European and American, to consume in the succeeding 12 months. Somebody must be prepared to take that cotton and carry it. If we were restricted to the mills—highly organized; few in number, with large resources—the inevitable would happen, that they would be the masters of the situation and would buy only at such times as their immediate needs might justify them in buying.

Under the present system, a cotton merchant may go out and purchase cotton, or he may hedge his purchase—that is, buy a contract—and then, after he has bought his contract at a given price he can fill that contract by filing it or hypothecating it with a bank as an insurance against his purchase of the cotton. He can go out on the market and buy that cotton with an absolute assurance that he will be guaranteed the price prevailing that day; and the same thing is true on the selling side. The seller can go out and sell a contract against a purchase of actual cotton and secure himself absolutely.

I shall not take the time of the Senate to explain—it is very simple to those who really understand it—how a hedge absolutely protects either the one who has sold against a spot purchase or the one who has bought against a spot sale. It is a guaranty. It is a hedge.

It has been claimed, and I think very truthfully, that under our present system, in view of the absolute necessity of the producer to sell his crop, the hedging process provides a system by which those not engaged in manufacturing may enable the producer to finance his crop by paying him the current price and not restricting him to the mills alone.

The contention has been made that four or five times, or perhaps a hundred times, more cotton is sold than is produced. In a way, perhaps, that is true; but one familiar with the market must understand that a contract even representing actual existing cotton may be registered three, four, or five times during a season, or may be registered four or five times during a day. One buying a contract may sell it during the marketing period of that day, and in turn another may buy; but we must not lose sight of the fact that for every seller there is a purchaser. No matter if they sell five times the crop, somebody buys five times the crop, and one is a balance against the other, because the man who buys is looking for a profit and the man who sells is looking for a profit, and it is a question of which one has the most resources or which has the greater power; and it is our duty to see that advantage shall not be taken of the market place for the purpose of creating a temporary monopoly that would artificially control the market, because, no matter how much speculation there may be in this commodity, ultimately the price will be controlled within a degree by the law of supply and demand.

It is my opinion that the market places are absolutely essential. We ought not to attempt to destroy the market places, but we ought to attempt to drive out those who prostitute the market places. It surely is within our power so to regulate, so to control the dealings in any of our commodities that we can prevent corners, squeezes, monopolies, and manipulations from taking place and yet allow the degree of speculation that is always present in all kinds of business.

The fact is, Mr. President, and everybody will agree, that the market that is alive, the market that is rising, is the speculative market. I do not believe in gambling, I do not believe, as has been done in the cotton market, that we ought to allow certain individuals to come in and sell or to buy without regard to the law of supply and demand, but the speculative element upon which we have to depend in the present condition of the farmer is the element that is willing to come into the market and make a bid on the prospect.

What did we have in the year 1927? There were in New York 200,000 bales of spot cotton. Everybody knew and everybody knows that New York is clear out of line with the ordinary channels of the cotton business, and it being disadvantageous to handle cotton there, the presence of cotton in that market has a tendency to depress the market. On the other hand, the absence of cotton and the selling of contracts has a tendency unduly to raise the price. Last year there were held in New York 200,000 bales of cotton that was known as "line" cotton, known as "shy" cotton, just the kind that would clear the loss in reference to tenderable grades—staple. But the presence of the weevil in the South, reduction of acreage, and a bad season cut out of the crop approximately 6,000,000 bales. As soon as the trade understood that the crop was going to be short, at first 3,000,000, which was about the estimate of the department, the price began to rise, and it rose steadily from the point of depression that had occurred in 1926 on account of the excessive production, 18,000,000 bales; it rose gradually from February, and as the prospect for still further decrease in production became apparent it rose more rapidly, until about the 1st of August, when it was beyond a doubt that the crop would be from four to five million bales short. It rose rapidly from the low point in February of about 16 cents until August, when it reached 25 cents.

There was a difference between the low and the high of $45 a bale. In spite of the presence of what was ordinarily a depressing presence of speculative cotton held in New York, the market continued to rise under the absolute pressure of the law of supply and demand, and possibly cotton would have gone to 30 cents a pound, in spite of all the artificial or speculative obstructions that could have been thrown in its way. It would

doubtless have gone to 30 cents a pound had not the Bureau of Economics announced on the 15th day of September that the price would likely decline. Of course, that created a psychology the world over which no speculator and no cotton man could possibly resist. Those who were inclined to buy cotton and to deal in cotton became frightened off at the position of the Government, quit the market, and cotton broke, until it went back to 17 cents a pound, meaning a loss of $40 a bale. I cite that for the reason that I want to show that as long as there is real, genuine, bona fide trading in cotton, and no outside artificial influence is interfering with it, the law of supply and demand will control the price within reasonable bounds.

On the other hand, we discovered in the investigation that there were forces which could, with an accumulation of actual cotton, something like more than a million bales, afford to dump such quantity on the market as to break the price when contracts had been sold against the purchase. Those contracts going down would more than repay what they had sold a large portion of their stocks for.

A bill has been introduced which gives a board of control the power absolutely to limit the amount of actual cotton, speculative cotton, buying and trading in any degree, to bring it within a certain limit as to any one month or any one market, so as not to artificially interfere with the market. It also provides that there shall not be a straddle, selling one market against another market. That can easily come within the provision of the law and still leave a market there for this legitimate use. There is a provision that cotton once offered can not be retendered against the same month for the purpose of depressing the market. That is clearly within our power, and I would prefer to see that done rather than embarrass or destroy a market place, when it is wholly within our power so to regulate the forces of purchase and sale as to make them of extreme benefit to the producers, and I was not willing to see those contracts which were of a legitimate nature embarrassed by the necessity of those contracting having to make affidavits or having to go through a formality before they would be able to use the market, for the reason that it is done largely now by telegraph. The thing has to be done quickly, and in dealing with foreign countries, 50 per cent of our cotton being consumed by foreign countries, it is essential that the machinery shall function as easily and as quickly as possible.

It is clearly within our power so to regulate the procedure as not to destroy the elements that have built up our cotton trade, and still leave them to function in the interest of those who produce.

Mr. CARAWAY. Mr. President, the lectures on the cotton market that we have from time to time are very enlightening. If I had a boy 5 years old and he did not understand how they sold cotton, I would send him to a school for the feeble-minded, because he could not learn anywhere else. We have but one issue here, and that is this: If one wants a gambler to fix the price, he votes "nay," and if he does not, he votes "yea." There is no need of refinement of our judgments on these things. We all knew what we were doing.

We know absolutely that the cotton market is manipulated, or everybody who has ever dealt on it is not to be believed. There is no trouble about understanding that. It does not take any refinement of our reason to know what we are doing. I know, and everyone else knows, that if the people who go into the cotton market as gamblers did not find it profitable, they would stay out. If they find it profitable, somebody has to lose the money they win. That is just as true as if it were a poker game or a crap game. There is no difference in the law of gambling. It does not make any difference what kind of a game you run, if you win, somebody loses. Anybody who does not understand that, does not understand anything, and so there is no difference between us on that. We know that when somebody goes into the gambling marts and beats down the price of an article, somebody loses, and the man who produces and has to sell always loses.

I am not willing to be stultified in my judgment and have it go out that I do not know what I am doing. There is no mistake about these things. Anybody knows what they are. Anybody understands that if somebody sells, somebody must buy. What is the use of telling us that? Everbody knows that if somebody wins, somebody loses. We all know that. We know that if you can raise the price of a product by having a gambling market, you have the ability to manipulate.

The farmer gets more sympathetic talk on his side, he has more reasons offered why certain things should be done and fewer things done for him than any class I know of. But he does not expect anything else. He has had much experience along that line. He has more tears shed for him and then more injustices heaped upon him than any other class. If he were not a great humorist he would get out of patience, and, really, I expect sometimes he will. He knows what we are doing.

In all my experience here I have never had a letter from a man who was a farmer and nothing else who condoned the system now in existence. I have not yet received a letter from anyone whose principal interest was not running a gambling game who was not against doing these things. People are always coming down here in the interest of a farmers' market, but, strange to say, they never let the farmer have anything to say about what kind of market they are going to give him. Anybody had just as much right to vote against that amendment as I had to vote for it, and I am not falling out with anyone about how he voted. I contend that no one can put a reason in my mouth, and no one can make it appear that I did something that I was not aware of its consequences, because I do know what I was trying to do. No one in the Senate can make himself believe that he did not know what he was doing when he voted against the farmer and for the gambler a while ago, nor can he convince anyone else. There are two sides to this, just as there are to any gambling game, as there is to any other proposition, and every man takes his choice. Everybody knows what he is doing. There is no refinement about this cotton futures market that anybody does not understand. If we did not know what we were doing, we would have to have a guardian appointed for us to draw our salaries. The Government would not be safe in paying us, because we would squander them before we got home.

Let us not lecture each other, because all of us know what we are doing. Everybody knows what is happening. Nobody is mistaken about it; it is perfectly clear.

There are two classes of people in this country and you can not serve both of them. God bless your soul, you have to serve the one you love best, and most of us try to do it, and I think all of us do it.

Mr. ODDIE. Mr. President, I desire to call attention to a statement which I inserted in the RECORD last night with reference to the pending amendment, appearing on pages 8531 and 8532 of the RECORD. I believe it would be better for large numbers of smaller mining companies if the amendment were not agreed to.

Mr. GEORGE. Mr. President, as I understand, the House struck out this tax on capital-stock transfers.

Mr. SMOOT. Not entirely. It cut it in two.

Mr. GEORGE. What is the committee amendment?

Mr. SMOOT. The committee amendment restores the present law.

Mr. GEORGE. That is, 2 cents on each hundred dollars of value?

Mr. SMOOT. Yes.

Mr. GEORGE. Or, on stock having no par value, 2 cents nevertheless?

Mr. SMOOT. Whatever the value may be.

Mr. GEORGE. But if it is nonpar value?

Mr. SMOOT. On nonpar value stock it is based on whatever the market price may be.

Mr. GEORGE. The committee amendment is to restore it as it stood in the prior revenue act?

Mr. SMOOT. Yes; in the 1926 act.

Mr. SIMMONS. Mr. President, this is a case in which the House of Representatives has been attempting to carry out what has been understood as the policy of the administration and of the two Houses of Congress, as I have understood it, to get rid, as quickly as possible, of the little stamp taxes which have been properly designated by the Treasury Department as nuisance taxes. They are small amounts paid upon transactions of legitimate business. The House reduced the tax one-half. I suppose the House would have repealed it entirely but for the urgency of the administration that the reduction be kept within certain prescribed limits.

I myself can see no reason why the tax should not be repealed. I do not believe the loss of the entire amount raised from this source would seriously embarrass the Treasury, even though the other propositions for large reductions proposed by the majority were adopted.

It is a tax upon every transfer of stock. It is a tax upon every transfer of corporation bonds. If that is not a tax upon business, I can not understand what sort of a tax it is. If it were confined only to stock transfers upon stock exchanges, if it were confined to stock transfers only nominally, as would be the case of dealings upon the basis of margins, it would be a different thing; but there has to be an actual transfer of the stocks or the bonds of a corporation. It does not make any difference whether it is a corporation which has issued $100,000 in stock or a corporation which has issued millions of dollars of stock, it can not be transferred without the payment

of this tax. If owned by the original owner, he can not sell it or transfer it without paying a tax. If he holds one of its bonds, he can not sell it without paying a tax in the shape of a stamp. It applies to every sale of stock or bonds of every corporation in the United States, whether small or great, and burdens with the same tax every share of stock and every bond, regardless of differences in par or actual values, operating therefore very equitably. What justification is there for this tax? When the Treasury from year to year, for the last six or eight years, has been every year collecting out of the people of the country large sums of money in excess of what is needed for the legitimate expenditures of the Government, what is the reason or pretext for the retention of this little war tax, this pestiferous little nuisance tax, which requires a stockholder in a little corporation that has issued only $10,000 worth of stock, when he wants to transfer a share or two, to pay a tax by the exaspering method of having to buy a stamp and attach it to the certificate?

In my State a great many small corporations are being formed upon the cooperative plan of cooperation between the owners and the wage earners employed by the corporation. Under this plan of cooperation the stock is issued to the corporation and then transferred, as I understand it, from the corporation to the laborers as they may become entitled to it under the plan in effect. After a certain service in the employment of the corporation by the employee, he becomes entitled to a certain amount of stock. That stock has to be transferred to him. But the transfer can not be made without paying a tax upon it. The holder can not transfer it to his neighbor without paying the tax upon it. He can not transfer it to a trust fund without paying a tax upon it. He can not transfer it to a widow without paying a tax upon it.

It is a tax that is not now needed, but which was levied in the great emergency when we had to go out and gather in the little as well as the big sources of income in order that the Government might meet the enormous, gigantic expenditures incident to the Great War. That emergency has passed. We are trying to get back to a normal basis. There are certain of these war taxes which are going to become permanent. Certain of them are going to remain relatively high until our domestic debt is paid off. Those are the income taxes on corporations and individuals, the tobacco tax, and all those taxes that yield such enormous amounts of revenue to the Government. But where one of these little vexatious, annoying nuisance taxes is involved, such as requires a man every time he sells a share of stock or a bond in a little corporation to attach a 2-cent stamp to it, ought to be gotten rid of. It is a matter of common public policy and fair dealing with the citizens that such little nuisance taxes ought not to be retained after the circumstances and conditions which made them necessary have disappeared.

Mr. SMOOT. Mr. President, if it were only the transfers referred to by the Senator that were involved, this would be quite a different proposition. But when we remember that there are 5,000,000 shares of stock transferred in one day and 4,000,000 shares of stock transferred the next day in one city alone, it seems to me there should be no objection whatever to compelling each of those transfers to pay 2 cents per $100. That is what the committee is asking in the amendment. I can not for the life of me see why there should be any objection. As long as there is an income tax, I know of no source from which we could raise the amount of money and do less harm or impose less hardship on anyone than by the terms of this amendment.

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

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Certainly.

Mr. HARRISON. Is the Senator in favor of these stamp taxes on stock transfers and on capital-stock issues and bond issues as a permanent policy of the Government?

Mr. SMOOT. This would be one of the last that I would want to have retired.

Mr. HARRISON. This is one of the last.

Mr. SMOOT. Oh, no; there are plenty of others.

Mr. HARRISON. What are the others?

Mr. SMOOT. First and above all of them, I would like to see the corporation tax reduced more than it has been, and next I would like to see a reduction in the surtaxes.

Mr. HARRISON. What other stamp taxes are there besides the tax on admissions, prize fights, and so forth, the tax on capital-stock issues, and capital-stock transfers, and bond transfers? What other stamp taxes are there? That is about all, as I remember it. I ask the Senator if he believes that we ought to retain those taxes as a permanent policy.

Mr. SMOOT. There is a tax on passage tickets.

Mr. HARRISON. Does the Senator refer to the surtax on Pullman-car tickets?

Mr. SMOOT. No. I will read it to the Senator.

Mr. HARRISON. I think the Senator is wrong.

Mr. SMOOT. But the Senator is not wrong. Section 5 of the existing law, which is not repealed in the bill, under Schedule A, stamp taxes, provides as follows:

5. Passage ticket, one way or round trip, for each passenger, sold or issued in the United States for passage by any vessel to a port or place not in the United States, Canada, or Mexico, if costing not exceeding $30, $1; costing more than $30 and not exceeding $60, $3; costing more than $60, $5. This subdivision shall not apply to passage tickets costing $10 or less.

Mr. HARRISON. Does the Senator believe that the tax on passage tickets out of the country ought to be retained as a permanent policy?

Mr. SMOOT. Not when we can afford to tax it off, and the tax on corporations and the surtax on individuals are reduced.

Mr. HARRISON. But the Senator, in 1924, was increasing the corporation tax, while he is reducing the corporation tax now.

Mr. SMOOT. The Senator keeps saying, and it is reiterated throughout the United States, that we have increased the corporation tax. We did take off of corporations the tax that was imposed upon capital stock. The corporations themselves asked for it, saying they would prefer to have a 13½ per cent tax than to have 12½ per cent and a capital-stock tax.

Mr. HARRISON. Before the Senator gets away from that let me ask him about it. He has brought that question up.

Mr. SMOOT. Oh, no; the Senator from Mississippi brought it up.

Mr. HARRISON. We increase the corporation tax from 12½ to 13½ per cent and take off the capital-stock tax.

Mr. SMOOT. That is right.

Mr. HARRISON. I will ask the Senator if the figures do not show that when we took off the capital-stock tax there was a reduction of $93,000,000, and that if the tax had remained on corporations at 12½ per cent as it was then, we would have raised $120,000,000 more than we did the year before, and by raising it from 12½ per cent to 13½ per cent, as we did under the Senator's amendment, we increased it over $200,000,000 from the corporation tax alone?

Mr. SMOOT. The Senator——

Mr. HARRISON. I think the Senator before he makes his statement should refresh his memory.

Mr. SMOOT. The Senator is asking a question that has no reference whatever to the statement I made. The statement I made was that the corporation tax was 12½ per cent in 1924 and in 1926 it was raised to 13½ per cent because the capital-stock tax affecting corporations was repealed, and that was done on the earnest solicitation of the corporations of the country.

Mr. HARRISON. The Senator did not understand my question.

Mr. SMOOT. Yes; I understood it.

Mr. HARRISON. Let me ask it again, because I do not think we differ about it. When we took the capital-stock tax off we lost $93,000,000 to the Government. Is not that true?

Mr. SMOOT. Approximately, yes.

Mr. HARRISON. There was a loss to the Government of approximately $93,000,000?

Mr. SMOOT. That is true.

Mr. HARRISON. When we raised the corporation tax from 12½ per cent to 13½ per cent by virtue of that increase, we raised from corporation taxes alone over $200,000,000.

Mr. REED of Pennsylvania. Mr. President, at the time——

Mr. HARRISON. Will not the Senator from Pennsylvania allow the Senator from Utah to answer that question?

Mr. REED of Pennsylvania. It happens that I remember the figures.

Mr. HARRISON. I also have the figures.

Mr. REED of Pennsylvania. At the time we raised the corporation income tax that tax was running approximately $900,000,000 a year. The increase of 1 per cent, we figured, would supply almost exactly the amount that was necessary to make up the loss on account of the repeal of the capital-stock tax, and the two figures almost exactly matched.

Mr. HARRISON. Let me ask the Senator a question. He remembers very well that upon the estimate of the actuary, Mr. McCoy, upon whom we all rely, it was stated that for that year when we made the change if the tax on corporations had remained at 12½ per cent, as formerly, we would have received $120,000,000 more from corporation taxes than we received the year previous.

Mr. REED of Pennsylvania. That is what he now says.

Mr. HARRISON. I know.

Mr. REED of Pennsylvania. But neither he nor anybody else knew that there was going to be such an increase.

Mr. HARRISON. But the following year and last year, by virtue of the increase from 12½ per cent to 13½ per cent, we received in corporation taxes an increase of more than $200,000,000 as compared with the previous year.

Mr. SMOOT. Yes; and we lost the amount of the capital stock tax.

Mr. HARRISON. That was $93,000,000, showing a net increase of approximately $100,000,000.

Mr. SMOOT. Of course, if the predictions of the Senator from Mississippi had been correct that business was not going to increase and we would not be prosperous under the Republican administration, we would not have collected the $93,000,000.

Mr. HARRISON. It was not my prediction, but the actuary's figures and the estimates which have proved correct, and yet, notwithstanding that, the Senator refuses to decrease the corporation tax.

Mr. SMOOT. There has been no such refusal. The committee reports a decrease of 1 per cent, which will amount to $82,000,000.

Mr. HARRISON. Does the Senator now state that it ought to be the permanent policy of the Government to retain the stamp tax on capital-stock issues and bond issues and capital-stock transfers.

Mr. SMOOT. Yes; so long as it is necessary for the Government to collect the amount of money that it is now collecting.

Mr. HARRISON. Very well.

Mr. SIMMONS and Mr. CARAWAY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Arkansas?

Mr. CARAWAY. I did not know the Senator from North Carolina had the floor. He did not want to yield to me a while ago, and I do not want to take him off the floor.

Mr. SIMMONS. I wanted to say to the Senator from Utah that if I understood him correctly—and I think I did—he spoke of the enormous amount of transactions in stocks and bonds in New York.

Mr. SMOOT. I did.

Mr. SIMMONS. The Senator knows that this tax is not imposed upon any bond or stock transaction if the transaction is upon the basis of margin only. It does not apply unless there is an actual sale and delivery of the stock.

Mr. SMOOT. Mr. President, it applies to every certificate, no matter whether it is bought on margin, if a transfer is made.

Mr. SIMMONS. If there is an actual transfer, not a marginal transaction, or a purely speculative transaction, that is true; but the Senator's statement a little while ago was calculated to convey the impression to the Senate that in the case of a purely speculative transaction on the stock market of New York, where so many shares of stock are sold to-day with no purpose whatsoever to deliver but the whole transaction is to be settled upon the basis of margin, then they would pay the tax.

Mr. SMOOT. Of course, where a person sells on the market there is no transfer of stock until the time comes when he has got to sell if he can not put up money to meet a further demand. Then the stock is sold, and he loses all that he put up. That applies if a person sells short.

Mr. SIMMONS. If he actually has to deliver the stock, then this tax is paid.

Mr. SMOOT. Yes.

Mr. SIMMONS. I will ask the Senator if the great volume and bulk of transactions of this character that take place upon the stock exchanges of the big cities, New York, for example, are not merely paper transactions based upon and finally settled and wiped out of existence by the payment of margins; that is to say, by the payment of the difference between the price that obtained when the transaction was inaugurated and the price at which the stock was finally disposed of?

Mr. SMOOT. Mr. President, there are some sales made such as those to which the Senator has referred, but wherever a dividend-paying stock is involved—and most of the stocks upon the stock exchange are dividend paying, although some of them are not—they are transferred so that the man holding the certificate may receive the dividend. It makes no difference if they are not dividend-paying stocks, because then there need be no transfer of stock and no tax paid.

Mr. CARAWAY. May I ask a question there?

Mr. SMOOT. Yes.

Mr. CARAWAY. I wish to be thoroughly informed about this situation. Does this hamper gambling on the stock exchanges?

Mr. SMOOT. It makes them pay the tax.

Mr. CARAWAY. Does it put a burden on gambling?

Mr. SMOOT. Absolutely.

Mr. CARAWAY. The Senator does not expect it to be adopted in the Senate, does he?

Mr. SMOOT. I am going to try to have it adopted.

Mr. CARAWAY. Does the Senator remember the vote taken a while ago? If so, he is full of temerity if he thinks the Senate is going to do anything to the gamblers.

Mr. SMOOT. It is not temerity I have, but hope.

Mr. SIMMONS. Mr. President, I do not propose to go into that. I was simply asking the Senator a question. He undoubtedly had conveyed the impression on my mind, and I presume on the minds of other Senators, that this tax would apply to every one of the great volume of transactions that take place in stocks upon the exchanges of the country.

Mr. SMOOT. The Senator from Utah had no such thought in his mind.

Mr. SIMMONS. Then, it is all right; I merely wanted to correct the Senator if he had such thought as that.

Mr. SMOOT. I had no such thought.

Mr. SIMMONS. Because I know, as a matter of fact, that a large part of the enormous transactions that the Senator spoke of upon the stock market never pay this tax because they are not actual transactions; they are fictitious in the sense that they are purely speculative and paper transactions.

Mr. SMOOT. There is never a purchase of stock made upon the stock exchange, unless it be a short sale, but what the stock certificate is either held by the banker as collateral or held by the firm that sold the stock.

Mr. CARAWAY. Mr. President——

Mr. SIMMONS. If the Senator from Arkansas will permit me, I should like to say to him that this tax does not apply unless there is an actual transaction and an actual delivery of the stock.

Mr. CARAWAY. The Senator a while ago heard the claim made that all these transactions were legitimate and necessary for business.

Mr. SIMMONS. This is entirely a different proposition.

Mr. CARAWAY. That is the very thing we were talking about then.

Mr. SIMMONS. Oh, no.

I wish to correct the Senator when he says I did not yield to him while the Senator from Mississippi was speaking. It was the Senator from Mississippi who did not yield to him.

Mr. CARAWAY. All right; it is not worth arguing about.

Mr. SIMMONS. I try to be courteous to the Senator and always shall try to be courteous to him, because I have a great admiration for him, but I do not like him to charge me with any discourtesy, because I mean none toward him.

Mr. CARAWAY. Mr. President, I am particularly anxious to know how those who a while ago voted against the farmer and for the gamblers on the exchanges are now going to vote. I am curious to know whether they will switch in favor of the corporations and against the gamblers. I want to find out whether the corporations have more friends in the Senate than have the farmers, because the farmers lost a while ago overwhelmingly when they wanted some protection against gamblers. Now the corporations want to be permitted to have this remedy, and we want to know just how much stronger, how much more influential, the corporations are than are the farmers. The gamblers beat the farmers two to one a while ago. Now, I want to find out whether the corporations can beat the gamblers or the gamblers can beat the corporations. Or whether their interest are joint. This is going to be an informative afternoon, Mr. President. Some of us may understand where the real influence of the Senate lies. We are going to settle some things to-day whether we settle them right or not. I think we are going to settle them wrong. As I have said, the gamblers beat the farmers a while ago two to one, and I am inclined to imagine now it is going to be a close shave as to whether the corporations are going to beat the gamblers or the gamblers are to beat the corporations. If you want to free, from all kinds of restrictions, the gambling interests of this country, God bless your soul, let us take off this tax, too. Let us say to them, that where their interests clash everybody else must yield. The farmers lost; everybody knew they would; and yet some talked as if they did not understand what we were doing. We knew what we were doing then, and everybody here knows what we are doing now, and if the farmers can not beat the gamblers now

we will sit back and see the corporations and the gamblers "take a shy" at one another.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

Mr. COUZENS. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BRUCE. I ask what the amendment is? I happened to be out of the Chamber at the time it was stated.

The PRESIDENT pro tempore. The question before the Senate is the committee amendment, on page 205, beginning in line 15. The clerk will call the roll.

Mr. SMOOT. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. SMOOT. One or two Senators have asked me as to just what the question is on which we are about to vote.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee, the amendment being on page 205, beginning in line 15. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CURTIS (when his name was called). I transfer my pair with the Senator from Arkansas [Mr. ROBINSON] to the Senator from Oregon [Mr. STEIWER] and will vote. I vote "yea."

Mr. GLASS (after having voted in the negative). I am paired with the senior Senator from Connecticut [Mr. MCLEAN], who happens not to be in his seat. Therefore I withdraw my vote.

Mr. JONES. I desire to announce the following general pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Indiana [Mr. ROBINSON] with the Senator from New Mexico [Mr. BRATTON];

The Senator from South Dakota [Mr. MCMASTER] with the Senator from New Jersey [Mr. EDWARDS];

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Montana [Mr. WHEELER]; and

The Senator from Ohio [Mr. FESS] with the Senator from Tennessee [Mr. MCKELLAR].

I also desire to announce that the Senator from Oregon [Mr. STEIWER], the Senator from South Dakota [Mr. MCMASTER], the Senator from New Mexico [Mr. BRATTON], and the Senator from Kentucky [Mr. BARKLEY] are necessarily absent on business of the Senate.

The result was announced—yeas 48, nays 30, as follows:

YEAS—48

Bayard	Edge	Jones	Pine
Bingham	Frazier	Kendrick	Reed, Pa.
Blaine	George	Keyes	Sackett
Borah	Gerry	La Follette	Sheppard
Brookhart	Goff	McNary	Shipstead
Capper	Gooding	Mayfield	Shortridge
Caraway	Gould	Metcalf	Smoot
Couzens	Greene	Neely	Vandenberg
Curtis	Hale	Norbeck	Walsh, Mont.
Cutting	Harris	Norris	Warren
Deneen	Howell	Nye	Waterman
Dill	Johnson	Phipps	Watson

NAYS—30

Ashurst	Harrison	Overman	Swanson
Black	Hawes	Ransdell	Thomas
Blease	Hayden	Reed, Mo.	Tydings
Broussard	Heflin	Schall	Tyson
Bruce	King	Simmons	Wagner
Copeland	Locher	Smith	Walsh, Mass.
Dale	Moses	Steck	
Fletcher	Oddie	Stephens	

NOT VOTING—16

Barkley	Fess	McLean	Robinson, Ind.
Bratton	Gillett	McMaster	Steiwer
du Pont	Glass	Pittman	Trammell
Edwards	McKellar	Robinson, Ark.	Wheeler

So the amendment of the committee was agreed to.

Mr. SMOOT. Mr. President, there is one other amendment to be offered by the Senator from North Carolina [Mr. SIMMONS]. It is not a committee amendment. In order that it may be offered now, I ask unanimous consent that that amendment offered by the Senator on capital-stock issues be taken up at this time.

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

Mr. SIMMONS. Mr. President, I send forward an amendment. I offer only the part not stricken out—just the first few lines of the amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 206, after line 2, it is proposed to insert a new section, as follows:

SEC. —. TAX ON ISSUE OF CAPITAL STOCK.

Subdivision 2 of Schedule A of Title VIII of the revenue act of 1926 is repealed, to take effect on the expiration of 30 days after the enactment of this act.

Mr. HARRISON. Mr. President, this particular provision of the law was not changed by the House at all.

Mr. SMOOT. Nor by the Senate committee.

Mr. HARRISON. I do not know why. I can not imagine why it was not.

In the Senate in 1926, when the last revenue bill was up, upon a motion that was made to strike out the capital-stock issues tax, the vote was 31 to 32. It was defeated at that time by one vote; and I notice in the roll call that at that time many Senators even on the other side of the aisle voted to repeal this tax.

In reading through the list, I notice that Mr. Cameron (not now with us), Mr. FRAZIER, Mr. LA FOLLETTE, Mr. LENROOT, Mr. MCMASTER, Mr. MOSES, Mr. NORBECK, Mr. NORRIS, Mr. NYE, Mr. ODDIE, and Mr. SHIPSTEAD at that time voted to repeal the tax on capital-stock issues.

Mr. President, this was a war tax. It now raises $10,000,000 annually. Whenever any corporation is organized, no matter how small or how large, when the stock is issued stamps have to be placed on it. Great confusion ensues in making the necessary reports. Many instances come to us where penalties are sought to be imposed against those people because of the negligence in not putting on the stamps evidencing the payment of this small tax. It is not large; and it does seem to the minority members of the committee that this capital-stock issues tax should be taken off and repealed.

Mr. SMOOT. Mr. President, what the Senator from Mississippi says is absolutely correct; but a majority of the committee feel that there is no need of losing the $10,000,000 that is collected by means of this tax of 5 cents on each $100 valuation of certificates of stock originally issued.

I hope the amendment of the Senator from North Carolina will be rejected.

Mr. DILL. Mr. President, how much revenue does this tax bring in now?

Mr. SMOOT. Ten million dollars.

Mr. DILL. And the amendment will abolish that?

Mr. SMOOT. It will.

Mr. SIMMONS. Mr. President, I shall take only a very few minutes upon this amendment.

The House did not act upon this tax this time, but the Senate has acted upon it in recent years. It is a tax upon the original issues of stocks and bonds of a corporation.

A corporation issues stock certificates, and most corporations find it expedient and necessary to issue bonds. It is, therefore, a necessary expense in the organization of a corporation, the necessary legal formation of a corporation, stock certificates, at least, have to be issued; and often in order to get the money necessary to finance its operations and development bonds are issued.

If there is any tax in this bill that is a tax upon business, that is that tax, for the simple reason that the business can not be inaugurated without the issuance of the stock certificates, which I say ought not to be taxed.

That is the only instance I know of where we have a direct tax upon what is necessary to be done by an institution that proposes to enter into business. We know that nearly all the large business of the United States is done through the corporate form, and we all know that they have to conform to the laws of the States in which they are incorporated, and the laws of the States provide for the creation of corporations and the issuance of stock. It is, therefore, a tax imposed upon the entrance into business of these great concerns that are now conducting more than half the business of the American people. It is a burden upon business, pure and simple.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Carolina [Mr. SIMMONS].

Mr. HARRISON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. CURTIS (when his name was called). Making the same announcement of my pair and its transfer as on the former vote, I vote "nay."

Mr. SACKETT (when his name was called). I have a pair on this vote with my colleague [Mr. BARKLEY], who is absent. Therefore I withhold my vote. If permitted to vote, I would vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce the following pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from Massachusetts [Mr. GILLETT] with the Senator from Montana [Mr. WHEELER];

The Senator from South Dakota [Mr. MCMASTER] with the Senator from New Jersey [Mr. EDWARDS]; and

The Senator from Indiana [Mr. ROBINSON] with the Senator from New Mexico [Mr. BRATTON].

Mr. GERRY. I wish to announce that the Senator from New Mexico [Mr. BRATTON] and the Senator from Kentucky [Mr. BARKLEY] are necessarily detained upon the committee investigating campaign expenditures.

I wish also to announce that the Senator from Utah [Mr. KING] is necessarily absent, and if present he would vote "yea."

Mr. FESS. I am paired with the senior Senator from Tennessee [Mr. MCKELLAR]. In his absence, I withhold my vote. I understand that if present he would vote "yea," and if I were permitted to vote I would vote "nay."

The result was announced—yeas 34, nays 42, as follows:

YEAS—34

Ashurst	Glass	Overman	Swanson
Bayard	Harris	Pittman	Thomas
Black	Harrison	Ransdell	Tydings
Blease	Hawes	Sheppard	Tyson
Broussard	Heyden	Shipstead	Wagner
Copeland	Heflin	Simmons	Walsh, Mass.
Fletcher	Locher	Smith	Walsh, Mont.
George	Mayfield	Steck	
Gerry	Neely	Stephens	

NAYS—42

Bingham	Dill	Keyes	Pine
Blaine	Edge	La Follette	Reed, Pa.
Borah	Frazier	McLean	Schall
Brookhart	Goff	McNary	Shortridge
Bruce	Gooding	Metcalf	Smoot
Capper	Gould	Moses	Vandenberg
Couzens	Greene	Norbeck	Warren
Curtis	Hale	Norris	Waterman
Cutting	Johnson	Nye	Watson
Dale	Jones	Oddie	
Deneen	Kendrick	Phipps	

NOT VOTING—18

Barkley	Fess	McMaster	Steiwer
Bratton	Gillett	Reed, Mo.	Trammell
Caraway	Howell	Robinson, Ark.	Wheeler
du Pont	King	Robinson, Ind.	
Edwards	McKellar	Sackett	

So Mr. SIMMONS's amendment was rejected.

Mr. SMOOT. Mr. President, there is one other amendment I wish to offer this evening, and I do not think it will lead to any discussion at all. I think every member of the committee, both the minority and majority, have agreed to it.

The VICE PRESIDENT. The clerk will state the amendment.

The CHIEF CLERK. On page 202, in lieu of the matter proposed by the committee to be inserted in lines 19 to 21, insert the following:

(a) No refund shall be made of any amount paid by or collected from any manufacturer, producer, or importer in respect of the tax imposed by subdivision (3) of section 600 of the revenue act of 1924, or subdivision (3) of section 900 of the revenue act of 1921 or of the revenue act of 1918, unless either—

(1) Pursuant to a judgment of a court in an action duly begun prior to February 28, 1928; or

(2) It is established to the satisfaction of the commissioner that such amount was not added separately on the invoice to the purchaser, or, if so added, has been returned to the purchaser; or

(3) The commissioner certifies to the proper disbursing officer that such manufacturer, producer, or importer has filed with the commissioner, under regulations prescribed by the commissioner with the approval of the Secretary, a bond in such sum and with such sureties as the commissioner deems necessary, conditioned upon the immediate payment to the United States of such portion of the amount refunded as is not distributed by such manufacturer, producer, or importer within six months after the date of the payment of the refund to the purchasers of the articles in respect of which the refund is made, as evidenced by the affidavits (in such form and containing such statements as the commissioner may prescribe) of such purchasers, and that such bond, in the case of a claim allowed after February 28, 1927, was filed before the allowance of the claim by the commissioner.

(b) The second proviso under the heading "Internal Revenue" in section 1 of the first deficiency act, fiscal year 1928, and the second proviso of the fourth paragraph under the heading "Internal Revenue Service," in section 1 of the Treasury and Post Office appropriation act for the fiscal year 1929, are repealed.

The amendment was agreed to.

PROTECTION OF MIGRATORY BIRDS

Mr. NORBECK. Mr. President, I ask unanimous consent to have printed in the RECORD a newspaper article entitled "America declares sympathy with migratory-bird needs."

The VICE PRESIDENT. Is there objection?

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

AMERICA DECLARES SYMPATHY WITH MIGRATORY-BIRD NEEDS

Interest in the welfare of migratory birds is shown by the public in the chorus of approval that comes from the country following the passage by the Senate of the Norbeck bill providing for Federal sanctuaries. Although the issue of the rights of individual States has been raised, the general reply is that this is a national obligation, and, so far as Canada is concerned, an international matter.

"The bill sponsored by the South Dakota Senator may have its faults," says the Charleston Evening Post, "especially since it speaks of shooting grounds within the refuges in some cases and sizable squads of game wardens also, but its purpose is a lofty one. In some States, to be sure, the question of bird havens is going ahead speedily, and this is commendable, but not so general nor so promising as to preclude those who make the laws from agreeing on a sensible course of action by the Government."

"If the principle of Federal control over migratory birds is sound—and the United States Supreme Court holds that it is sound—the Government owes the birds all due protection," declares the St. Louis Post-Dispatch, while the Manchester Union states: "Bird protection is an international problem of great importance. Many birds journey vast distances in migration, and they thus impose upon the various countries they traverse a joint responsibility for their welfare. It is useless to give migratory birds protection in one country if they are doomed to indiscriminate slaughter in an adjoining land. A good beginning toward the preservation of migratory birds in North America was made by the migratory-bird treaty between the United States and Great Britain."

"Conceding the sanctuaries are vital to the perpetuation of our birds—and there are few who dispute it," says the Newark Evening News, "we are not doing our share, nor playing fair with our treaty partner, unless we provide them within our borders. And the longer the delay the more serious will be the effect on one of the Nation's most valuable natural resources." The Springfield Daily News states: "Individual States may protect birds within their boundaries. But birds are interstate animals. The State which protects migratory game birds has accomplished nothing for itself with birds, if the birds are killed while crossing some other State to reach the protected territory. Local self-government does not accomplish the needed result, and so the Federal Government must step in."

"It is the measure that many conflicting interests and conservationists from every part of the country agreed on," according to the Milwaukee Journal, which offers the further comment, in reply to certain criticism: "Many will agree that Federal game sanctuaries should not be killing grounds for anybody's benefit. They will insist that they shall not be opened to public shooting. They will object also to locating private hunting grounds just outside these preserves. Yet any State in which a Federal game preserve is made could close the immediate surrounding territory to hunting. Should birds get no resting grounds or sanctuaries because people may gather around their edges to shoot? * * * We can not leave migratory-bird protection to the States. They never have acted, and perhaps never will, under any plan that really will give protection to creatures that cross the country twice a year."

"This measure," in the opinion of the Oklahoma City Times, "provides a protection that can be supplied in no other way. There should be refuges for all these feathered wanderers, but it is particularly important that the migratory wild fowl be thus shielded on the long journey from Canada to the Gulf. Lakes and marshes where the birds can rest and feed unmolested mean much more than bag limits and closed seasons. Canada, which under the provisions of an international trqeaty helps the United States in this program of protection, has 91 such refuges, and America but 1. Yet this Nation has more hunters than the Dominion, and more of the long route leads through our land. This measure of protection has been too long delayed."

"It has been uphill work," observes the New York Times, "to get our 48 States to cooperate. The Norbeck bill does not interfere with the operation of game laws in the States which apply to migratory birds 'in so far as they do not permit what is forbidden by Federal law.'" Referring to the dispute as to whether the cost of the system should be defrayed by a tax on hunters or by appropriation, the Times holds that "only by yielding to the argument that money ought to be voted out of the Treasury was Mr. NORBECK able to save his bill."

Recalling that "repeated efforts to bring about cooperation between our individual States and Canada have resulted in but little success," the Kalamazoo Gazette remarks that "it is hardly reasonable to condemn, as another example of paternalistic bureaucracy, a constructive program which can be performed only by direct Federal action." The Gazette presents as its view of the whole situation: "It so happens that Federal legislation is about the only promising course to adopt in the treatment of the problem. That problem, like the problem of aviation and radio control, is national in its scope."

The Albany Evening News considers the disputed provisions of the Senate bill "of comparatively little importance," as the "main thing is

that these sanctuaries should be provided." The Evening News emphasizes the point that "without birds life would be not only dreary but almost impossible, for birds fight insect pests and contribute in no small measure to the welfare of man."

The Santa Barbara Daily News says of the California situation: "If we would save the remnants of this wild life, we must take new measures and provide game refuges, and in addition check, if we can, the destruction of the birds. Some progress has been made along this line, but the real work lies in front of us."

FARMERS' MARKET

Mr. TYDINGS. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Washington Times of May 3, 1928.

The VICE PRESIDENT. Is there objection?

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

SERIOUS BUNGLING OVER A NEW FARMERS' MARKET

In no other city in the United States would it have been possible for a situation so serious as that confronting Washington over the establishment of a farmers' market, which has heretofore supplied the bulk of country produce for this city.

What the effect of this deplorable situation is going to be in food distribution and in food prices until a permanent and satisfactory solution is found nobody can foresee. District authorities may be able to meet the exigencies in a way to lessen the chances of economic losses, but nothing they can do will give the encouragement that is vitally necessary for an increased production of vegetables, fruits, etc., near Washington.

That encouragement will come only with a well-equipped farmers' market, where near-by farmers can put their goods on exhibition for purchasers and where easy contact can be arranged between sellers and purchasers.

The sheds of the old farmers' market were taken down more than two months ago under rush orders from Federal officials, who stated that they expected to begin at once the erection of the new Internal Revenue Building there. The farmers who occupied places in the sheds were told they would be provided for in the streets along the south sidewalks of B Street from Seventh to Fourteenth Streets.

The Federal Government, to which District authorities have yielded from the beginning, has not started the new building. Instead of the farmers still having the space they formerly occupied, the Federal authorities have rented the vacant places to parking-space promoters, who are charging farmers for parking long enough to dispose of supplies.

Most farmers are now being squatted along B Street. In two more months home-grown produce will be ready in large quantities and hundreds of farmers, with their trucks, will seek places to sell their goods. How they will all be accommodated in the streets no official now knows.

In the meantime, Congress haggles over bills for a new location for a market, and the outlook is that there will be no legislation. One Senator proposes a commission to study the matter. At the best, a new market can not be made ready for two years.

The District Commissioners are inactive. They have put the matter up to Congress, before committees of which there has been interminable strife and division. Public welfare has been entirely overlooked.

The sufferers from this unnecessary condition of affairs will be the farmers and the consumers. The beneficiaries will be commission merchants and hucksters.

The great majority of truck farmers around Washington desire to market their vegetables and other supplies in direct manner. They want to save the commissions they must pay middlemen. With a farmers' market in operation there is sharp competition between farmers and commission merchants. The consumers of Washington benefit by this competition.

Eliminate the farmers from direct contact with consumers and merchants and there looms up a dangerous monopoly on the food supplies of Washington. Discourage the farmers, lessen production, and there are higher prices for Washington people.

The situation calls for wise and prompt action by Congress or the District Commissioners.

EXECUTIVE SESSION

Mr. BORAH. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 15 minutes p. m.) the Senate, under the order previously entered, took a recess until 8 o'clock p. m.

ARBITRATION WITH ITALY

In executive session this day the following treaty was ratified and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

THE WHITE HOUSE,
May 1, 1928.

The Senate:

To the end that I may receive the advice and consent of the Senate to ratification, I transmit herewith a treaty of arbitration concluded between the United States and Italy at Washington on April 18, 1928.

Respectfully submitted.

CALVIN COOLIDGE.

DEPARTMENT OF STATE,
Washington, April 30, 1928.

The PRESIDENT:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, a treaty of arbitration between the United States and Italy, concluded at Washington on April 18, 1928.

Respectfully submitted.

FRANK B. KELLOGG.

The President of the United States of America and His Majesty the King of Italy

Determined to prevent so far as in their power lies any interruption in the peaceful relations that happily have always existed between the two nations;

Desirous of reaffirming their adherence to the policy of submitting to impartial decision all justiciable controversies that may arise between them; and

Eager by their example not only to demonstrate their condemnation of war as an instrument of national policy in their mutual relations, but also to hasten the time when the perfection of international arrangements for the pacific settlement of international disputes shall have eliminated forever the possibility of war among any of the Powers of the world;

Have decided to conclude a new treaty of arbitration enlarging the scope and obligations of the arbitration convention signed at Washington on March 28, 1908, which expired by limitation on January 22, 1924, and for that purpose they have appointed as their respective Plenipotentiaries

The President of the United States of America, Frank B. Kellogg, Secretary of State of the United States, and

His Majesty the King of Italy, Nobile Giacomo de Martino, Ambassador Extraordinary and Plenipotentiary to the United States,

who, having communicated to one another their full powers found in good and due form, have agreed upon the following articles:

ARTICLE I.

All differences relating to international matters in which the High Contracting Parties are concerned by virtue of a claim of right made by one against the other under treaty or otherwise, which it has not been possible to adjust by diplomacy, which have not been adjusted as a result of reference to the Permanent International Commission constituted pursuant to the treaty signed at Washington May 5, 1914, between Italy and the United States and still in force, and which are justiciable in their nature by reason of being susceptible of decision by the application of the principles of law or equity, shall be submitted to the Permanent Court of Arbitration established at The Hague by the Convention of October 18, 1907, or to some other competent tribunal, as shall be decided in each case by special agreement, which special agreement shall provide for the organization of such tribunal if necessary, define its powers, state the question or questions at issue, and settle the terms of reference.

The special agreement in each case shall be made on the part of the United States of America by the President of the United States of America by and with the advice and consent of the Senate thereof, and on the part of the Kingdom of Italy in accordance with the constitutional laws of that Kingdom.

ARTICLE II.

The provisions of this treaty shall not be invoked in respect of any dispute the subject matter of which

(a) is within the domestic jurisdiction of either of the High Contracting Parties,

(b) involves the interests of third Parties,

(c) depends upon or involves the maintenance of the traditional attitude of the United States concerning American questions, commonly described as the Monroe Doctrine,

(d) depends upon or involves the observance of the obligations of Italy in accordance with the Covenant of the League of Nations.

ARTICLE III.

The present treaty shall be ratified by the President of the United States of America by and with the advice and consent of the Senate thereof and by the Kingdom of Italy in accordance with its constitutional laws.

The ratifications shall be exchanged at Washington as soon as possible, and the treaty shall take effect on the date of the exchange of the ratifications. It shall thereafter remain in force continuously unless and until terminated by one year's written notice given by either High Contracting Party to the other.

In faith thereof the respective Plenipotentiaries have signed this treaty in duplicate in the English and Italian languages, both texts having equal force, and hereunto affix their seals.

Done at Washington the nineteenth day of April in the year of our Lord one thousand nine hundred and twenty-eight.

FRANK B. KELLOGG. [SEAL.]
GIACOMO DE MARTINO. [SEAL.]

ARBITRATION WITH GERMANY

In executive session this day the following treaty was ratified and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

THE WHITE HOUSE, *May 7, 1928.*

To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of arbitration between the United States and Germany, signed at Washington on May 5, 1928.

CALVIN COOLIDGE.

DEPARTMENT OF STATE,
Washington, May 7, 1928.

The PRESIDENT:

With a view to its transmission to the Senate to receive the advice and consent of the Senate to ratification, if the President approve thereof, the undersigned, the Secretary of State, has the honor to submit herewith a treaty of arbitration between the United States and Germany, signed at Washington on May 5, 1928.

FRANK B. KELLOGG.

The President of the United States of America and the President of the German Reich

Determined to prevent so far as in their power lies any interruption in the peaceful relations now happily existing between the two nations;

Desirous of reaffirming their adherence to the policy of submitting to impartial decision all justiciable controversies that may arise between them; and

Eager by their example not only to demonstrate their condemnation of war as an instrument of national policy in their mutual relations, but also to hasten the time when the perfection of international arrangements for the pacific settlement of international disputes shall have eliminated forever the possibility of war among any of the Powers of the world;

Have decided to conclude a treaty of arbitration and for that purpose they have appointed as their respective Plenipotentiaries

The President of the United States of America, Frank B. Kellogg, Secretary of State of the United States, and

The President of the German Reich, Herr Friedrich von Prittwitz und Gaffron, German Ambassador to the United States of America:

Who, having communicated to one another their full powers found in good and due form, have agreed upon the following articles:

ARTICLE I

All differences relating to international matters in which the High Contracting Parties are concerned by virtue of a claim of right made by one against the other under treaty or otherwise, which it has not been possible to adjust by diplomacy, which have not been adjusted as a result of reference to an appropriate commission of conciliation, and which are justiciable in their nature by reason of being susceptible of decision by the application of the principles of law or equity, shall be submitted to the Permanent Court of Arbitration established at The Hague by the Convention of October 18, 1907, or to some other competent tribunal, as shall be decided in each case by special agreement, which special agreement shall provide for the organization of such tribunal if necessary, define its powers, state the question or questions at issue, and settle the terms of reference.

The special agreement in each case shall be made on the part of the United States of America by the President of the United States of America by and with the advice and consent of the Senate thereof, and on the part of Germany in accordance with its constitutional laws.

ARTICLE II

The provisions of this treaty shall not be invoked in respect of any dispute the subject matter of which

(a) is within the domestic jurisdiction of either of the High Contracting Parties,

(b) involves the interests of third Parties,

(c) depends upon or involves the maintenance of the traditional attitude of the United States concerning American questions, commonly described as the Monroe Doctrine,

(d) depends upon or involves the observance of the obligations of Germany in accordance with the Covenant of the League of Nations.

ARTICLE III

The present treaty shall be ratified by the President of the United States of America by and with the advice and consent of the Senate thereof and by the President of the German Reich in accordance with German constitutional laws.

The ratifications shall be exchanged at Washington as soon as possible, and the treaty shall take effect on the date of the exchange of the ratifications. It shall thereafter remain in force continuously unless and until terminated by one year's written notice given by either High Contracting Party to the other.

In faith whereof the respective Plenipotentiaries have signed this treaty in duplicate in the English and German languages, both texts having equal force, and hereunto affix their seals.

Done at Washington the fifth day of May in the year of our Lord one thousand nine hundred and twenty-eight.

FRANK B. KELLOGG. [SEAL.]
F. VON PRITTWITZ. [SEAL.]

CONCILIATION WITH GERMANY

In executive session this day the following treaty was ratified and, on motion of Mr. BORAH, the injunction of secrecy was removed therefrom:

THE WHITE HOUSE, *May 7, 1928.*

To the Senate:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of conciliation between the United States and Germany, signed at Washington on May 5, 1928.

CALVIN COOLIDGE.

DEPARTMENT OF STATE,
Washington, May 7, 1928.

The PRESIDENT:

With a view to its transmission to the Senate to receive the advice and consent of the Senate to ratification, if the President approve thereof, the undersigned, the Secretary of State, has the honor to submit herewith a treaty of conciliation between the United States and Germany, signed at Washington on May 5, 1928.

FRANK B. KELLOGG.

The President of the United States of America and the President of the German Reich, being desirous to strengthen the bonds of amity that bind them together and also to advance the cause of general peace, have resolved to enter into a treaty for that purpose, and to that end have appointed as their plenipotentiaries:

The President of the United States of America, Frank B. Kellogg, Secretary of State of the United States of America; and

The President of the German Reich, Herr Friedrich von Prittwitz und Gaffron, German Ambassador to the United States of America.

Who, after having communicated to each other their respective full powers, found to be in proper form, have agreed upon and concluded the following articles:

ARTICLE I.

Any disputes arising between the Government of the United States of America and the Government of Germany, of whatever nature they may be, shall, when ordinary diplomatic pro-

ceedings have failed and the High Contracting Parties do not have recourse to adjudication by a competent tribunal, be submitted for investigation and report to a permanent International Commission constituted in the manner prescribed in the next succeeding Article; the High Contracting Parties agree not to declare war or begin hostilities during such investigation and before the report is submitted.

ARTICLE II.

The International Commission shall be composed of five members, to be appointed as follows: One member shall be chosen from each country, by the Government thereof; one member shall be chosen by each Government from some third country; the fifth member shall be chosen by common agreement between the two Governments, it being understood that he shall not be a citizen of either country. The expenses of the Commission shall be paid by the two Governments in equal proportions.

The International Commission shall be appointed within six months after the exchange of ratifications of this treaty; and vacancies shall be filled according to the manner of the original appointment.

ARTICLE III.

In case the High Contracting Parties shall have failed to adjust a dispute by diplomatic methods, and they do not have recourse to adjudication by a competent tribunal, they shall at once refer it to the International Commission for investigation and report. The International Commission may, however, spontaneously by unanimous agreement offer its services to that effect, and in such case it shall notify both Governments and request their cooperation in the investigation.

The High Contracting Parties agree to furnish the Permanent International Commission with all the means and facilities required for its investigation and report.

The report of the Commission shall be completed within one year after the date on which it shall declare its investigation to have begun, unless the High Contracting Parties shall shorten or extend the time by mutual agreement. The report shall be prepared in triplicate; one copy shall be presented to each Government, and the third retained by the Commission for its files.

The High Contracting Parties reserve the right to act independently on the subject matter of the dispute after the report of the Commission shall have been submitted.

ARTICLE IV.

The present treaty shall be ratified by the President of the United States of America by and with the advice and consent of the Senate thereof, and by the President of the German Reich in accordance with German constitutional laws.

The ratifications shall be exchanged at Washington as soon as possible, and the treaty shall take effect on the date of the exchange of the ratifications. It shall thereafter remain in force continuously unless and until terminated by one year's written notice given by either High Contracting Party to the other.

In faith whereof the respective Plenipotentiaries have signed this treaty in duplicate in the English and German languages, both texts having equal force, and hereunto affix their seals.

Done at Washington the fifth day of May in the year of our Lord one thousand nine hundred and twenty-eight.

FRANK B. KELLOGG. [SEAL.]
F. VON PRITTWITZ. [SEAL.]

EVENING SESSION

The Senate reassembled at 8 o'clock p. m., on the expiration of the recess.

ORDER FOR RECESS

Mr. CURTIS. Mr. President, I ask unanimous consent that when the Senate concludes its work to-night it shall take a recess until 12 o'clock noon to-morrow.

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

THE CALENDAR

Mr. CURTIS. I now ask unanimous consent that we proceed to the call of the calendar for unobjected bills beginning at Order of Business No. 1013, Senate bill 4273, where we left off on Tuesday evening, and that after the call of the calendar is completed we then return to carry out the previous unanimous-consent agreement.

The VICE PRESIDENT. Is there objection?

Mr. HEFLIN. Mr. President, if I can get my bill, S. 3845, passed now, which I have undertaken to have passed a number of times in the Senate, I have no objection to that arrangement. I shall be glad to assist in every way that I can, but unless that is done I do not believe we are going to do very much business to-night.

Mr. CURTIS. Why can not the Senator consent to the proposal I have made? We will have accomplished something then if we get the unobjected bills off the calendar. It will not take more than half an hour probably.

Mr. HEFLIN. The other night when I could not attend the session, because I was worn and tired from the work of the day, the Senator from California [Mr. SHORTRIDGE] objected to this bill of mine after saying on the floor that he would probably support it.

Mr. CURTIS. Mr. President, I withdraw my request.

Mr. MOSES. Mr. President, the Senator from California [Mr. SHORTRIDGE] is not present in the Chamber. He will probably be here later. It will take a very short time to complete the call of the calendar for unobjected bills.

Mr. HEFLIN. But under the proposal made by the Senator from Kansas the call would begin just beyond my bill. We would have to go through the remainder of the calendar and then go back to the beginning and we would not reach my bill to-night.

Mr. FLETCHER. Let us begin at the Senator's bill.

Mr. HEFLIN. Yes; let us begin at my number now.

Mr. MOSES. In the absence of the Senator from California [Mr. SHORTRIDGE] some one will certainly protect him by making objection, so the Senator from Alabama is not advancing his bill; he is merely impeding the bills of everybody else.

Mr. HEFLIN. Mr. President, I shall proceed. I do not propose to be treated in this fashion by a few people who are representing the cotton gamblers of the United States, who are trying to keep this system in effect, to continue this robbery scheme. If the Senator from New Hampshire [Mr. MOSES] wants to take up the cudgel, I bid him welcome to the fray. He has cotton mills running in his State.

Mr. MOSES. No; they are not running, I am sorry to say.

Mr. HEFLIN. Yes; there are a few mills there.

Mr. MOSES. They are there, but they are not running, I regret to state.

Mr. HEFLIN. If the Senator wants now in the closing hours of this session to try to prevent the passage of my bill, I am going to undertake to organize the Senators from the cotton-growing States. I give them notice now to join with me to prevent the final adjournment of Congress by the 1st of June or July, and until this measure is passed. We are not going into another cotton-selling season with this system open and unprotected. I am fighting for the farmer.

I have never displayed any mean spirit toward any Senator in this body. I have never gotten up here and made objection to their meritorious measures and then when I was away requested another Senator representing the same interests to get up and object because I was not here. That is not the way to legislate. This is a meritorious measure, and I hope the Senator——

Mr. MOSES. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. MOSES. Under what unanimous-consent order are we now operating?

The VICE PRESIDENT. The Senate is operating under the unanimous-consent agreement that it shall proceed to the consideration of bills on the calendar, under Rule VIII.

Mr. DILL. Why do we not proceed under that rule, then?

Mr. MOSES. I call for the regular order.

Mr. HEFLIN. Then I move——

Mr. CURTIS. The Senator can not do that.

Mr. HEFLIN. Yes; I can, unless somebody makes a point of order, and if I have to speak until half-past 10 o'clock I might as well get started early.

Mr. BRUCE. Mr. President, will the Senator from Alabama yield to me for a brief statement?

Mr. HEFLIN. I yield.

Mr. BRUCE. My attention has been called to the fact that there are two bills of a similar nature on the calendar. I was unaware that there were two bills apparently relating to similar subject matter. One of the bills is S. 1093 and the penalties provided in that bill are very different from the penalties provided in Senate bill 3845, to which the Senator is referring.

Mr. HEFLIN. That is true.

Mr. BRUCE. The bill first mentioned relates only to cotton predictions, and the second bill related originally not only to cotton price predictions but corn and wheat and rye and barley.

Mr. HEFLIN. Those items have been stricken out, except cotton. What we are seeking to do is to increase the penalty. There ought to be a stiff penalty of $10,000 fine applicable to the man who will violate the law and make predictions anyhow. The Senator from Texas [Mr. MAYFIELD] got a bill through——

SEVERAL SENATORS. Regular order.

The VICE PRESIDENT. The clerk will call the first bill on the calendar.

Mr. HEFLIN. Mr. President——

The VICE PRESIDENT. The clerk will call the first bill on the calendar.

Mr. HEFLIN. Mr. President, I make the point of no quorum.

Mr. HARRISON. Mr. President, will the Senator withhold that demand for a moment?

Mr. HEFLIN. No; I will not withhold it for anybody. Unless objection is withdrawn, we are not going to transact any business here to-night.

Mr. BRUCE. Mr. President, I would like to ask the Senator from Alabama just another question, continuing along the same line.

Mr. HEFLIN. The Senator can not do it unless and until we get a quorum.

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Cutting	Johnson	Reed, Pa.
Barkley	Dale	Jones	Sackett
Bayard	Deneen	Keyes	Sheppard
Bingham	Dill	King	Shortridge
Black	Edge	La Follette	Steiwer
Blaine	Fess	McMaster	Stephens
Blease	Fletcher	McNary	Swanson
Borah	Frazier	Mayfield	Thomas
Bratton	George	Moses	Tyson
Brookhart	Gillett	Neely	Vandenberg
Broussard	Glass	Norbeck	Wagner
Bruce	Hale	Norris	Walsh, Mont.
Capper	Harris	Nye	Warren
Caraway	Harrison	Oddie	Waterman
Copeland	Heflin	Phipps	Watson
Curtis	Howell	Pittman	Wheeler

The VICE PRESIDENT. Sixty-four Senators having answered to their names, a quorum is present. The clerk will call the first bill on the calendar.

COTTON PRICE PREDICTIONS

Mr. HEFLIN. Mr. President, I am willing to make this proposition. The Senator from Georgia [Mr. GEORGE] has just expressed to me the opinion that he did not think the Senator from California [Mr. SHORTRIDGE] intended to object any further. In fact, last night I understood him to tell me across the Chamber that he would not object to-day. The Senator from New Hampshire [Mr. MOSES], I think, probably put the Senator from California in that light by suggesting that he was absent and that he would have to object for him until he got here. I understood the Senator from California to tell me across the Chamber yesterday afternoon that he would not object to-day.

Mr. SHORTRIDGE. Mr. President, a suggestion has just been made to me to the effect that we take up the Senator's bill in the morning at 12 o'clock. I do not think it will take long for its consideration and possibly its passage. I have heretofore objected for reasons which I did not have an opportunity to present. I wish to make a few observations upon the bill when it is under consideration. It has just been suggested to me that by unanimous consent we take up the bill to-morrow at 12 o'clock and limit the discussion, it might be, to 15 or 20 minutes, so that we may proceed to-night to dispose of matters which many Senators consider of prime importance.

It may well be that in the end I shall not object to the bill. I do not wish to be at all personal by direct words or by inference or by innuendo, but I merely say now to the Senator from Alabama that if he had been patient enough to listen to me the other evening, when at about 6 o'clock he asked for consideration of this bill, we would have had no controversy over the measure.

Therefore I am suggesting now to the Senator and to others who listen that we agree by unanimous consent to take up the bill to-morrow upon convening at 12 o'clock. I now feel that I shall consume only a very few moments in the discussion.

Mr. HEFLIN. Then I ask unanimous consent that when the Senate meets to-morrow at 12 o'clock we take up for consideration Calendar No. 866, the bill (S. 3845) to prohibit predictions with respect to cotton prices, and that we vote on it at not later than 12.30 o'clock p. m. I shall want only a very brief time. I think the Senator from California will not have any objection when I can state another reason why the bill ought to pass.

Mr. CURTIS. Let us make it at not later than 12.20.

Mr. HEFLIN. To take up the bill at 12.20?

Mr. CURTIS. No; to take it up at 12 o'clock and vote not later than 12.20.

Mr. HEFLIN. I want to speak about five minutes.

Mr. SHORTRIDGE. That is entirely agreeable to me.

Mr. HEFLIN. I will speak about five minutes on the bill at that time.

Mr. JOHNSON. Mr. President, I ask whether or not a unanimous-consent agreement of that sort will interfere with the existing order?

Mr. CURTIS. It will not.

Mr. HEFLIN. No; I would not want to do that.

Mr. JOHNSON. So long as that is thoroughly understood, I, of course, have no objection.

The VICE PRESIDENT. The rule requires a quorum to be called when a time is sought to be set for a final vote.

Mr. HEFLIN. This is only a temporary matter.

The VICE PRESIDENT. Inasmuch, however, as a quorum has just been called and obtained, if there be no objection, the agreement is entered into.

Mr. JOHNSON. Pardon me; as I understand the ruling of the Chair, the agreement will not interfere with the existing order?

The VICE PRESIDENT. No.

Mr. JOHNSON. Or with the unfinished business?

The VICE PRESIDENT. No.

Mr. HEFLIN. I want it understood that if the point of no quorum should be made—and it should take up time, I would not want a vote on it. I want five minutes as the author of the bill, and as a member of the Agricultural Committee, to explain it.

Mr. CURTIS. If the Senator from Alabama and the Senator from California will be here at 12 o'clock, there will be no question of a quorum raised, so far as I am concerned, and I hope no other Senator will raise the point until after the conclusion of the matter.

Mr. SHORTRIDGE. I shall be here, Deo volente.

Mr. CURTIS. I renew my request for unanimous consent.

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

OVERSEA HIGHWAY BRIDGES FROM KEY WEST TO MAINLAND

Mr. FLETCHER. I ask unanimous consent to submit a report from the Committee on Commerce. It is a purely local matter, and I feel authorized to ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Florida to submit the report which he indicates? The Chair hears none.

Mr. FLETCHER. From the Committee on Commerce I report back favorably without amendment the joint resolution (H. J. Res. 256) authorizing the United States Bureau of Public Roads to make a survey of the uncompleted bridges of the Oversea Highway from Key West to the mainland, in the State of Florida, with a view of obtaining the cost of the construction of said bridges, and report their findings to Congress, and I submit a report (No. 1090) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

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

Whereas Munroe County, in the State of Florida, has bonded for large sums for the purpose of constructing an oversea highway from Key West to the mainland; and

Whereas the State of Florida, out of the road fund, has spent large sums of money assisting Munroe County in the construction of said road; and

Whereas Dade County has completed her part of the road, which is the main highway from Canada to Key West, known as United States Highway No. 1; and

Whereas this road is now completed except the construction of several bridges: Therefore be it

Resolved, etc., That the United States Bureau of Public Roads is hereby authorized and directed to make a survey with a view of ascertaining the cost of the construction of said bridges and report the findings to the Congress at the earliest possible moment.

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

The preamble was agreed to.

The VICE PRESIDENT. The clerk will state the first bill in order on the calendar under the unanimous-consent agreement.

CLAIMS OF INDIAN TRIBES AND BANDS IN WASHINGTON

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4273) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington to present their claims to the Court of Claims, which was read, as follows:

Be it enacted, etc., That jurisdiction is hereby conferred on the Court of Claims, with the right to appeal to the Supreme Court of the United States by either party, as in other cases, notwithstanding the lapse of time or statutes of limitation, to hear, examine, and adjudicate and render judgment in any and all legal and equitable claims of the Okanogan, Methow, San Poells (or San Poil), Nespelem, Colville, and Lake Indian tribes or bands of the State of Washington, or any of

said tribes or bands, against the United States arising under or growing out of the original Indian title, claim, or rights of the said Indian tribes and bands, or any of said tribes or bands (with whom no treaty has been made), in, to, or upon the whole or any part of the lands and their appurtenances in the State of Washington embraced within the following general descriptions, to wit: Commencing at the intersection of the west bank of the Okanogan River with the international boundary line between the Province of British Columbia, Canada, and the State of Washington, thence west along said line to its intersection with the summit of the main ridge of the Cascade Mountains; thence in a southerly direction along the summit of said main ridge of the Cascade Mountains to a point where the northern tributaries of Lake Chelan and the southern tributaries of the Methow River have their rise; thence southeasterly on the divide between the waters of Lake Chelan and the Methow River to the Columbia River; thence, crossing the Columbia River in a true-line course east, to a point whose longitude is 119° 10′; thence in a true south course to the Government survey township line between townships 24 and 25 north; thence east along said township line to Hawk Creek, in Lincoln County, Wash.; thence down said Hawk Creek to its intersection with the Columbia River; thence westwardly along the south bank of the Columbia River to a point opposite the mouth of the Okanogan River; thence north across the Columbia River and up the west bank of the Okanogan River to the place of beginning; also, commencing on the north bank of the Spokane River at its junction with the Columbia River, thence in a northeasterly direction along the summit of the ridge separating the drainage basin of the Spokane River from that of the Columbia River and its tributary, the Colville River, to the main ridge of the Calispell Mountains; thence in a northerly direction along the summit of the main ridge of said Calispell Mountains, extended, to the international boundary line between said Province of British Columbia, Canada, and the State of Washington; thence west along said line to the east bank of the Columbia River; thence in a general southerly direction along said east bank of the Columbia River to the said mouth of the Spokane River; also, commencing at a point on the west bank of the Columbia River opposite the mouth of the Spokane River; thence in a general northerly direction to and along the summit of the main ridge dividing the waters of the San Poil River from those of the Columbia and Kettle Rivers, and along the summit of said ridge extended northerly to the said international boundary line between the Province of British Columbia and the State of Washington; thence west along said international boundary line to the summit of the main ridge separating the waters of the Okanogan River from those of the upper Kettle River; thence in a general southerly direction to and along the summit of the divide between the waters of said Okanogan River and those of Nespelem Creek to the north bank of the Columbia River; thence in a general easterly direction along the north bank of the Columbia River to a point opposite the mouth of the Spokane River, the place of beginning; which said lands or rights therein or thereto are claimed to have been taken away from said Indian tribes and bands, or some of them, by the United States, recovery therefor in no event to exceed $1.25 per acre; together with all other claims of said tribes or bands of Indians, or any of said tribes or bands, arising under or growing out of fishing rights and privileges held and enjoyed by said tribes and bands, or any of them, in the waters of the Columbia River and its tributaries; or arising or growing out of hunting rights and privileges held and enjoyed by said tribes and bands, or any of them, in common with other Indians in the "common hunting grounds" east of the Rocky Mountains as reserved by and described in the treaty with Blackfoot Indians, October 17, 1855 (11 Stat. L. 657 to 662), and which are claimed to have been taken away from said tribes and bands, or any of them, by the United States without any treaty or agreement with such Indian claimants therefor and without compensation to them.

SEC. 2. Any and all claims against the United States within the purview of this act shall be forever barred unless suit or suits be instituted or petition, subject to amendment, be filed as herein provided in the Court of Claims within five years from the date of the approval of this act, and such suit or suits shall make the said Okanogan, Methow, San Poells (or San Poil), Nespelem, Colville, and Lake Indian tribes or bands of Washington, or any of said tribes or bands, party or parties, plaintiff, and the United States party defendant. The petition shall be verified by the attorney or attorneys employed to prosecute such claim or claims under contract with the Indians approved in accordance with existing law; and said contract shall be executed in their behalf by a committee or committees selected by said Indians as provided by existing law. Official letters, papers, documents and records, maps, or certified copies thereof may be used in evidence, and the departments of the Government shall give access to the attorney or attorneys of said Indians to such treaties, papers, maps, correspondence, or reports as they may require in the prosecution of any suit or suits instituted under this act.

SEC. 3. In said suit or suits the court shall also hear, examine, consider, and adjudicate any claims which the United States may have against the said Indian tribes and bands, or any of them, but any payment or payments which have been made by the United States upon any such claim or claims shall not operate as an estoppel, but may be pleaded as an offset in such suit or suits, as may gratuities, if any, paid to or expended for such Indian tribes and bands, or any of them.

SEC. 4. Any other tribes or bands of Indians the court may deem necessary to a final determination of any suit or suits brought hereunder may be joined therein as the court may order: *Provided*, That upon final determination of such suit or suits the Court of Claims shall have jurisdiction to fix and determine a reasonable fee, not to exceed 10 per cent of the recovery, by any one of said tribes or bands, and in no event to exceed the sum of $25,000 for any one of said tribes or bands of Indians, together with all necessary and proper expenses incurred in the preparation and prosecution of such suit or suits to be paid to the attorney or attorneys employed as herein provided by the said tribes or bands of Indians, or any of said tribes or bands, and the same shall be included in the decree, and shall be paid out of any sum or sums adjudged to be due said tribes or bands, or any of them, and the balance of such sum or sums shall be placed in the Treasury of the United States, where it shall draw interest at the rate of 4 per cent per annum.

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

ANNEXATION OF ISLANDS OF THE SAMOAN GROUP

The Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 110) to provide for annexing certain islands of the Samoan group to the United States, which had been reported from the Committee on Territories and Insular Possessions with amendments, on page 1, line 3, after the word "said," to strike out the words "cession is" and to insert "cessions are"; and on page 2, line 1, after the word "confirmed," to strike out "and that the said islands of eastern Samoa be, and they are hereby, annexed as a part of the territory of the United States, and are subject to the sovereign dominion of" and to insert "as of April 10, 1900, and July 16, 1904, respectively," so as to make the joint resolution read:

Whereas certain chiefs of the islands of Tutuila and Manua and certain other islands of the Samoan group lying between the thirteenth and fifteenth degrees of latitude south of the Equator and between the one hundred and sixty-seventh and one hundred and seventy-first degrees of longitude west of Greenwich, herein referred to as the islands of eastern Samoa, having in due form agreed to cede absolutely and without reserve to the United States of America all rights of sovereignty of whatsoever kind in and over these islands of the Samoan group by their acts dated April 10, 1900, and July 16, 1904: Therefore be it

Resolved, etc., That (a) said cessions are accepted, ratified, and confirmed as of April 10, 1900, and July 16, 1904, respectively.

(b) The existing laws of the United States relative to public lands shall not apply to such lands in the said islands of eastern Samoa; but the Congress of the United States shall enact special laws for their management and disposition: *Provided*, That all revenue from or proceeds of the same, except as regards such part thereof as may be used or occupied for the civil, military, or naval purposes of the United States or may be assigned for the use of the local government, shall be used solely for the benefit of the inhabitants of the said islands of eastern Samoa for educational and other public purposes.

(c) Until Congress shall provide for the government of such islands, all civil, judicial, and military powers shall be vested in such person or persons and shall be exercised in such manner as the President of the United States shall direct; and the President shall have power to remove said officers and fill the vacancies so occasioned.

(d) The President shall appoint six commissioners, two of whom shall be Members of the Senate, two of whom shall be Members of the House of Representatives, and two of whom shall be chiefs of the said islands of eastern Samoa, who shall, as soon as reasonably practicable, recommend to Congress such legislation concerning the islands of eastern Samoa as they shall deem necessary or proper.

(e) The sum of $25,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, and to be immediately available, to be expended at the discretion of the President of the United States of America, for the purpose of carrying this joint resolution into effect.

Mr. KING. I desire to ask the Senator from Connecticut [Mr. BINGHAM] whether or not this joint resolution is unanimously reported by the committee.

Mr. BINGHAM. In its present form it is unanimously reported by the committee and is also favored by the Navy Department, which objected to the joint resolution in its original form.

Mr. LA FOLLETTE. Mr. President, will the Senator from Connecticut briefly explain the joint resolution?

Mr. BINGHAM. Briefly, I will state that these islands were ceded to the United States by certain Samoan chiefs, some in 1900 and others in 1904. Congress has never done the chiefs the courtesy of accepting the cessions, although by an Executive

order the Navy has taken charge of the islands for all these years. The chiefs feel that in courtesy to them and to their cessions the cessions should be ratified, and the joint resolution merely puts the approval of Congress on the existing order. It also creates a commission, which the President is to appoint, consisting of two Senators, two Representatives, and two Samoan chiefs, to study the situation and to recommend legislation.

Mr. LA FOLLETTE. Mr. President, does the bill provide any amelioration of the harsh naval government now in existence in the islands?

Mr. BINGHAM. That will follow the official study by the commission to be appointed.

The VICE PRESIDENT. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The joint resolution was reported to the Senate as amended and the amendments were concurred in.

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

The title was amended so as to read: "Joint resolution to provide for accepting, ratifying, and confirming the cessions of certain islands of the Samoan group to the United States, and for other purposes."

MARKING OF PLATINUM

The bill (S. 1251) to regulate the marking of platinum imported into the United States or transported in interstate commerce, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That this act may be cited as the "National platinum marking act, 1927."

SEC. 2. In this act, unless the context otherwise requires—

(1) The term "article" means any article of merchandise, and includes any portion of such article, whether a distinct part thereof or not (including every part thereof whether or not separable and also including material for manufacture).

(2) The terms "platinum," "iridium," "palladium," "ruthenium," "rhodium," and/or "osmium" include any alloy or alloys of any one or more of said metals.

(3) The term "mark" means any mark, sign, device, imprint, stamp, or brand applied to any article, or to any tag, card, paper, label, box, carton, container, holder, package, cover, or wrapping attached to, used in conjunction with, or inclosing such article, or any bill, bill of sale, invoice, statement, letter, circular, advertisement, notice, memorandum, or other writing or printing.

(4) The terms "apply" and "applied" include any method or means of application or attachment to, or of use on, or in connection with, or in relation to, an article, whether such application, attachment, or use is to, on, by, in, or with—

(A) The article itself; or

(B) Anything attached to the article; or

(C) Anything to which the article is attached; or

(D) Anything in or on which the article is; or

(E) Anything so used or placed as to lead to a reasonable belief that the mark on that thing is meant to be taken as a mark on the article itself.

(5) The term "quality mark" means any mark as herein defined indicating, describing, identifying or referring to or appearing or seeming or purporting to indicate, describe, identify, or refer to the partial or total presence or existence of, or the quality of, or the percentage of, or the purity of, or the number of parts of platinum, iridium, palladium, ruthenium, rhodium, and/or osmium in any article.

SEC. 3. (a) When an article is composed of mechanism, works, or movements and of a case or cover containing the mechanism, works, or movements, a quality mark applied to the article shall be deemed not to be, nor to be intended to be applied to the mechanism, works, or movements.

(b) The quality mark applied to the article shall be deemed not to apply to springs, winding bars, sleeves, crown cores, mechanical joints, pins, screws, rivets, dust bands, detachable movement rims, hat-pin stems, bracelet and necklace snap tongues. In addition, in the event that an article is marked under paragraph (5) of section 6, the quality mark applied to the article shall be demed not to apply to pin tongues, joints, catches, lapel button backs and the posts to which they are attached, scarf-pin stems, hat-pin sockets, shirt-stud backs, vest-button backs, and ear-screw backs: *Provided*, That such parts are made of the same quality of gold as is used in the balance of the article.

SEC. 4. If there is any quality mark printed, stamped, or branded on the article itself, there must also be printed, stamped, or branded on the said article itself the following mark, to wit: A trade-mark duly applied for or registered under the laws of the United States of the manufacturer of such article; except that if such manufacturer has sold or contracted to sell such article to a jobber, wholesaler, or retail dealer regularly engaged in the business of buying and selling similar articles, this provision shall be deemed to be complied with if there is so marked on the said article the trade-mark duly registered under the laws of the United States of such jobber, wholesaler, or retail dealer, respectively; and in such event there may also be marked on the said article itself numerals intended to identify the article, design, or pattern: *Provided, however*, That such numerals do not appear or purport to be a part of the quality mark: *Provided further*, That they are not calculated to mislead or deceive anyone into believing that they are partly of the quality mark.

SEC. 5. All quality marks applied to any article shall be equal in size and equally visible, legible, clear, and distinct and no quality mark which is false, deceptive, or misleading shall be applied to any article or to any descriptive device therefor. No more than one quality mark shall be applied to any article and such quality mark shall be applied to such article in only one place thereon except as elsewhere in this law specifically permitted.

(b) Wherever in this act provision is made for marking the number of parts or percentage of metals such number or percentage shall refer to weight and not to volume, thickness, or any other basis.

SEC. 6. There shall not be applied to any article any quality mark nor any colorable imitation thereof, nor any contraction thereof, nor any addition thereto, nor any words or letters, nor any mark purporting to be or resembling a quality mark, except as follows:

(1) An article consisting of at least nine hundred and eighty-five one-thousandths parts of platinum, iridium, palladium, ruthenium, rhodium, and/or osmium, where solder is not used and at least nine hundred and fifty one-thousandths parts of said same metal or metals where solder is used, may be marked "platinum": *Provided*, That the total of the aforementioned metals other than pure platinum shall amount to no more than fifty one-thousandths parts of the contents of the entire article.

(2) An article consisting of at least nine hundred and eighty-five one-thousandths parts platinum, iridium, palladium, ruthenium, rhodium, and/or osmium, where solder is not used and at least nine hundred and fifty one-thousandths parts of the said same metal or metals where solder is used: *Provided*, That at least seven hundred and fifty one-thousandths parts of said article are pure platinum, may be marked "platinum": *Provided further*, That immediately preceding the mark "platinum" there is marked the name or abbreviation as hereinafter provided, of either iridium, palladium, ruthenium, rhodium, and/or osmium, whichever of said metals predominates: *And provided further*, That such predominating other metal must be more than fifty one-thousandths parts of the entire article.

(3) An article consisting of at least nine hundred and eighty-five one-thousandths parts of platinum, iridium, palladium, ruthenium, rhodium, and/or osmium, where solder is not used and at least nine hundred and fifty one-thousandths parts of said same metals where solder is used: *Provided*, That more than five hundred one-thousandths parts of said article consists of pure platinum, may be marked with the word "platinum": *Provided further*, That said word is immediately preceded by a decimal fraction in one-thousandths showing the platinum content in proportion to the content of the entire article: *And provided further*, That said mark "platinum" be followed by the name or abbreviation as herein allowed, of such one or more of the following metals, to wit: Iridium, palladium, ruthenium, rhodium, and/or osmium, that may be present in the article in quantity of more than fifty one-thousandths parts of the entire article. The name of such other metal or metals other than platinum, however, shall each be immediately preceded by a decimal fraction in one-thousandths showing the content of such other metal or metals in proportion to the entire article—as, for example, 600 Plat., 350 Pall., or 500 Plat., 200 Pall., 150 Ruth., 100 Rhod.

(4) An article consisting of nine hundred and fifty one-thousandths parts of the following metals: Platinum, iridium, palladium, ruthenium, rhodium, and/or osmium, with less than five hundred one-thousandths parts of the entire article consisting of pure platinum, may be marked with the name iridium, palladium, ruthenium, rhodium, and/or osmium, whichever predominates in the said article, but in no event with the mark "platinum": *Provided, however*, That the quantity of such metal other than platinum so marked must be marked in decimal thousandths: *And provided further*, That the name of such metal other than platinum so used must be spelled out in full, irrespective of any other provisions of this act to the contrary.

(5) An article composed of platinum and gold which resembles, appears, or purports to be platinum may be marked with a karat mark and the platinum mark provided—

(A) The platinum in such article shall be at least nine hundred and eighty-five one-thousandths parts pure platinum; and

(B) The fineness of the gold in such article shall be correctly described by the karat mark of said gold; and

(C) The percentage of platinum in such article shall be no less than 5 per cent in weight of the total weight of the article; and

(D) The mark shall be so applied that the karat mark shall immediately precede the platinum mark, as, for example, "14 K & Plat.," "18 K & Plat.," as the case may be, it being expressly provided that in case the percentage of platinum exceeds the 5 per cent provided herein

the quality mark may also include a declaration of the percentage of platinum, as, for example, "18 K & 1/10th Plat." or "14 K & 1/8th Plat.," or as the case may be.

(6) An article composed of platinum and any other material or metal not resembling, appearing, or purporting to be platinum may be marked with the quality mark platinum: *Provided*, That all parts or portions of such article resembling or appearing or purporting to be platinum or reasonably purporting to be described as platinum by said quality mark shall be at least nine hundred and eighty-five one-thousandths parts pure platinum.

SEC. 7. Whenever provided for in this act, except as specifically excepted in paragraph 4 of section 6 hereof, the word "platinum" may be applied by spelling it out in full or by the abbreviation "Plat."; the word "iridium" may be applied by spelling it out in full or by the abbreviation "Irid."; the word "palladium" may be applied by spelling it out in full or by the abbreviation "Pall."; the word "ruthenium" may be applied by spelling it out in full or by the abbreviation "Ruth."; the word "rhodium" may be applied by spelling it out in full or by the abbreviation "Rhod."; and the word "osmium" may be applied by spelling it out in full or by the abbreviation "Osmi."

SEC. 8. Any person, partnership, corporation, or association, or any officer, director, employee, or agent thereof who shall import or cause to be imported into the United States, or deposit or cause to be deposited in the United States mails, or transport or cause to be transported from one State, Territory, or possession of the United States, or from the District of Columbia into any other State, Territory, or possession of the United States, or into the District of Columbia, or deliver or cause to be delivered to any carrier to be so transported, or sell or offer or expose for sale in any Territory or possession of the United States or in the District of Columbia, any article to which is applied any quality mark which does not conform to all the provisions of this act, or from which is omitted any mark required by the provisions of this act, shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000 or by imprisonment for not more than six months, or by both such fine and imprisonment, in the discretion of the court: *Provided, however*, That it shall be a defense to any prosecution under this chapter for the defendant to prove that the said article was manufactured and marked with the intention of and for purposes of exportation from the United States, and that the said article was either actually exported from the United States to a foreign country within six months after date of manufacture thereof with the bona fide intention of being sold in the said country and of not being reimported or that it was delivered within six months after date of manufacture thereof to a person, firm, or corporation whose exclusive customary business is the exportation of such articles from the United States.

SEC. 9. In any action relating to the enforcement of any provision of this act a certificate duly issued by an assay office of the Treasury Department of the United States certifying the weight of any article, or any part thereof, or of the kind, weight, quality, fineness, or quantity of any ingredient thereof, shall be receivable in evidence as constituting prima facie proof of the matter or matters so certified.

SEC. 10. In any action relating to the enforcement of any provision of this act proof that an article has been marked in violation of the provisions of this act shall be deemed to be prima facie proof that such article was manufactured after this act became effective.

SEC. 11. This act shall become effective six months after its passage, and shall not apply to any article manufactured prior thereto.

SEC. 12. If any part of this act, or the application thereof to any particular situation, is held by any court of competent jurisdiction to be invalid on account of unconstitutionality, such adjudication shall not affect the remainder of this act or the application of such first-mentioned part of this act to any other situation.

Mr. KING. Mr. President, I should like an explanation of that bill. It is apparently very important.

Mr. WATSON. Mr. President, this is a bill which was reported from the Committee on Interstate Commerce by the Senator from New York [Mr. WAGNER]. He was to have been present and to have explained it, but I have just learned that he is unavoidably detained from the Senate. The report of the committee, I will say to the Senator, describes accurately the situation with respect to the metal platinum in connection with its use in jewelry.

The purpose of the pending bill is to provide restrictions regarding the use of the platinum so as to prevent fraud. It is in keeping with the gold and silver legislation enacted by Congress in 1906, which legislation has created very high standards throughout the country in connection with the marking of jewelry.

In 1906 the Federal Government passed an act to protect the marking of gold and silver and creating adequate standards therefor. This is a bill to provide for the correct marking of platinum so as to bring it to the same high standard. The bill is indorsed by the retail jewelers' associations in practically all the States of the Union, as the Senator will see if he will read the report. I do not care to go into the whole question.

Mr. KING. Mr. President, if the Senator will pardon me, there is one question that occurs to me and that is this: Of course, if fraudulent representations were made with respect to the character of the platinum—that is to say, if it was an alloy instead of being pure platinum—the person making such false representations would come under the denouncement of local statutes. The question in my mind is whether the Federal Government ought to prescribe the standard for platinum any more than it should prescribe the standard for lead or antimony, or any other metal. Of course, as to gold and silver, which are used as money, there is a different obligation resting upon the Government.

Mr. WATSON. Yes; but gold and silver have been standardized by governmental action for use in jewelry, and platinum is now used very generally in the manufacture of jewelry in connection with gold, as the Senator understands. The quality of the material makes very great difference in the jewelry that is manufactured, and while the average person can not detect the lack of purity in the platinum, yet if the platinum is pure it lasts a long time and is durable, and, on the other hand, if it is not pure it is not durable. That is my understanding of the situation.

Mr. COPELAND rose.

Mr. WATSON. Perhaps the Senator from New York knows more about it than I do.

Mr. COPELAND. Mr. President, I wish to say that white gold and platinum look exactly alike, but the jewelers' associations of almost every State in the Union and all the local associations of high standing representing the highest-grade jewelers feel that this is a very necessary measure in order to protect the public against the imposition of fraudulent imitations.

Mr. KING. If the Senator will pardon me, the point I am making is that, if Congress begins to prescribe the standard of purity of every article that goes into trade and commerce, pretty soon we will be asked to take over the control of all of the commodities that are carried in interstate commerce and Congress may have imposed upon it a burden the magnitude of which it is impossible now to comprehend. I shall not object to the bill but it does seem to me that it is very unwise legislation. We will be asked pretty soon to fix a standard of purity for everything, and the State statutes punishing for fraudulent representations will become nugatory and will cease to be enforced.

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

E. A. CLATTERBUCK

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 4619) for the relief of E. A. Clatterbuck, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to E. A. Clatterbuck, of Warrenton, Va., the sum of $24.65, being the amount due him for housing in the post-office building at Warrenton, Va., 49.3 tons of coal.

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

NOTES OF THE PANAMA RAILROAD CO.

The bill (H. R. 11245) to cancel certain notes of the Panama Railroad Co. held by the Treasurer of the United States was announced as next in order.

Mr. BLAINE. In the absence of the chairman of the committee, who reported the bill, I suggest it go over.

Mr. REED of Pennsylvania. Mr. President, the United States Government owns every share of stock of the Panama Railroad Co. This bill is merely to provide for the cancellation of a debt which the United States owes to itself.

Mr. WALSH of Montana. The situation is not even so grave as that suggested by the Senator from Pennsylvania. The obligation has been extinguished for many years; there has been made provision for the cancellation of the notes, and this is intended simply as a bookkeeping proposition.

Mr. BLAINE. In view of the explanation which has been made, I withdraw the objection.

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

Be it enacted, etc., That the Treasurer of the United States is authorized and directed to cancel and surrender to the Panama Railroad Co. the notes given by such company to the United States prior

to March 4, 1911, with respect to which payment of interest and principal was discontinued by section 2 of the act approved March 4, 1911 (U. S. C., title 48, sec. 1333).

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

CODIFICATION OF CANAL ZONE LAWS

The bill (H. R. 11475) to revise and codify the laws of the Canal Zone was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the President be, and is hereby, authorized to have all of the laws now in force in the Canal Zone revised and codified, and when such revision and codification has been completed to report the same to Congress for its approval.

SEC. 2. In order to carry out the purpose of this act as early as practicable, the President is authorized to employ such persons skilled in the codification of laws as he may deem necessary and to fix their compensation; he may call upon the judge of the District Court of the Canal Zone and the district attorney thereof for such assistance as they can render, and the said judge and district attorney are hereby authorized to render such assistance as they can in the performance of such duties. The President is also further authorized to employ such members of the district bar of the Canal Zone and such clerks, stenographers, and other assistants as he may deem necessary for the proper and early completion of such work and to fix their compensation.

SEC. 3. As soon as a proper code of all the laws now in force in the Canal Zone shall have been prepared, the President is authorized to report the same to Congress with his recommendation; and the President is further authorized to report with such code such changes in the laws now in force in the Canal Zone as he deems necessary or wise for the proper administration of justice therein and the proper maintenance and operation of the Panama Canal.

SEC. 4. There is hereby authorized to be appropriated, out of any funds in the Treasury not otherwise appropriated, the sum of not more than $25,000 to be used by the President for the payment of salaries of persons employed, for necessary travel and other expenses of such employees, going to and from the Canal Zone, and while in the Canal Zone, engaged in the performance of such duties, and for necessary printing, books, stationery, and other expenditures incidental to the performance of such work.

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

ELECTORS OF PRESIDENT AND VICE PRESIDENT

The bill (H. R. 7373) providing for the meeting of electors of President and Vice President and for the issuance and transmission of the certificates of their selection and of the result of their determination, and for other purposes, was announced as next in order.

Mr. FESS. I ask that that bill go over.

The VICE PRESIDENT. The bill will be passed over.

AUGUSTA CORNOG

The bill (S. 3931) for the relief of Augusta Cornog was considered as in Committee of the Whole. It authorizes the United States Employees' Compensation Commission to extend to Augusta Cornog, a former employee of the United States Public Health Service, the provisions of an act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, compensation to commence from and after the date of the passage of this act.

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

NAVAL CONSTRUCTION

The bill (H. R. 11526) to authorize the construction of certain naval vessels, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The VICE PRESIDENT. The bill will be passed over.

CREDIT FOR MILITARY SERVICE OF POSTAL EMPLOYEES

The bill (S. 860) allowing credit to postal and substitute postal employees for time served in the Army, Navy, or Marine Corps of the United States, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That postal employees and substitute postal employees, in all branches of the Postal Service, who have served in the Army, Navy, or Marine Corps of the United States during any war, expedition, or occupation by the armed forces of the United States shall receive credit for all time served in the Army, Navy, or Marine Crops during such war, expedition, or occupation, on the basis of one day's credit of eight hours in the Postal Service for each served in the military, marine, or naval service, and be promoted to the grade, and seniority within grade, as such day-for-day credit will entitle such postal employee or substitute postal employee to progress.

SEC. 2. This act shall apply to such postal employees and substitute postal employees who are in the Postal Service at the date of the passage of this act. No employee in the Postal Service shall be reduced in grade or salary as a result of the provisions of this act.

SEC. 3. All laws and parts of laws in conflict with the provisions of this act are hereby repealed.

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

DIPLOMATIC FRANKING PRIVILEGE

The bill (S. 3800) to carry out provisions of the Pan American Postal Convention concerning franking privileges for diplomatic officers in Pan American countries and the United States, was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That under such regulations as the Postmaster General shall prescribe correspondence of the members of the Diplomatic Corps of the countries of the Pan American Postal Union stationed in the United States may be reciprocally transmitted in the domestic mails free of postage and be entitled to free registration, but without any right to indemnity in case of loss. The same privilege shall be accorded consuls of such countries stationed in the United States, and vice consuls when they are discharging the functions of such consuls, for the exchange of official correspondence among themselves and for that which they direct to the Government of the United States.

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

THE AIR MAIL

The bill (H. R. 8337) to amend the air mail act of February 2, 1925, as amended by the act of June 3, 1926, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That section 3 of the air mail act of February 2, 1925 (U. S. C., title 39, sec. 463), as amended by the act of June 3, 1926, is hereby amended to read as follows:

"SEC. 3. That the rates of postage on air mail shall not be less than 5 cents for each ounce or fraction thereof."

SEC. 2. That after section 5 of said act (U. S. C., title 39, section 465) a new section shall be added as follows:

"SEC. 6. That the Postmaster General may by negotiation with an air-mail contractor who has satisfactorily operated under the authority of this act for a period of two years or more, arrange, with the consent of the surety for the contractor and the continuation of the obligation of the surety during the existence or life of the certificate provided for hereinafter, for the surrender of the contract and the substitution therefor of an air-mail route certificate, which shall be issued by the Postmaster General in the name of such air-mail contractor, and which shall provide that the holder shall have the right of carriage of air mail over the route set out in the certificate so long as he complies with such rules, regulations, and orders as shall from time to time be issued by the Postmaster General for meeting the needs of the Postal Service and adjusting air-mail operations to the advances in the art of flying: *Provided*, That such certificate shall be for a period not exceeding 10 years from the beginning of carrying mail under the contract. Said certificate may be canceled at any time for willful neglect on the part of the holder to carry out such rules, regulations, or orders; notice of such intended cancellation to be given in writing by the Postmaster General and 60 days provided to the holder in which to answer such written notice of the Postmaster General. The rate of compensation to the holder of such an air-mail route certificate shall be determined by periodical negotiation between the certificate holder and the Postmaster General, but shall never exceed the rate of compensation provided for in the original contract of the air-mail route certificate holder."

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

ALLOWANCES TO FOURTH-CLASS POSTMASTERS

The bill (H. R. 7900) granting allowances for rent, fuel, light, and equipment to postmasters of the fourth class, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That after July 1, 1928, postmasters of the fourth class shall be paid as allowances for rent, fuel, light, and equipment an amount equal to 15 per cent of the compensation earned in each quarter, such allowances to be paid at the end of each quarter at the same time and in the same manner as their regular compensation.

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

SICK LEAVE TO POSTAL EMPLOYEES

The bill (H. R. 12383) to amend section 11 of an act approved February 28, 1925 (43 Stat. 1064, U. S. C., title 39), granting sick leave to employees in the Postal Service, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the first paragraph of section 11 of the act entitled "An act reclassifying the salaries of postmasters and employees of the Postal Service, readjusting their salaries and compensation on an equitable basis, increasing postal rates to provide for such readjustment, and for other purposes," approved February 28, 1925 (43 Stat. 1064, U. S. C., title 39, sec. 823), is amended to read as follows:

"Employees in the Postal Service shall be granted 15 days' leave of absence with pay exclusive of Sundays and holidays, each fiscal year, and sick leave with pay at the rate of 10 days a year, exclusive of Sundays and holidays, to be cumulative, but no sick leave with pay in excess of six months shall be granted during any one fiscal year. Sick leave shall be granted only upon satisfactory evidence of illness in accordance with the regulations to be prescribed by the Postmaster General."

SEC. 2. This act shall become effective July 1, 1928.

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

DIFFERENTIAL PAY FOR NIGHT WORK IN POSTAL SERVICE

The bill (H. R. 5681) to provide a differential in pay for night work in the Postal Service was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That after July 1, 1928, supervisory employees, special clerks, clerks, substitute clerks, watchmen, messengers, laborers, and employees of the motor-vehicle service in first and second class post offices; carriers and substitute carriers in the City Delivery Service; and railway postal clerks, substitute railway postal clerks, and laborers in the Railway Mail Service, who are required to perform night work, shall be paid extra for such work at the rate of 10 per cent of their hourly pay per hour: *Provided*, That night work is defined as any work done between the hours of 6 o'clock postmeridian and 6 o'clock antemeridian.

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

GUSTAVE HOFFMAN

The bill (S. 3912) for the relief of Gustave Hoffman, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Gustave Hoffman, formerly a letter carrier in the Postal Service at St. Paul, Minn., the sum of $5,300, representing pay at the rate of $100 a month from May 2, 1917, the date he was discharged from the Postal Service on charges of disloyalty to the United States, to October 2, 1921, the date of his exoneration from such charges.

Mr. REED of Pennsylvania. Mr. President, we are going pretty fast. I notice that the bill is unaccompanied by any report. May we not have an explanation of it?

Mr. MOSES. I had supposed that the Senator from Minnesota [Mr. SHIPSTEAD], who introduced the bill and who is much interested in it, would be present this evening, but I can state exactly to the Senate what this measure means, although I think the language of the bill sets forth its purpose.

The beneficiary of the bill was in the Postal Service and had been in the Postal Service for almost a sufficiently long period to entitle him to retire and secure the benefits of the retirement law. During the World War, however, because of his name more than anything else, he was accused of having made disloyal statements in spite of the fact that his only son was then serving in the Army and was killed in action. Later the man was dismissed from the service without any hearing whatever. Some friends of his persisted in pressing his case, however, and a full investigation was made by the inspectors of the Post Office Department and also by the Department of Justice. The man was completely exonerated of the charges that had been made against him. By that time, however, he was too old to be reinstated in the service under the law affecting the Postal Service, and nothing has been done for his relief from that injustice.

The Senator from Minnesota offered a very detailed statement of the case before the Committee on Post Offices and Post Roads, and the Post Office Department itself in a communication to the chairman of the committee expressed its entire acquiescence in the statement of facts which I have just made and expressed its entire willingness that this bill should become a law, and that in view of the fact, Mr. President, that the Post Office Department is probably the most rigorous of all the departments of the Government in resisting legislation of this character.

Mr. NORBECK. Mr. President, I desire to say, on behalf of the Senator from Minnesota [Mr. SHIPSTEAD], that he would have been here to-night if we had not had an agreement to take up other bills instead of this. That accounts for his absence.

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

SHORTER WORKDAY ON SATURDAY FOR POSTAL EMPLOYEES

The bill (S. 3281) to provide a shorter workday on Saturday for postal employees was considered as in the Committee of the Whole, and was read, as follows:

Be it enacted, etc., That hereafter when the needs of the service require supervisory employees, special clerks, clerks, and laborers in first and second class post offices, and employees of the motor-vehicle service, and carriers in the City Delivery Service and in the village delivery service, and employees of the Railway Mail Service to perform service in excess of four hours on Saturdays they shall be allowed compensatory time for such service on one day within five working-days next succeeding the Saturday on which the excess service was performed.

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

NONMAILABLE MATTER

The bill (S. 3127) to amend section 217, as amended, of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That section 217, as amended, of the act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909, be amended to read as follows:

"All kinds of poison, and all articles and compositions containing poison, and all poisonous animals, insects, and reptiles, and explosives of all kinds, and inflammable materials, and infernal machines, and mechanical, chemical, or other devices or compositions which may ignite or explode, and all disease germs or scabs, and all other natural or artificial articles, compositions, or material, of whatever kind, which may kill or in anywise hurt, harm, or injure another, or damage, deface, or otherwise injure the mails or other property, whether sealed as first-class matter or not, are hereby declared to be nonmailable matter and shall not be conveyed in the mails or delivered from any post office or station thereof, nor by any letter carrier; but the Postmaster General may permit the transmission in the mails, under such rules and regulations as he shall prescribe as to preparation and packing, of any articles hereinbefore described which are not outwardly or of their own force dangerous or injurious to life, health, or property: *Provided*, That the transmission in the mails of poisonous drugs and medicines may be limited by the Postmaster General to shipments of such articles from the manufacturer thereof or dealer therein to licensed physicians, surgeons, dentists, pharmacists, druggists, and veterinarians, under such rules and regulations as he shall prescribe: *Provided further*, That all spirituous, vinous, malted, fermented, or other intoxicating liquors of any kind are hereby declared to be nonmailable and shall not be deposited in or carried through the mails. Whoever shall knowingly deposit or cause to be deposited for mailing or delivery, or shall knowingly cause to be delivered by mail, according to the direction thereon or at any place at which it is directed to be delivered by the person to whom it is addressed, anything declared by this section to be nonmailable, unless in accordance with the rules and regulations hereby authorized to be prescribed by the Postmaster General, shall be fined not more than $1,000 or imprisoned not more than two years, or both; and whoever shall knowingly deposit or cause to be deposited for mailing or delivery, or shall knowingly cause to be delivered by mail, according to the direction thereon or at any place to which it is directed to be delivered by the person to whom it is addressed, anything declared by this section to be nonmailable, whether transmitted in accordance with the rules and regulations authorized to be prescribed by the Postmaster General or not, with the design, intent, or purpose to kill or in any wise hurt, harm, or injure another, or damage, deface, or otherwise injure the mails or other property, shall be fined not more than $10,000 or imprisoned not more than 20 years, or both."

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

Mr. MOSES subsequently said: Mr. President, in connection with the vote just taken for the passage of Senate Bill 3127, my attention has been called by a colleague upon the floor to what is either a misprint in the bill or a palpable error in the language intended to carry out the purpose expressed in the

bill. Inasmuch as it is not possible hastily now to formulate an amendment to take care of the error, I ask unanimous consent that we may reconsider the vote by which the bill was passed, and that it be restored to its place on the Calendar.

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

QUALIFICATIONS OF ACTING POSTMASTERS

The bill (S. 3328) to amend title 39, the Postal Service, Chapter II, section 32, the Code of Laws of the United States of America in force December 6, 1926 (vol. 44, Pt. I, U. S. Stat. L.), was considered as in Committee of the Whole.

Mr. JONES. Mr. President, in what way does this bill amend the postal laws?

Mr. BLEASE. Mr. President, I have an amendment that I wish to offer to this bill. It simply makes a change requiring acting postmasters to have the same qualifications as the regular postmasters. The Postmaster General, in his report, says there are a great many places where there are post offices in lumber camps, at coal mines or oil fields, and other similar business places, where it would undoubtedly be necessary to continue post offices, and he says under those circumstances he can not indorse the bill. This amendment covers the objections stated by the Postmaster General.

I send the amendment to the desk, and ask to have it stated.

The VICE PRESIDENT. The amendment will be stated.

The Chief Clerk read the amendment, which was, on page 2, line 11, to add the following:

Provided, That this act shall not apply to post offices in lumber camps, at coal mines, or oil fields, and other similar business places.

So as to make the bill read:

Be it enacted, etc., That title 39, the Postal Service, Chapter II, section 32, the Code of Laws of the United States of America in force December 6, 1926 (vol. 44, Pt. I, U. S. Stat. L.), be, and the same is hereby, amended by inserting between the words "postmaster" and "shall," on line 1 thereof, the following: "and acting postmaster or acting postmaster"; and that the said section be, and the same is hereby, further amended by adding at the end, on line 3 thereof, the following: "and shall have so resided for a period of not less than one year and shall be a qualified voter of the State in which he is appointed," so that said section when so amended shall read as follows:

"Every postmaster and acting postmaster or acting postmaster shall reside within the delivery of the office to which he is appointed or within the town or city where the same is situated, and shall have so resided for a period of not less than one year, and shall be a qualified voter of the State in which he is appointed: *Provided,* That this act shall not apply to post offices in lumber camps, at coal mines or oil fields, and other similar business places."

Mr. JONES. Mr. President, I want to suggest to the Senator that at or near coal mines there might be cities of ten or twelve or fifteen thousand people.

Mr. BLEASE. That would be in the discretion of the Postmaster General, Mr. President. Of course, we have to leave some things to the discretion of the department.

Mr. JONES. Is that in the discretion of the Postmaster General? I should like to hear the amendment read again.

Mr. BLEASE. If the Senator will look at the Postmaster General's letter he will see that I used his exact words in the amendment.

The VICE PRESIDENT. The amendment will be restated.

The CHIEF CLERK. On page 2, line 11, it is proposed to insert the following proviso:

Provided, That this act shall not apply to post offices in lumber camps, at coal mines or oil fields, and other similar places.

Mr. JONES. There is no discretion there in the Postmaster General.

Mr. BLEASE. It says "and other similar places."

Mr. JONES. It says "*Provided,* That this act shall not apply," and so forth. The Postmaster General can not waive it if there is a town of 5,000 people near a coal mine.

Mr. HEFLIN. But it says "at the coal mine."

Mr. JONES. That would be at the coal mine.

Mr. HEFLIN. I do not think so.

Mr. JONES. You can find towns at coal mines up here in Pennsylvania that have a population of 10,000.

Mr. SWANSON. Mr. President, if the Senator will permit me, as I understand, this simply makes the requirements for an acting postmaster the same as those for a postmaster. That changes the law. Places of this kind and character are excluded from that.

Mr. JONES. What is meant by requiring the qualifications of an acting postmaster to be the same as those of a postmaster?

Mr. SWANSON. Frequently a man is appointed to act as postmaster who is not a resident. Sometimes he is taken from one State and brought to another. I have heard that complaint made, that a man is sent from outside the State to be acting postmaster until they can name a postmaster. This bill simply requires, as I understand from hearing it read, that an acting postmaster must have the qualifications of a postmaster, except at these temporary places.

Mr. JONES. What are the qualifications of a postmaster that are required?

Mr. NEELY. That he shall vote the straight Republican ticket of the district.

Mr. JONES. That is a mighty good requirement. I am glad to know that.

Mr. NORRIS. Why do you waive that in the proximity of a mine?

Mr. JONES. I think this bill had better go over until we have an opportunity to examine it.

The VICE PRESIDENT. The bill will be passed over.

Mr. BLEASE. Mr. President, I will state that the Post Office Committee reported this bill favorably. They looked into it very carefully, and I should like to have it passed. If it is not passed—I am not making any threats—but to-morrow morning I shall say why I introduced it, and I shall say some things that will not be very complimentary to some Republicans.

Mr. PHIPPS. Mr. President, if the Senator will yield, I should like to say, as one member of the Post Office Committee, that I took occasion to call attention to the fact that there are cases where it is practicaly impossible to find some one to act as postmaster temporarily who does reside within the delivery of that particular office.

Mr. BLEASE. I excepted those.

Mr. PHIPPS. I shall be very glad if the Senator will join me in considering that situation, and see if we can prepare an amendment that would, I believe, improve his bill. On principle I am in favor of it; but I can conceive of exceptional cases where it would be a disadvantage to have such a law on the statute books.

Mr. BLEASE. I know the reason why this bill is being objected to, Mr. President; and I know, furthermore, that the Postmaster General transported a man from Georgia to South Carolina to make him an acting postmaster, and they are trying to uphold his hands. To-morrow morning, in a proper way, I shall explain this situation to the Senate.

Mr. PHIPPS. Mr. President, may I ask the Senator not to be too precipitate? I should like to take up the matter with him, and I happen to have an important conference on to-morrow morning. Within the next day or two, before the end of the week, I shall be able to take up the subject with the Senator.

Mr. BLEASE. I assure the Senator from Colorado that I am not going to say a word about him.

Mr. PHIPPS. I am not thinking about that. The Senator can say anything he chooses.

Mr. NEELY. Mr. President, I insist that the Senator from South Carolina tell his story, whatever it may be. The fact that he has aroused so much apprehension on the other side of the aisle makes me particularly anxious to know about it. If there is a worse condition existing in the post office régime than the Senator from South Carolina indicated here a few days ago, when he said that post offices or postmasterships were being sold wholesale in South Carolina, and that he could prove it, and that he had informed the Postmaster General and the Attorney General of the fact—if he knows anything worse than that, and I am led to believe that he does, I want him to tell it.

Mr. BLEASE. Mr. President, I received a letter to-day stating the actual amount that was paid for a post office in South Carolina, and an affidavit along with it.

Mr. BLEASE subsequently said: Mr. President, I ask to recur to Senate bill 3328. I have added an amendment suggested by the Senator from Washington [Mr. JONES], which I think will be satisfactory to all parties.

The VICE PRESIDENT. Without objection, the Senate will recur to Senate bill 3328. Does the Senator withdraw his other amendment?

Mr. BLEASE. No; I have just added a few words to it which were suggested by the Senator from Washington.

The VICE PRESIDENT. The amendment, as modified, will be stated.

The CHIEF CLERK. It is proposed to add, at the end of the bill, the following proviso:

Provided, That this act shall not apply to post offices of the fourth class in lumber camps, at coal mines, or oil fields, and other similar business places.

The amendment, as modified, was agreed to.

Mr. JONES. Mr. President, that is entirely agreeable to me; but I hope that the acceptance of this amendment and the passage of the measure will not lead the Senator from South

Carolina to withhold the disclosures that he has promised to make, because I want to say that I am in sympathy with a good many of his views with reference to the conditions in the South that he has pointed out.

Mr. BLEASE. I shall be glad to do it, and ask for an investigation.

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.

CONDEMNATION OF LAND IN THE DISTRICT OF COLUMBIA

The bill (S. 4124) to provide for notice to owners of land assessed for benefits by the verdict of condemnation juries in the District of Columbia, and for other purposes, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with an amendment, on page 2, line 12, after the word "Columbia," to strike out the period and "unless the person or persons whose land is assessed for benefits as aforesaid shall file objections to the verdict of the jury within 30 days after the date of the publication herein provided for, the court shall ratify and confirm the verdict of the jury," and insert "showing the amount assessed against each such piece or parcel of land and stating the time within which interested parties may file with the court any objections or exceptions they may have to the verdict," so as to make the bill read:

Be it enacted, etc., That where in any condemnation proceedings instituted by the Commissioners of the District of Columbia in accordance with the provisions of subchapter 1 of chapter 15, or in accordance with the provisions of chapter 55 of the Code of Law for the District of Columbia, the jury of condemnation shall assess benefits against any land or parcel of land no part of which was taken by the condemnation proceedings, and the owner of the land or parcel of land so assessed for benefits was not served with notice of the condemnation proceedings, notice of such assessment for benefits shall be given by the Commissioners of the District of Columbia by registered letter, mailed to the last known address of the person listed on the records of the assessor of the District of Columbia as the owner of the land or parcel of land so assessed, and, in addition thereto, the court shall give public notice of the land or parcels of land assessed for benefits, no part of which was taken by the condemnation proceedings, by advertisement once in each of three daily newspapers published in the District of Columbia, showing the amount assessed against each such piece or parcel of land and stating the time within which interested parties may file with the court any objections or exceptions they may have to the verdict. The mailing by registered letter and the notice by publication herein provided for shall be sufficient notice to the owner of any land or parcel of land assessed for benefits as aforesaid. Nothing herein contained shall be considered to abrogate or nullify the option conferred upon the Commissioners of the District of Columbia by the act of Congress approved May 28, 1926, entitled "An act to provide for the condemnation of land for the opening, extension, widening, or straightening of streets, avenues, roads, or highways in accordance with the plan of the permanent system of highways for the District of Columbia, and for other purposes."

The amendment was agreed to.

Mr. BLEASE. Let that bill go over, Mr. President.

The VICE PRESIDENT. The bill will be passed over.

USE OF MAILS FOR CARRYING LOTTERY PARAPHERNALIA, ETC.

The bill (S. 2751) to amend section 213, act of March 4, 1909 (Criminal Code, title 18, sec. 336, U. S. C.), affixing penalties for use of mails in connection with fraudulent devices and lottery paraphernalia, was considered as in Committee of the Whole.

Mr. MOSES. Mr. President, it so happens that by reason of a confusion in the preparation of the copy for the printer for this measure, it comes to the Senate in a printed form which is very far from the purpose of the committee and very far from carrying out the purposes of the measure itself.

I think the Senator from Texas [Mr. SHEPPARD] who was the author of the original bill, which was reported with amendments, has the correct copy with him; and if he will offer that as an amendment, striking out all after the enacting clause and substituting the corrected copy which he has in his hands, I think we can then deal with it.

Mr. SHEPPARD. Mr. President, I have here the revised copy prepared by the department. The bill itself was recommended by the department. It merely adds language strengthening and making more effective the enforcement of the statute relating to the use of the mails for lottery paraphernalia and fraudulent devices.

Mr. MOSES. And, further, in the printed report which accompanies the bill I think a full explanation of its purpose will be found.

The VICE PRESIDENT. The amendment, in the nature of a substitute, will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause, and to insert the following:

That section 213, act of March 4, 1909 (Criminal Code, title 18, sec. 336, U. S. C.), be amended so as to read as follows:

"SEC. 213. No letter, package, postal card, or circular concerning any lottery, gift enterprise, or scheme of any kind offering prizes dependent in whole or in part upon lot or chance, or concerning any article, device, or thing so constructed as to have for its principal and primary use the risk of money or property by lot or chance, or concerning any unfair, dishonest, or cheating gambling article, device, or thing; and no lottery ticket or part thereof, or paper, certificate, or instrument purporting to be or to represent a ticket, chance, share, or interest in or dependent upon the event of a lottery, gift enterprise, or scheme of any kind offering prizes dependent in whole or in part upon lot or chance; and no article, device, or thing so constructed as to have for its principal and primary use the risk of money or property by lot or chance, or matter relating thereto; and no unfair, dishonest, or cheating gambling article, device, or thing; and no check, draft, bill, money, postal note, or money order for the purchase of any ticket or part thereof, or of any share or chance in any such lottery, gift enterprise, or scheme; and no newspaper, circular, pamphlet, or publication of any kind containing any advertisement of any lottery, gift enterprise, or scheme of any kind offering prizes dependent in whole or in part upon lot or chance, or containing any list of the prizes drawn or awarded by means of any such lottery, gift enterprise, or scheme, whether said list contains any part or all of such prizes, or containing any advertisement of any article, device, or thing so constructed as to have for its principal and primary use the risk of money or property by lot or chance, or containing any advertisement of any unfair, dishonest, or cheating gambling article, device, or thing, shall be deposited in or carried by the mails of the United States or be delivered by any postmaster or letter carrier. Whoever shall knowingly deposit or cause to be deposited, or shall knowingly send or cause to be sent, anything to be conveyed or delivered by mail in violation of the provisions of this section, or shall knowingly deliver or cause to be delivered by mail anything herein forbidden to be carried by mail, shall be fined not more than $1,000 or imprisoned not more than two years, or both; and for any subsequent offense shall be imprisoned not more than five years. Any person violating any provision of this section may be tried and punished either in the district in which the unlawful matter or publication was mailed, or to which it was carried by mail for delivery according to the direction thereon, or in which it was caused to be delivered by mail to the person to whom it was addressed."

Mr. WALSH of Montana. Mr. President, I desire to say a word with respect to the substitute bill that has just been read.

This bill deals with a subject that has had the very serious consideration of the Committee on the Judiciary. Protracted hearings were held. The matter was under consideration in at least two or three sessions, and the committee finally worked out an act which was passed by the Congress which we thought met the situation.

I have not had an opportunity to look at the substitute that has been offered; but the bill that is before me has in it the infirmities which we sought, at least, to overcome by the bill which had the approval of the Judiciary Committee. The late chairman of the committee, Senator Cummins, was very deeply interested in this matter, and he and I spent some tiresome hours over the problem presented by it. Under these circumstances I think we ought not hurriedly to pass this substitute measure.

Mr. MOSES. Mr. President, I am entirely willing that the matter shall go over for the present, in order that the Senator from Montana may examine the substitute which has just been offered by the Senator from Texas.

I am fully aware that the bill which the Senator from Montana has before him is replete with errors, and ought not to be considered here for a minute, due wholly to printer's errors, in which a current of responsibility is to be found, and I will not attempt to fix it anywhere. Then, if I may suggest to the Senator from Montana that at some time presently he and the Senator from Texas and I may have an opportunity to talk about the substitute measure as presented, I am entirely willing that it shall go over for the minute.

Mr. WALSH of Montana. If the matter may go over, I shall be very glad to join with the Senator.

Mr. SHEPPARD. That is entirely satisfactory to me, Mr. President.

Mr. FLETCHER. Mr. President, that raises a question in my mind as to whether these bills ought to go to the Judiciary Committee. Order of Business 1031, Senate bill 3127, refers to an act to codify, revise, and amend the penal laws of the United States. That does not belong in the Committee on Post Offices and Post Roads at all.

Mr. MOSES. Mr. President, these measures, of course, deal with matters which are exclusively in the hands of the Post Office Department, and I suppose for that reason they were referred to the Committee on Post Offices and Post Roads. I want to assure the Senator from Florida that neither the chairman nor any member of the Committee on Post Offices and Post Roads seeks to have legislation referred to that committee, because there is enough of it there automatically.

Mr. FLETCHER. I realize that; but the case that was brought up by the Senator from Montana shows that there ought to be some uniformity about it, because they have had the same measure before the Judiciary Committee.

A. M. THOMAS

The bill (S. 3525) for the relief of A. M. Thomas was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to A. M. Thomas, out of any money in the Treasury not otherwise appropriated, the sum of $302.40, representing the amount paid by him as surety on the forfeited bail bond of Louis Ship-she, who was subsequently rearrested and produced in court through the efforts of A. M. Thomas.

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

D. GEORGE SHORTEN

The bill (H. R. 11960) for the relief of D. George Shorten was considered as in Committee of the Whole.

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

BILL PASSED OVER

The bill (S. 3902) to provide books and educational supplies free of charge to pupils of the public schools of the District of Columbia was announced as next in order.

Mr. PHIPPS. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

MILITARY AND NAVAL PAY AND ALLOWANCES

The bill (S. 3692) to amend the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922, as amended, was considered as in Committee of the Whole.

Mr. WARREN. Mr. President, I suggest to the Senator from California [Mr. SHORTRIDGE], the author of the bill, that we either have the bill read or that he explain it. It seems to be a very comprehensive measure.

Mr. SHORTRIDGE. Mr. President, I think I can in a very few words explain this bill. First I observe that it is in the interest of the chief gunners, the chief boatswains, chief machinists, chief carpenters, chief pharmacists, and chief pay clerks in the Navy. The bill was drafted, indeed, by the Navy Department. It has the unqualified approval of the Secretary of the Navy, and I am happy to add it has the unanimous approval of the Committee on Naval Affairs.

The bill affects these enlisted men. Under the law they enlist, and if they serve faithfully for 10 years they become what is termed, in the nomenclature of the Navy, warrant officers. If they continue to serve 6 years faithfully and efficiently, and pass an examination, they become what are termed commissioned warrant officers.

These men, I repeat, are volunteers. They are men who come up from the ranks. They have not had the advantages of our Naval Academy, but they become experts in their several lines of duty aboard naval vessels. Without them no Sampson, or Schley, or Sims, or any other admiral, could successfully navigate one of our naval vessels. Upon them rests victory or defeat, successful voyage or disaster. I would love to take the time to pay just tribute to this type of our loyal servants in the Navy, but if Senators are interested, and will turn to the hearings, they will there read the eloquent and the true tribute paid to them by Admiral Sims.

What is the scope or purpose of this bill? It is this, to put it briefly, of course, necessarily. By the act of 1916 this class of our loyal and efficient servants were put on a parity of salary with ensigns, junior lieutenants, and lieutenants of the same length of service—that is to say, after 10 years—followed by examination, they were then to be put on a parity of salary with the graduates from our academy, in the respective ranks of ensigns, junior lieutenants, and lieutenants. But inadvertently by the act of 1922 this parity designed by the act of 1916 was destroyed, so that the salaries of these men remain stationary, and do not increase correspondingly or concurrently with the increases of salaries of ensigns, junior lieutenants, and lieutenants.

Mr. WATSON. What is the difference in salary?

Mr. SHORTRIDGE. Specifically, the salaries of the different grades, I do not carry them in my mind; but the bill in its total sum amounts to something over $200,000 a year.

Mr. WARREN. From its title, the bill seems also to apply to the Army, the Marine Corps, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service. Perhaps the Senator who has so eloquently portrayed the character of the service of the men in the Navy will explain as to the other services also.

Mr. SHORTRIDGE. The bill amends the act approved June 10, 1922, as amended; but it relates to and affects those I have named, not those in other lines of service.

Mr. JONES. Mr. President, I am very sorry to ask that the bill shall go over, but I have an amendment which I desire to offer dealing with the Director of the Coast and Geodetic Survey. I did not know this bill was on the calendar until it was called. I will have the amendment in shape so that when the bill is reached again it may be offered.

Mr. SHORTRIDGE. May I ask the Senators who have listened that before the matter comes up again they will acquaint themselves with the real purpose of this bill, so that it may pass. I know of no other bill which appeals more strongly to me than this one.

The VICE PRESIDENT. The Senator's five minutes have expired.

Mr. WARREN. I have not undertaken to find fault with the measure, but it seems to me that there should be such an explanation in regard to the Army and these other branches as has been given in regard to the Navy, as to an effort to arrange as to compensation, rank, and so forth.

Mr. SHORTRIDGE. I intended to proceed to explain the full scope of the bill, but, of course——

The VICE PRESIDENT. The Senator's time has expired, and the bill will go over.

Mr. REED of Pennsylvania. Mr. President, in my time, will the Senator explain to us how this can inure to the benefit of warrant officers of the Army?

Mr. SHORTRIDGE. The bill goes over, and there is no use to multiply words now.

Mr. REED of Pennsylvania. Very good. I am going to find that out, or this bill is not going to pass.

Mr. SHORTRIDGE. I assure the Senator he will find it out, and if I am a true prophet the bill will pass.

Mr. REED of Pennsylvania. Then, the bill will pass carrying similar benefits for warrant officers of the Army.

Mr. SHORTRIDGE. I have no objection.

CONDEMNATION JURIES IN THE DISTRICT OF COLUMBIA

Mr. BLAINE. Mr. President, I ask unanimous consent to recur to Calendar 1033, Senate bill 4124, to provide for notice to owners of land assessed for benefits by the verdict of condemnation juries in the District of Columbia, and for other purposes. I understand that the Senator from South Carolina withdraws his objection. I trust that we may act upon this bill now.

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

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill, which was read, as follows:

Be it enacted, etc., That where in any condemnation proceedings instituted by the Commissioners of the District of Columbia in accordance with the provisions of subchaper 1 of chapter 15, or in accordance with the provisions of chapter 55 of the Code of Law for the District of Columbia, the jury of condemnation shall assess benefits against any land or parcel of land no part of which was taken by the condemnation proceedings, and the owner of the land or parcel of land so assessed for benefits was not served with notice of the condemnation proceedings, notice of such assessment for benefits shall be given by the Commissioners of the District of Columbia by registered letter, mailed to the last known address of the person listed on the records of the assessor of the District of Columbia as the owner of the land or parcel of land so assessed, and, in addition thereto, the court shall give public notice of the land or parcels of land assessed for benefits, no part of which was taken by the condemnation proceedings, by advertisement once in each of three daily newspapers published in the District of Columbia, showing the amount assessed against each such piece or parcel of land and stating the time within which interested

parties may file with the court any objections or exceptions they may have to the verdict. The mailing by registered letter and the notice by publication herein provided for shall be sufficient notice to the owner of any land or parcel of land assessed for benefits as aforesaid. Nothing herein contained shall be considered to abrogate or nullify the option conferred upon the Commissioners of the District of Columbia by the act of Congress approved May 28, 1926, entitled "An act to provide for the condemnation of land for the opening, extension, widening, or straightening of streets, avenues, roads, or highways in accordance with the plan of the permanent system of highways for the District of Columbia, and for other purposes."

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

TRANSCONTINENTAL POST ROAD

The bill (S. 1900) to provide for the construction of a post road and military highway from a point on or near the Atlantic coast to a point on or near the Pacific coast, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, this is a very important measure, offered by the Senator from New Hampshire [Mr. MOSES] at the request of our dear friend the junior Senator from Delaware [Mr. DU PONT], who unfortunately is detained from the Senate on account of illness. The bill has very great merit, but there are a number of amendments which have been suggested to me by Senators, and if it meets with the approval of the Senator from New Hampshire, I ask that it may go over until we may have further time to discuss it.

Mr. MOSES. The Senator from Utah is quite correct that I introduced the bill in behalf of the Senator from Delaware. May I ask the Senator from Utah if it will be possible within a reasonable time, and certainly prior to the expiration of this session of Congress, for him to formulate the amendments so that I can discuss them with him?

Mr. KING. I shall be very glad to prepare them immediately. Some have been suggested, and I shall prepare them at once.

The VICE PRESIDENT. The bill will go over temporarily.

BILL PASSED OVER

The bill (S. 3890) to amend section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1921, and for other purposes," was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

ENGINEER FIELD CLERKS, AMERICAN EXPEDITIONARY FORCES

The bill (S. 3210) providing for the men who served with the American Expeditionary Forces in Europe as engineer field clerks the status of Army field clerk and field clerks, Quartermaster Corps of the United States Army, when honorably discharged, was announced as next in order, having been reported adversely from the Committee on Military Affairs.

Mr. KING. I move that the bill be indefinitely postponed.

The motion was agreed to.

BILL INDEFINITELY POSTPONED

The bill (H. R. 8778) for the relief of William W. Woodruff was announced as next in order, having been reported from the Committee on Military Affairs adversely.

Mr. KING. I move that the bill be indefinitely postponed.

The motion was agreed to.

GILES GORDON

The bill (H. R. 3467) for the relief of Giles Gordon was considered as in Committee of the Whole.

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

ACQUISITION OF LAND IN THE DISTRICT OF COLUMBIA

The bill (S. 4126) authorizing the National Capital Park and Planning Commission to acquire rights in land, and to lease land or existing buildings for limited periods in certain instances, was considered as in Committee of the Whole.

The bill had been reported from the Committee on the District of Columbia with amendments, on page 2, line 3, after the word "grantor," to insert the words "*Provided*, That such reservation of rights shall not continue beyond the life or lives of the grantor or grantors of the fee: *Provided further*, That"; on page 2, line 11, to strike out the word "limited"; on page 2 to strike out lines 23 to line 3, page 3, as follows:

SEC. 2. Said commission may authorize the Director of Public Buildings and Public Parks of the National Capital to lease, for limited periods pending need for their immediate use in other ways by the public, and on such terms as it shall determine, land or any existing building or structure on land acquired for park purposes.

And on page 3 to add a new section, as follows:

SEC. 2. The Director of Public Buildings and Public Parks of the National Capital is authorized, subject to the approval of the National Capital Park and Planning Commission, to lease, for a term not exceeding five years, and to renew such lease for an additional term not exceeding five years, pending need for their immediate use in other ways by the public, and on such terms as the director shall determine, land or any existing building or structure on land acquired for park, parkway, or playground purposes.

So as to read:

Be it enacted, etc., That the authority of the National Capital Park and Planning Commission, established by the act approved April 30, 1926 (Stat. L., vol. 44, p. 374), is hereby enlarged as follows:

Said commission is hereby authorized to acquire, for and in behalf of the United States of America, by gift, devise, purchase, or condemnation, in accordance with the provisions of the act of June 6, 1924 (Stat. L., vol. 43, p. 463), as amended by the act of April 30, 1926 (Stat. L., vol. 44, p. 374), (1) fee title to land subject to limited rights reserved to the grantor: *Provided*, That such reservation of rights shall not continue beyond the life or lives of the grantor or grantors of the fee: *Provided further*, That in the opinion of said commission the permanent public park purposes for which control over said land is needed are not essentially impaired by said reserved rights and that there is a substantial saving in cost by acquiring said land subject to said limited rights as compared with the cost of acquiring unencumbered title thereto; (2) permanent rights in land adjoining park property sufficient to prevent the use of said land in certain specified ways which would essentially impair the value of the park property for its purposes: *Provided*, That in the opinion of said commission the protection and maintenance of the essential public values of said park can thus be secured more economically than by acquiring said land in fee or by other available means: *Provided further*, That all contracts for acquisition of land subject to such limited rights reserved to the grantor and for acquisition of such limited permanent rights in land shall be subject to the approval of the President of the United States.

SEC. 2. The Director of Public Buildings and Public Parks of the National Capital is authorized, subject to the approval of the National Capital Park and Planning Commission, to lease, for a term not exceeding five years, and to renew such lease for an additional term not exceeding five years, pending need for their immediate use in other ways by the public, and on such terms as the director shall determine, land or any existing building or structure on land acquired for park, parkway, or playground purposes.

The amendments were agreed to.

Mr. BLAINE. Mr. President, I did not want to object to the consideration of the amendments or their adoption, but I would like to have the bill go over, because I desire to present amendments to it.

The VICE PRESIDENT. The bill will be passed over.

CAPT. GEORGE R. ARMSTRONG

The bill (H. R. 4664) for the relief of Capt. George R. Armstrong, United States Army, retired, was considered as in Committee of the Whole.

The bill had been reported from the Committee on Military Affairs, with amendments, on page 1, line 3, after the word "that," to insert the words "in recognition of the active service of Capt. George R. Armstrong, United States Army, retired, for more than 10 years after his retirement, and of his extraordinary service and gallantry in protection of the United States mint in the San Francisco fire of 1906"; and on line 8, after the word "appoint," to insert the word "said"; and on the same line, to strike out the words "captain, United States Army, retired," so as to make the bill read:

Be it enacted, etc., That, in recognition of the active service of Capt. George R. Armstrong, United States Army, retired, for more than 10 years after his retirement, and of his extraordinary service and gallantry in protection of the United States mint in the San Francisco fire of 1906, the President be authorized to appoint said George R. Armstrong a lieutenant colonel on the retired list of the United States Army, effective from the date of the approval of this act.

The amendments were agreed to.

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

ENGINEER FIELD CLERKS, AMERICAN EXPEDITIONARY FORCES

Mr. BRUCE. Mr. President, Senate bill 3210 was indefinitely postponed, but I would like to have that action reconsidered, and that the bill be allowed to remain on the calendar.

The VICE PRESIDENT. Without objection, the bill will be reinstated on the calendar.

CHARLIE R. PATE

The bill (H. R. 4652) for the relief of Charlie R. Pate, was considered as in Committee of the Whole.

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

SALARY INCREASES FOR TEACHERS

The bill (S. 3827) to exempt employees of the public-school system of the District of Columbia from the $2,000 salary limitation provision of the legislative, executive, and judicial appropriation act, approved May 10, 1916, as amended, was announced as next in order.

Mr. PHIPPS. Let the bill go over.

Mr. DILL. Mr. President, was objection made?

Mr. PHIPPS. I desire to get a little information about the bill. I have not had time to study it. I will be very glad to have an explanation, if it is not too lengthy.

Mr. DILL. Mr. President, I notice that the bill proposes to raise the salary limitation for teachers who get $2,000 a year. I have no objection to that. I want to take this opportunity, however, to say a few words and make some observations regarding the pending salary bill now before the Civil Service Committee. That bill proposes to increase the salaries of those who are getting high salaries already, much more than it will increase the salaries of the low-paid employees. The bill was originally introduced in the House of Representatives to give the poorly paid employees of the Government a decent living wage. It has been manipulated until to-day it is primarily for the purpose of increasing the salaries of those who already get good salaries.

I want to say now that if that bill comes into the Senate in the form in which it passed the House it will have a long, hard struggle getting through, unless it is amended to take care of the people whom it was introduced to take care of, namely, those getting less than $1,200 a year. The bill was introduced in the Senate providing for a new grade at $9,000 a year, and virtually proposes to leave those who are getting $900 and $1,000 a year at salaries of less than $100 a month. Under the guise of trying to help the poorly paid employees, that bill is being turned into a bill to increase primarily the salaries of those already receiving good wages. If that bill continues in that form, I do not see any reason why it should pass at all.

Mr. KING. I agree with the Senator.

Mr. DALE. Mr. President, I would like to say to the Senator from Washington that I had to forego the great pleasure of going to New York to-day to confer with Governor Smith because the Civil Service Committee has under consideration the bill to which he refers. We gave the greater part of the day to it, and we are going to give the greater part of a couple of more days to it, and possibly when the Senator sees the bill the next time he will not recognize it.

Mr. DILL. I hope I shall not recognize it for the reason that the bill will give decent increases to the poorly paid employees.

Mr. PHIPPS. Mr. President, I made objection to the consideration of Senate bill 3827 merely because I had not had time to read the report. Since I objected I have read the report, and I now recognize the bill and its purposes, with which I am familiar, and I desire to withdraw my objection.

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

Be it enacted, etc., That the provisions of section 6 of the legislative, executive, and judicial appropriation act approved May 10, 1916, as amended, shall not apply to employees of the night schools, vacation schools, and Americanization schools of the public-school system of the District of Columbia conducted under and within appropriations made by Congress.

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

BUFFALO PASTURE IN SOUTH DAKOTA

The bill (S. 4022) authorizing the Secretary of the Interior to lease land in Stanley County, S. Dak., to Henry A. O'Neil for a buffalo pasture, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to withdraw from entry and to lease to Henry A. O'Neil, of Fort Pierre, S. Dak., for a period of 10 years, at an annual rental of not less than $75, under rules and regulations to be by him prescribed, the following described public lands in the county of Stanley and State of South Dakota: Sections 26 and 27, the north half southeast quarter, and the north half section 34, the north half northeast quarter, the north half northwest quarter, and the north half southwest quarter of section 35, and lot 4, and the south half northwest quarter and the west half southwest quarter of section 25, all in township 6 north, range 30 east, Black Hills meridian; said lands to be used exclusively for the pasturing of native buffalo, and for no other purpose: *Provided*, That the Secretary of the Interior may at any time cancel any lease which may hereafter be made under the provisions hereof and restore said land to the public domain: *Provided further*, That the lease authorized hereunder may be assigned with the approval of the Secretary of the Interior.

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

SALLIE E. M'QUEEN AND JANIE M'QUEEN PARKER

The bill (H. R. 9789) for the relief of Sallie E. McQueen and Janie McQueen Parker, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue a patent to Sallie E. McQueen and Janie McQueen Parker for the west 80 acres of fractional section 1, township 18 north, range 18 east, St. Stephens meridian, lying south of the Coosa River in Elmore County, Ala., upon payment therefor at the rate of $1.25 per acre.

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

SALE OF LANDS IN CLARKE COUNTY, MISS.

The bill (H. R. 12049) to authorize the Secretary of the Interior to sell to W. H. Walker, Ruth T. Walker, and Queen E. Walker, upon the payment of $1.25 per acre, the southeast one-fourth section 34, township 2 north, range 14 east, Choctaw meridian, Clarke County, Miss., was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to sell the lands described as the southeast quarter section 34, township 2 north, range 14 east, Choctaw meridian, Clarke County, Miss., to W. H. Walker, Ruth T. Walker, and Queen E. Walker, upon the payment of $1.25 per acre therefor.

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

HOMESTEAD ENTRY OF ENGLEHARD SPERSTAD

The bill (H. R. 332) validating the homestead entry of Englehard Sperstad for certain public land in Alaska was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the entry hereinafter described be, and the same is hereby, validated and the Secretary of the Interior is authorized to issue patent thereon upon the submission of satisfactory proof of compliance with the provisions of the act of June 6, 1912 (37 Stat. 123): Homestead entry, Anchorage, Alaska, No. 06094, made by Englehard Sperstad on January 28, 1924, for the southeast quarter of section 36, township 13 north, range 4 west of the Seward meridian, and in lieu of that tract the Territory of Alaska shall have the right to select equal area of public land of the character subject to selection under its school-land grant.

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

ETHEL L. SAUNDERS

The bill (H. R. 11716) authorizing and directing the Secretary of the Interior to issue patents to Ethel L. Saunders, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to issue a patent to Ethel L. Saunders, of St. Cloud, Fla., for lot 3 of section 10, and lot 3 of section 11, township 26 south, range 31 east, Tallahassee meridian, a part of the lands embraced in homestead application (Gainesville 017626), filed June 18, 1924. The Secretary of the Interior is also authorized and directed, upon payment of $1.25 per acre, to issue a patent to said Ethel L. Saunders for lot 5 of section 11, township 26 south, range 31 east, also claimed by said Ethel L. Saunders under a settlement antedating the survey of the lands.

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

GRANT OF LAND TO NEW MEXICO

The bill (S. 2572) granting certain land in the town of Hot Springs, N. Mex., to the State of New Mexico was announced as next in order.

Mr. BRATTON. Mr. President, my colleague and I have conferred upon the measure and for the time being ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

ROSWELL LAND DISTRICT, NEW MEXICO

The bill (S. 3136) creating the Roswell land district, establishing a land office at Roswell, N. Mex., and for other purposes, was announced as next in order.

Mr. PHIPPS. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. BRATTON. Mr. President, on Tuesday evening, when we were considering the calendar, I proposed Senate bill 3136 as an amendment to a bill of the senior Senator from Montana [Mr. WALSH], Senate bill 1794. The amendment was proposed on behalf of my colleague and myself. In connection with it I made an error in a statement of fact, which I desire to correct. I stated at that time that the Department of the Interior favored that amendment.

I gained my impression from a conversation I had with my colleague. It develops that the field representative made a favorable report, but the department itself made an unfavorable report, on the substance of the amendment. I simply want to correct my misstatement of fact, since it has been called to my attention.

LEASING OF PUBLIC LANDS FOR AVIATION

The bill (H. R. 11990) to authorize the leasing of public lands for aviation, and for other purposes, was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys with an amendment to strike out all after the enacting clause and to insert the following:

Be it enacted, etc., That the Secretary of the Interior is authorized, in his discretion and under such regulations as he may prescribe, to lease for use as a public airport any contiguous public lands, unreserved and unappropriated, not to exceed 640 acres in area, subject to valid rights in such lands under the public land laws.

SEC. 2. Any lease under this act shall be for a period not to exceed 20 years, subject to renewal for like periods upon agreement of the Secretary of the Interior and the lessee. Any such lease shall be subject to the following conditions:

(a) That an annual rental of such sum as the Secretary of the Interior may fix for the use of the lands shall be paid to the United States.

(b) That the lessee shall maintain the lands in such condition, and provide for the furnishing of such facilities, service, fuel, and other supplies, as are necessary to make the lands available for public use as an airport of a rating which may be prescribed by the Secretary of Commerce.

(c) That the lessee shall make reasonable regulations to govern the use of the airport, but such regulations shall take effect only upon approval by the Secretary of Commerce.

(d) That all departments and agencies of the United States operating aircraft (1) shall have free and unrestricted use of the airport, and (2) with the approval of the Secretary of the Interior, shall have the right to erect and install therein such structures and improvements as the heads of such departments and agencies deem advisable, including facilities for maintaining supplies of fuel, oil, and other materials for operating aircraft.

(e) That whenever the President may deem it necessary for military purposes, the Secretary of War may assume full control of the airport.

SEC. 3. With the consent of the lessee, the Secretary of the Interior is authorized to cancel any lease of public lands for use as public aviation fields or airports, made under law in force upon the date of the approval of this act, and to lease such lands to the lessee upon the conditions prescribed by this act.

SEC. 4. The Secretary of the Interior is hereby authorized, in his discretion and under such rules as he may prescribe, to grant permission for the establishment of beacon lights and other air-navigation facilities, except terminal airports, upon tracts of unreserved and unappropriated public lands of the United States of appropriate size, and may withdraw the lands for such purposes.

The amendment was agreed to.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read "An act to authorize the leasing of public lands for use as public aviation fields."

ABSAROKA AND GALLATIN NATIONAL FORESTS

The bill (H. R. 15) authorizing an appropriation to enable the Secretary of the Interior to carry out the provisions of the act of May 26, 1926 (44 Stat. L. 655), to make additions to the Absaroka and Gallatin National Forests, and to improve and extend the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of $150,000, which sum shall continue available until expended, to enable the Secretary of the Interior to carry out the provisions of the act of May 26, 1926 (44 Stats. L. 655), entitled "An act to make additions to the Absaroka and Gallatin National Forests and the Yellowstone National Park, and to improve and extend the winter-feed facilities of the elk, antelope, and other game animals of Yellowstone National Park and adjacent land, and for other purposes": *Provided*, That the total expenditures from this appropriation shall not exceed the combined total of the sums contributed by private or other agencies under the provisions of clause (a) of section 1 of said act, and the appraised values of land donated or bequeathed under the provisions of clause (b) of section 1 of said act.

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

NATIONAL MILITARY PARKS AND NATIONAL MONUMENTS

The bill (S. 4173) to transfer jurisdiction over certain national military parks and national monuments from the War Department to the Department of the Interior, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the administrative jurisdiction and control over the Chickamauga and Chattanooga National Military Park, Shiloh National Military Park, Gettysburg National Military Park, Vicksburg National Military Park, Guilford Courthouse National Military Park, Moores Creek National Military Park, the national park and memorial at Fort McHenry, Md., Antietam Battle Field, Big Hole Battle Field National Monument, Fort Pulaski National Monument, Fort Marion National Monument, Fort Matanzas National Monument, White Plains Battle Field Monument, Chalmette Monument, the Meriwether Lewis National Monument, the Fredericksburg and Spotsylvania County Battle Fields Memorial National Military Park as authorized in act of Congress approved February 14, 1927, the Petersburg National Military Park as authorized in act of Congress approved July 3, 1926, the Stones River National Military Park as authorized in act of Congress approved March 3, 1927, and Lincoln Farm, together with the approach roads thereto, be, and the same are hereby, transferred from the War Department to the Department of the Interior.

SEC. 2. That such civilian employees of the War Department as may be engaged in work relating solely to the parks, monuments, and other areas enumerated in section 1 shall be transferred without change in classification or compensation from the War Department to the Department of the Interior, when the transfer of jurisdiction is effected.

SEC. 3. That the unexpended balance of appropriations, or allotments therefrom, available to the War Department for the administration and protection of these parks, monuments, and other areas, including the appropriations for the salaries of civilian personnel involved, shall be transferred when the transfer of jurisdiction is effected, in such amounts as may be agreed upon by the Secretary of the Interior and the Secretary of War, to the Interior Department, and shall become available for expenditure under the supervision of the said Secretary of the Interior.

SEC. 4. That after this act becomes effective the parks, monuments, and other areas transferred herein to the jurisdiction of the Interior Department shall be administered under the direction of the Secretary of the Interior by the National Park Service, and such of these parks, monuments, and other areas as shall be so designated by the Secretary of the Interior shall be known as "national historical parks."

SEC. 5. That all duties, powers, and functions imposed and conferred by law upon the War Department, or the Secretary thereof, or commissions or other bodies under his jurisdiction, in relation to the parks, monuments, and other areas hereby transferred, including the duty of completing the establishment of the same in all cases where such establishment has not already been completed, shall immediately when said transfer becomes effective, be fully imposed and conferred upon and vested in the Department of the Interior, or the Secretary thereof, as the case may be: *Provided*, That the members of the several commissions in charge of national military parks appointed prior to August 24, 1912, shall continue to hold the offices now held by them, as contemplated in the act of Congress approved August 24, 1912 (37 Stat. 417, 442).

SEC. 6. The duties imposed by the act of Congress approved June 11, 1926, entitled "An act to provide for the study and investigation of battle fields in the United States for commemorative purposes" (47 Stat., pt. 2, p. 726), on the Secretary of War shall, after the passage of this act, be performed by the Secretary of the Interior: *Provided*, That the Secretary of the Interior is hereby authorized to call upon the Secretary of War for such historical studies and investigations with reference to battle fields within the continental limits of the United States, whereon troops of the United States or of the 13 original Colo-

nies have been engaged against the common enemy, as may be necessary in performing the duties imposed on him by this act: *Provided further*, That the Secretary of the Interior and the Secretary of War shall include annually in the appropriations estimates for their respective departments the estimated cost for the fiscal year in question of the work required to be performed by their respective departments hereunder.

SEC. 7. All laws and parts of laws in conflict with the provisions of this act are hereby repealed.

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

NORMAN P. IVES, JR.

The bill (H. R. 9612) authorizing and directing the Secretary of the Interior to allow Norman P. Ives, jr., credit on other lands for compliances made in homestead entry, Gainesville, 021032, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to allow Norman P. Ives, jr., in connection with any homestead entry he may hereafter make upon lands subject to such entry, but not exceeding 40 acres in area, in one or more tracts or parcels of land, credit for such compliance as he may have made with the material requirements of the homestead law in connection with canceled homestead entry Gainesville 021032 for the northeast quarter of the southwest quarter of section 5, township 4 south, range 17 east, Florida.

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

HEIRS OF NORBERT BOUDOUSQUIE

The bill (S. 3954) to quiet title in the heirs of Norbert Boudousquie to certain lands in Louisiana was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys with an amendment, to strike out all after the enacting clause and insert the following:

That the Secretary of the Interior be, and he is hereby, authorized and directed to cause a patent to be issued to the heirs of Norbert Boudousquie, under cash certificate No. 994, dated December 13, 1849, at New Orleans, La., conveying section 64, township 11 south, range 7 east, and section 64, township 11 south, range 8 east, St. Helena meridian, in the former southeastern land district of Louisiana, notwithstanding any excess in area over the front tract on which the right of entry was based.

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.

SETTLERS' CLAIMS, LAKE COUNTY, FLA.

The bill (H. R. 5695) authorizing the Secretary of the Interior to equitably adjust disputes and claims of settlers and others against the United States and between each other arising from incomplete or faulty surveys in township 19 south, range 26 east, and in sections 7, 8, 17, 18, 19, 30, 31, township 19 south, range 27 east, Tallahassee meridian, Lake County, in the State of Florida, was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys, with an amendment on page 3, line 23, to strike out the words "but any applicant may elect to proceed under section 1 of this act," and insert in lieu thereof the following:

Provided, That, subject to adverse rights, any person entitled to a preference right to purchase under the provisions of this act may secure under this section lands in his actual possession, whether in a single tract or in surveyed lots, of a maximum area of 84,000 square feet, upon payment therefor at a rate not exceeding $10 for 4,200 square feet, but any applicant may elect to proceed under section 1 of this act: *Provided further*, That all the provisions hereof applicable to the town of Tavares shall be extended to any other established town within the area affected by this act.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to equitably adjust disputes and claims of settlers, entrymen, selectors, grantees, and patentees of the United States, their heirs or assigns, against the United States and between each other arising from incomplete or faulty surveys in township 19 south, range 26 east, and in sections 7, 8, 17, 18, 19, 30, 31, township 19 south, range 27 east, Tallahassee meridian, Lake County, in the State of Florida, and to issue directly or in trust as may be found necessary or advisable patent to such settlers, entrymen, selectors, grantees, and patentees, their heirs or assigns, for land claimed through settlement, occupation, purchase, or otherwise in said described area, preserving, as far as he may deem equitable, to those claimants now in possession of public land the right to have patented to them the areas so occupied: *Provided*, That a charge of not less than the appraised value of the land, exclusive of any improvements placed thereon, be made for each acre or fraction thereof of Government land patented under the provisions of this act, except that adjustment may be effected by exchange of lands patented for lands substantially equal in area, in which event payment shall be required of the difference in appraised values where the value of the land owned by the Government exceeds that of the land offered in exchange: *Provided further*, That rights acquired subsequent to the withdrawal of December 23, 1925, shall not be recognized or be subject to adjustment hereunder.

SEC. 2. That the Secretary of the Interior is authorized to accept any and all conveyances of land and to cause all necessary surveys to be made, to effect the purposes of this act. All adjustments hereunder shall conform to the approved plats of such survey or resurvey, and no other survey will be recognized.

SEC. 3. That in fixing the appraised price of such lands the Secretary of the Interior shall consider and give effect to the good faith and equities of the occupants of any of the areas found to be public land; and if the whole or any part of such land be within the corporate limits of the town of Tavares, the survey of the lots, blocks, streets, and alleys shall be considered as executed under the provisions of section 2384, Revised Statutes, but as far as practicable shall conform to the existing surveys and plats of the lots in such town: *Provided*, That the Secretary may, in his discretion issue a patent to Lake County, Fla., to not exceeding 1 acre upon which the county courthouse is located, such patent to provide that the land shall revert to the Government of the United States if the county sells any part thereof or devotes it to any use other than as a site for a courthouse and grounds.

SEC. 4. That the provisions of section 2382, Revised Statutes, as modified by sections 2384 and 2385, Revised Statutes, shall extend to all areas surveyed as within and a part of the town of Tavares: *Provided*, That subject to adverse rights any person entitled to a preference right to purchase under the provisions of this act may secure under this section lands in his actual possession, whether in a single tract or in surveyed lots, of a maximum area of 84,000 square feet, upon payment therefor at a rate not exceeding $10 for 4,200 square feet, but any applicant may elect to proceed under section 1 of this act: *Provided further*, That all the provisions hereof applicable to the town of Tavares shall be extended to any other established town within the area affected by this act.

Mr. KING. Mr. President, I would like to ask the chairman of the committee whether this meets with the approval of the persons whose title is in dispute or in litigation?

Mr. NYE. I understand the appeal was made to the department by those who had disputes.

Mr. FLETCHER. Mr. President, I will say to the Senator that I am thoroughly familiar with the situation. It is in accordance with the recommendation of the department and is satisfactory to the localities concerned.

The amendment was agreed to.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

GEORGE W. ABBERGER

The bill (S. 3452) for the relief of George W. Abberger was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to George W. Abberger out of any money in the Treasury, not otherwise appropriated, the sum of $175, for the loss of a suitcase and contents which was checked on January 28, 1919, with the United States Railroad Administration at Wilmington, Del., to be delivered at Norfolk, Va., and upon which an excess-baggage charge was paid.

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

ELMER J. NEAD

The bill (H. R. 8474) for the relief of Elmer J. Nead was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $277.35 to Elmer J. Nead, in full compensation against the Government for damages sustained as the result of an accident caused by a naval ambulance.

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

LARRY M. TEMPLE

The bill (S. 443) for the relief of Larry M. Temple was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$1,113.88" and to insert in lieu thereof "$1,174.66," so as to read:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay Larry M. Temple, out of any money in the Treasury not otherwise appropriated, the sum of $1,174.66, as reimbursement in full for hospital and other expenses incurred on account of injuries sustained June 11, 1926, at Miami Beach, Fla., by reason of being struck by a bullet fired from a Coast Guard vessel which was at the time pursuing an alleged violator of the prohibition laws of the United States.

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.

FRANCIS SWEENEY

The bill (H. R. 4927) for the relief of Francis Sweeney was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Francis Sweeney, formerly an employee in the Bureau of Lighthouses, Department of Commerce, to wit, a seaman on the U. S. lightship *No. 58*, the sum of $80, the same being in full payment for losses suffered by the said Francis Sweeney by loss of personal property used and reasonably necessary in connection with his official duty on said lightship, which was sunk on December 11, 1905.

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

STEEL CARS IN THE RAILWAY POST-OFFICE SERVICE

The bill (S. 2107) to provide for steel cars in the railway post-office service was announced as next in order.

Mr. PHIPPS. Over.

Mr. DALE. Mr. President, did some one object?

Mr. PHIPPS. I made objection to the consideration of the bill.

Mr. DALE. I do not want to undertake to argue with the Senator from Colorado.

Mr. PHIPPS. I was not sure that the amendment now in the bill met with the full approval of the committee. If that is the fact, I have no objection.

Mr. DALE. The amendment has been approved, and is on the clerk's desk and reported with the bill.

Mr. PHIPPS. I find upon reading the report that that is correct, but I think we are going rather rapidly. We really have not had time properly to look up amendments and other items in the bill.

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 Post Offices and Post Roads with amendments.

The amendments were, on page 1, line 3, to strike out "January" and insert "March,"; and on page 3, line 4, after the word "*Provided*," to strike out the following: "That after January, 1930, no apartment railway post-office car of other than steel or steel underframe construction may be operated by any independent short-line railroad in trains in which any other steel or steel underframe equipment is operated" and insert in lieu thereof the following: "That the provisions of this act shall not apply to trains operated upon branch lines, or to trains operated upon independent short-line railroads, or to trains operated upon narrow-gauge railroads, or to trains operated upon electric railroads.", so as to make the bill read:

Be it enacted, etc., That after March, 1930, all cars or parts of cars, except as hereinafter provided, used for railway post-office service shall be of steel construction and of such style, length, and character, and furnished in such manner as shall be required by the Postmaster General, and shall be constructed, fitted up, maintained, heated, lighted, and cleaned by and at the expense of the railroad companies. No railroad company shall be permitted to operate any railway post-office car which is not equipped with sanitary drinking-water containers and toilet facilities, nor unless such car is regularly and thoroughly cleaned. Railroad companies shall place railway post-office cars in stations for use in advance distribution before the departure of trains at such time as may be ordered by the Postmaster General: *Provided*, That the provisions of this act shall not apply to trains operated upon branch lines, or to trains operated upon independent short-line railroads, or to trains operated upon narrow-gauge railroads, or to trains operated upon electric railroads.

The amendments were agreed to.

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

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

AMENDMENT OF CHAPTER 137, THIRTY-NINTH UNITED STATES STATUTES AT LARGE

The bill (H. R. 158) to amend chapter 137 of volume 39 of the United States Statutes at Large, Sixty-fourth Congress, first session, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the sentence in lines 17 to 20, page 220 of volume 39, United States Statutes at Large, chapter 137, Sixty-fourth Congress, first session, reading as follows: "The timber thus purchased may be cut and removed by the purchaser, his heirs or assigns, within such period as may be fixed by the Secretary of the Interior, which period shall be designated in the patent," be amended to read as follows: "The timber thus purchased may be cut and removed by the purchaser, his heirs or assigns, within such period and under such rules, regulations, and conditions as may be prescribed by the Secretary of the Interior, which period and conditions shall be designated in the patent."

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

SALE OF TIMBER, OREGON & CALIFORNIA RAILROAD, ETC.

The bill (H. R. 8307) amending section 5 of the act approved June 9, 1916 (39 Stat. L. 218), so as to authorize the sale of timber on class 3 of the Oregon & California Railroad and Coos Bay wagon-road grant lands was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That section 5 of the act of June 9, 1916 (39 Stat. L. 218), and as amended and extended by section 3 of the act of February 26, 1919 (40 Stat. L. 1179), be, and the same is hereby, amended by adding thereto the following paragraph:

"*And provided further*, That the Secretary of the Interior may, in his discretion and in the manner now provided for the sale of timber on lands of class 2, sell the timber on any of the lands of class 3 which at the time application to purchase the timber is filed have been subject to entry for a period of at least two years and are not embraced in an application or entry, such sale of the timber not to preclude the disposal of the land under laws applicable thereto, subject to the right of the purchaser of the timber to cut and remove the same."

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

PURCHASE OF LAND IN LOUISIANA

The bill (H. R. 9568) to authorize the purchase at private sale of a tract of land in Louisiana, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized to allow the persons or corporation, in possession and having the bona fide equitable ownership thereof, to purchase at private sale, at the rate of $1.25 per acre, section 58 in township 12 south of range 14 east, Louisiana meridian, Louisiana, containing 39.80 acres.

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

YELLOWSTONE FOREST RESERVE

The bill (H. R. 7946) to repeal an act entitled "An act to extend the provisions of the homestead laws to certain lands in the Yellowstone forest reserve, approved March 15, 1906, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the act entitled "An act to extend the provisions of the homestead laws to certain lands in the Yellowstone forest reserve," approved March 15, 1906, Thirty-fourth United States Statutes at Large, page 62, be, and the same is hereby, repealed: *Provided*, That the passage of this act shall in nowise affect valid existing rights.

Mr. KING. Mr. President, I have had a letter making objection to the bill. I know nothing about it. The information was to the effect that it was an invasion or might prove to be an invasion of lands set apart for Yellowstone Park and might interfere with the development of the park and making objection to it.

Mr. WALSH of Montana. Mr. President, the bill does not refer to Yellowstone Park. It has reference to the Yellowstone forest reserve and not to the park at all.

Mr. KING. Then I have no objection to its passage.

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

DEPORTATION OF CERTAIN ALIEN SEAMEN

The bill (S. 717) to provide for the deportation of certain alien seamen, and for other purposes, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That this act may be cited as the "Alien seamen act of 1926."

SEC. 2. Every alien employed on board of any vessel arriving in the United States from any place outside thereof shall be examined by an immigration inspector to determine whether or not he (1) is a bona fide seaman, and (2) is an alien of the class described in section 7 of this act; and by a surgeon of the United States Public Health Service to determine (3) whether or not he is suffering with any of the disabilities or diseases specified in section 35 of the immigration act of 1917.

SEC. 3. Unless such alien was shipped in a port in continental United States prior to the passage of this act, then if it is found that such alien is not a bona fide seaman, he shall be regarded as an immigrant and immediately be ordered removed from the vessel to an immigration station; and the various provisions of this act and of the immigration laws applicable to immigrants shall be enforced in his case. From a decision holding such alien not to be a bona fide seaman the alien shall be entitled to appeal to the Secretary of Labor, and on the question of his admissibility as an immigrant he shall be entitled to appeal to said Secretary, except where exclusion is based upon grounds nonappealable under the immigration laws. If found inadmissible, such alien shall be deported, as a passenger, on a vessel other than that by which brought, at the expense of the vessel by which brought, and the vessel by which brought shall not be granted clearance until such expenses are paid or their payment satisfactorily guaranteed.

SEC. 4. If it is found that such alien is subject to exclusion under section 7 of this act, the inspector shall give immediately order to the master to remove such alien together with his effects and wages, if any, to an immigration station, and such alien shall then be deported in accordance with the provisions of said section 7.

SEC. 5. If it is found that, although a bona fide seaman, such alien is afflicted with any of the disabilities or diseases specified in section 35 of the immigration act of 1917, disposition shall be made of his case in accordance with the provisions of the act approved December 26, 1920, entitled "An act to provide for the treatment in hospital of diseased alien seamen."

SEC. 6. All vessels entering ports of the United States manned with crews the majority of which, exclusive of licensed officers, have been engaged and taken on at foreign ports shall, when departing from the United States ports, carry a crew of at least equal number, and any such vessel which fails to comply with this requirement shall be refused clearance: *Provided, however,* That such vessel shall not be required when departing to carry in the crew any person to fill the place made vacant by the death or hospitalization of any member of the incoming crew.

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

SEC. 8. This act shall take effect on July 1, 1928.

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

Mr. BINGHAM subsequently said: Mr. President, I ask unanimous consent that the vote by which the bill (S. 717) to provide for the deportation of certain alien seamen, and for other purposes, was passed be reconsidered and that the bill take its place on the calendar.

Mr. KING. Does the Senator insist on having that action taken?

Mr. BINGHAM. I have received several letters in opposition to the bill which I have not had time to study. I shall be very glad to go over them with the Senator.

The VICE PRESIDENT. Without objection, the vote by which the bill was ordered to a third reading and passed are reconsidered, and the bill will take its place on the calendar.

BILL PASSED OVER

The bill (S. 584) for the relief of Frederick D. Swank was announced as next in order.

SEVERAL SENATORS. Over.

The VICE PRESIDENT. The bill will be passed over.

Mr. JONES. Was objection made to the consideration of the bill?

The VICE PRESIDENT. Objection was made, and the bill went over.

Mr. HOWELL. Over.

Mr. JONES. Mr. President, will the Senator withhold his objection for a moment?

Mr. HOWELL. I am willing to do so.

Mr. JONES. The Senator is chairman of the Claims Committee. I do not know whether he bases his objection on what was presented to his committee. If so, I may not be able to change the Senator's mind to-night.

Mr. HOWELL. I think it will not be practicable to dispose of the bill to-night.

Mr. JONES. The Senator thinks from what he learned of the bill in his committee that it ought to go over?

Mr. HOWELL. Yes.

The VICE PRESIDENT. The bill will be passed over.

SMITH TABLET CO.

The bill (H. R. 4303) for the relief of the Smith Tablet Co., of Holyoke, Mass., was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, the sum of $150 to the Smith Tablet Co., of Holyoke, Mass., as reimbursement for the cost of remaking an appraisal and appraisal book necessitated by the loss of the original appraisal book by the Bureau of Internal Revenue, Treasury Department, during the examination of the accounts of the said company for income-tax purposes.

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

M'ATEER SHIPBUILDING CO. (INC.)

The bill (H. R. 5935) for the relief of the McAteer Shipbuilding Co. (Inc.) was considered as in Committee of the Whole, and was read, as follows.

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $50,000 in full settlement of all claims of the McAteer Shipbuilding Co. (Inc.), against the United States for losses and damages growing out of and suffered under a contract dated June 30, 1917, for the construction of the steamer *El Aquario.*

Mr. KING. Mr. President, I would like to inquire why this claim was not referred to the Court of Claims?

Mr. JONES. Mr. President, I think probably the report of the committee will indicate to the Senator. Suit was brought in the Court of Claims to recover $254,000 occasioned by the alleged breach of contract. On May 14, 1927, the Attorney General submitted for the consideration of the Secretary of War an offer by the attorney for the plaintiff to settle the claim against the Government by payment of $50,000, which proposal the Attorney General was advised the War Department was willing to accept as in the best interest of the Government, provided, of course, he concur therein. Subsequently the Attorney General advised the department that after careful review of the facts the Department of Justice was of the opinion that such settlement was in the interest of the Government. Both the Department of Justice and the War Department believe such a disposal of the matter would adequately meet the equities involved in the claim and would result in a material saving to the Government, including considerable expense from litigation. Upon that recommendation the House passed the bill and the Committee on Claims has made the report.

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

R. S. HOWARD CO.

The bill (S. 3743) for the relief of C. N. Markle was considered as in Committee of the Whole. The bill had been reported from the Committee on Claims with an amendment, on page 1, line 6, to strike out "$81,376.43" and insert in lieu thereof "$20,827.51," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to R. S. Howard Co., of New York, N. Y., out of any money in the Treasury not otherwise appropriated, the sum of $20,827.51 in full satisfaction of all claims against the United States for damages and loss resulting from compliance with United States Navy commandeer order No. N–3255, dated June 18, 1918.

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.

C. N. MARKLE

The bill (S. 3743) for the relief of C. N. Markle, was considered as in Committee of the Whole, and was read, as follows:

Whereas the steamship *Mosella* sailed from London, England, on or about July 21, 1922, bearing a shipment of shotgun cartridges consigned to the said C. N. Markle; and

Whereas the said steamship *Mosella* was due to arrive in the port of New Orleans, La., on or about the 1st day of August, 1922, but failed to arrive in said port till the 23d day of September, 1922, owing to orders issued by the United States Shipping Board; and

Whereas the rate of duty on said shotgun cartridges under the tariff act of 1913 was 15 per cent ad valorem, but was increased by the tariff act of September 22, 1922, to 30 per cent, and duty was taken on said shipment under the provisions of said tariff act of September, 1922: Now, therefore,

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to determine the amount taken in duty on a certain shipment of shotgun cartridges shipped from London, England, to C. N. Markle, at Houston, Tex., and entered in the port of New Orleans, La., in excess of the amount which should have been taken if the said shipment had arrived prior to September 22, 1922, and had been assessed for duty under the provisions of the tariff act of 1913 at 15 per cent ad valorem.

SEC. 2. That when said amount has been determined, refund thereof to said C. N. Markle, of Houston, Tex., shall be made, and the appropriation of an amount sufficient to make said refund is hereby authorized out of any moneys in the Treasury of the United States not otherwise appropriated.

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

The preamble was agreed to.

NATIONAL FOREST LANDS IN MONTANA

The bill (S. 1511) for the exchange of lands adjacent to National Forests in Montana was considered as in the Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the provisions of the act of March 20, 1922 (42 Stat. L. 465), entitled "An act to consolidate national forest lands," are hereby extended to include any suitable lands in the State of Montana situated within 6 miles of a national forest boundary. Lands conveyed to the United States under this act shall, upon acceptance of title, become parts of the national forest nearest to which they are situated.

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

BOISE NATIONAL FOREST, IDAHO

The bill (S. 1577) to add certain lands to the Boise National Forest, Idaho, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That any lands within the following described areas found by the Secretary of Agriculture to be chiefly valuable for the production of timber or the protection of stream flow, may with the approval of the Secretary of the Interior, be included within and made a part of the Boise National Forest by proclamation of the President, subject to all valid existing claims, and the said lands shall hereafter be subject to all laws affecting the national forests:

The west half of section 2; all of sections 3, 4, 5, 6, 7, 8, 9, 10; the west half of section 11; all of sections 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, and 34, in township 4 south, range 2 west, of the Boise meridian, State of Idaho. All of township 4 south, range 3 west, of the Boise meridian, State of Idaho. All of what will be when surveyed of sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, and 30, in township 4 south, range 4 west, Boise meridian, State of Idaho. All of sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 5 south, range 4 west, Boise meridian, State of Idaho. All of sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, and 36, township 5 south, range 3 west, Boise meridian, State of Idaho. All of sections 3, 4, 5, 6, 7, 8, 9, 10, 15, 16, 17, 18, 19, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33, and 34, township 5 south, range 2 west, Boise meridian, State of Idaho. All of sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34, and 35, in township 6 south, range 2 west, Boise meridian, State of Idaho. All of township 6 south, range 3 west, Boise meridian, State of Idaho. All of township 6 south, range 4 west, Boise meridian, State of Idaho.

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

IDAHO NATIONAL FOREST, IDAHO

The bill (S. 1578) to add certain lands to the Idaho National Forest, Idaho, was considered as in Committee of the Whole and was read, as follows:

Be it enacted, etc., That the following-described areas be, and the same are hereby, included in and made a part of the Idaho National Forest, subject to all prior adverse rights; and that said lands shall hereafter be subject to all laws affecting national forests: All township 23 north, ranges 2 and 3 east, and that part of the west half of township 24 north, range 4 east, which is not already included in the Nez Perce National Forest; all Boise meridian.

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

BILL PASSED OVER

The bill (H. R. 5894) for the relief of the State Bank & Trust Co. of Fayetteville, Tenn., was announced as next in order.

Mr. HOWELL. Over.

The VICE PRESIDENT. The bill will be passed over.

JOSEPH F. THORPE

The bill (S. 382) for the relief of Joseph F. Thorpe was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That there is appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,300 to reimburse Joseph F. Thorpe, formerly clerk at the American Legation at Athens, for expenditures incurred in accompanying Garrett Droppers, formerly United States minister to Greece, then under physical disability, to the United States, pursuant to instructions of the State Department.

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

FEDERAL OFFICIALS AND EMPLOYEES, ALASKA

The bill (S. 4257) to authorize the payment of certain salaries or compensation to Federal officials and employees by the treasurer of the Territory of Alaska was considered as in Committee of the Whole.

Mr. BINGHAM. Mr. President, I have received from the Secretary of the Interior a copy of a telegram from the Governor of Alaska, who asks a slight amendment to the bill, which I send to the desk and ask to have read.

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

The CHIEF CLERK. On page 2, line 4, after the word "purposes" to strike out the period and insert a comma, and after the quotation mark to insert "and amendments thereto" and a period, so as to make the bill read:

Be it enacted, etc., That any salaries to United States officials or employees of the United States Government in Alaska, appropriated by the Alaska Territorial Legislature, session of 1927, may be paid to such United States officials or employees of the United States by the treasurer of Alaska up to and including the date of March 31, 1929, any Federal law to the contrary notwithstanding: *Provided*, That subsequent to March 31, 1929, all appropriations by the Alaska Territorial Legislature shall be in conformity with the provisions of the act of Congress approved August 24, 1912, entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative powers thereon, and for other purposes," and amendments thereto.

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.

Mr. BINGHAM. I ask that the letter from the Secretary of the Interior may be printed in the RECORD at this point.

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

The letter is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, May 8, 1928.

Hon. HIRAM BINGHAM,
Chairman Committee on Territories and Insular Possessions,
United States Senate.

MY DEAR SENATOR BINGHAM: Your letter of May 1, 1928, has been received, inclosing with request for expression of views thereon Senate bill 4257 entitled "A bill to authorize the payment of certain salaries or compensation to Federal officials and employees by the treasurer of the Territory of Alaska."

The bill in question was referred for consideration to Hon. George A. Parks, Governor of Alaska, who, under date of May 5, 1928, telegraphed as follows:

"Your wire 4th. Proposed bill will meet situation and enable Territory pay salaries as has been done since first session of legislature. Suggest following be added: 'and amendments thereto.' See amendment approved August 29, 1914. Urge favorable report, as proposed bill will meet objections raised and enable next legislature to make provisions to meet future situations."

In accordance with the governor's suggestion, I have to recommend that after the word "purposes," line 4, page 2, the words "and amendments thereto" be added, and, as so amended, the bill be given favorable consideration.

The facts necessitating the legislation contemplated in the bill are fully set forth in House Report No. 390, Seventieth Congress, first session, being a report on a somewhat similar bill, a copy of which is herewith transmitted.

Very truly yours,

HUBERT WORK.

GRANT OF LANDS AT BATON ROUGE, LA.

The bill (S. 3537) providing for the confirmation of grant of lands formerly the United States barracks at Baton Rouge, La., to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College, was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys with an amendment on page 2, line 17, after the word "College" to insert the word "and," and in line 18, after the word "college" to insert the following: "excepting from the force and effect of this act the parcel of ground containing about 2.45 acres granted to the Roman Catholic congregation of St. Joseph's Church of the city of Baton Rouge, by act of Congress approved September 30, 1890 (26 Stats. 503); and further excepting that portion of land that lies westward of a line 100 feet east of the center of the railroad tract of the Louisville, New Orleans & Texas Railroad Co.: *Provided*, That if the said railroad company shall cease to use and occupy such land it shall thereupon become subject to all the provisions of this act." so as to make the bill read:

Be it enacted, etc., That the patent issued by the United States General Land Office to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College in trust for the Louisiana State University and Agricultural and Mechanical College under date of February 20, 1903, by virtue of the authority conferred by an act of Congress approved April 28, 1902, entitled "An act providing for the transfer of the title to the military reservation at Baton Rouge, La., to the Louisiana State University and Agricultural and Mechanical College," which conveyed full and complete title to the buildings and grounds of the United States barracks at Baton Rouge, La., for the purpose of said university and college, being sections 44 and 71 of township 7 south, range 1 west, St. Helena meridian, State of Louisiana, containing 211.56 acres, be, and the same is hereby, approved and confirmed, and the right of the board of supervisors of the Louisiana State University and Agricultural and Mechanical College to sell or lease any of the said grounds or buildings in its development of said university is fully recognized, the proceeds to form part of the funds of the said Louisiana State University and Agricultural and Mechanical College and to be used for the purposes of said university and college, excepting from the force and effect of this act the parcel of ground containing about 2.45 acres granted to the Roman Catholic congregation of St. Joseph's Church of the city of Baton Rouge, by act of Congress approved September 30, 1890 (26 Stat. 503); and further excepting that portion of land that lies westward of a line 100 feet east of the center of the railroad tract of the Louisville, New Orleans & Texas Railroad Co.: *Provided*, That if the said railroad company shall cease to use and occupy such land it shall thereupon become subject to all the provisions of this act.

The amendment was agreed to.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ST. JOSEPH'S ROMAN CATHOLIC CHURCH, BATON ROUGE, LA.

The bill (S. 3620) granting certain land to the Roman Catholic congregation of St. Joseph's Roman Catholic Church of the city of Baton Rouge, La., was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys with amendments on page 1, line 3, after the word "the," to strike out the words "Roman Catholic congregation" and insert the word "congregation"; in line 5, to strike out the words "city of" and insert the words "parish of East"; in line 10, to strike out the words "Roman Catholic congregation" and insert the word "congregation"; on page 2, line 5, to strike out the name "Hansey" and insert the name "Hausey"; on page 6, strike out the name "Hansey" and insert the name "Hausey"; in line 13, after the word "Baton," strike out the word "Rogue" and insert the word "Rouge"; in line 14, after the numerals "1890," strike out the words "and the Secretary of the Interior is authorized and directed to execute a quitclaim deed to said land in accordance with the provisions of this act," and insert in lieu thereof the following: "and the Secretary of the Interior, after such survey as he may deem necessary, shall, as a further evidence of title, direct the issuance of a patent in accordance with the provisions of this act," so as to make section 1 read:

Be it enacted, etc., That there is hereby granted to the congregation of St. Joseph's Roman Catholic Church in the Parish of East Baton Rouge, La., all the proprietary right, title, and interest of the United States to and in that certain tract of land in the United States reservation or garrison grounds in the city of Baton Rouge, La., formerly used as a graveyard or burial ground by the congregation of St. Joseph's Church of said city in the parish of East Baton Rouge, which is not included in any of the lots or streets of said city, but lies on North Street and between Uncle Sam Street and the lot of the private property of H. E. Hausey, measuring 214.5 American measure, on line of said Hausey, running north by a depth of 497 feet, more or less, running east to the west line of Uncle Sam Street between parallel lines, and containing approximately 2.45 acres, as described in the act entitled "An act to provide for the disposal of a portion of the United States military reservation at Baton Rouge, La.," approved September 30, 1890, and the Secretary of the Interior, after such survey as he may deem necessary, shall, as a further evidence of title, direct the issuance of a patent in accordance with the provisions of this act.

The amendment was agreed to.

The next amendment of the Committee on Public Lands and Surveys was, on page 2, line 21, strike out section 2 and insert in lieu thereof the following:

SEC. 2. That the provision "unless hereafter required by the Secretary of War for the use of the United States for military purposes" be, and it is hereby, stricken from the act of September 30, 1890 (26 Stat. 503), and any implied conditions of reversion of title to the Government of the United States contained in said act be, and the same are hereby, repealed, it being the purpose and intent of this act to grant to the congregation of St. Joseph's Roman Catholic Church, of Baton Rouge, La., free from restriction, reservation, or condition, full and complete title in and to the lands described in section 1 hereof.

The amendment was agreed to.

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

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

The title was amended so as to read: "A bill granting certain land to the congregation of St. Joseph's Roman Catholic Church in the parish of East Baton Rouge, La."

WITHDRAWAL OF LANDS IN MONTANA

The bill (H. R. 8110) withdrawing from entry the northwest quarter section 12, township 30 north, range 19 east, Montana meridian, was considered as in Committee of the Whole. The bill had been reported from the Committee on Public Lands and Surveys with an amendment on page 2, after line 2, to insert the following:

SEC. 3. That the lands hereby withdrawn from entry shall be designated and known as the Chief Joseph Battle Ground of the Bear's Paw.

So as to make the bill read:

Be it enacted, etc., That the northwest quarter section 12, township 30 north, range 19 east, Montana meridian, is hereby withdrawn from all forms of entry under the public land laws of the United States, for the purpose of preserving the site of the battle between Nez Perces Indians under Chief Joseph and the command of Nelson A. Miles.

SEC. 2. That the Secretary of the Interior is hereby authorized to enter into an agreement with the State of Montana, or Blaine County, Mont., or citizens of Montana, or either or any of them, for the care and upkeep of the herein-described lands.

SEC. 3. That the lands hereby withdrawn from entry shall be designated and known as the Chief Joseph Battle Ground of the Bear's Paw.

The amendment was agreed to.

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

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

USE OF LAND FOR STREET PURPOSES IN DISTRICT OF COLUMBIA

The bill (S. 4087) authorizing the use of certain land owned by the United States in the District of Columbia for street purposes was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Commissioners of the District of Columbia be, and they are hereby, authorized to use for street purposes 1,651 square feet of a tract of land known as parcel 17/93, 708 square feet of a tract of land known as parcel 18/52, and 380 square feet of a tract of land known as parcel 18/23, all for the widening of Reservoir Road, and to use for street purposes 23,779.63 square feet of a tract of land known as parcel 28/12 for the widening of Reservoir Road and Forty-fourth Street; and to use for street purposes a strip of land 60 feet wide containing 258,750 square feet, more or less, lying immediately northeasterly of the southwesterly boundary of a tract of land known as parcel 173/23 for the widening of South Dakota Avenue; and to use for street purposes 9,000 square feet, more or less, of a tract of land known as parcel 243/15 for the extension of Trenton Street and for the widening of Fourth Street SE.; and to use for street purposes 1,521.28 square feet of lot 802, square 1932, and 3,669.88 square feet of lot 837, square 1300, for the widening of Wisconsin Avenue, all as shown on maps designated as Street Extension Maps 1150 and 1154, and Surveyor's Office Maps 1314 and 1373, on file in the office of the surveyor of the District of Columbia, all the above-described property herein authorized to be used for street purposes being owned by the United States of America.

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

SHELDON R. PURDY

The bill (S. 2526) for the relief of Sheldon R. Purdy was considered as in Committee of the Whole. The bill had been reported from the Committee on Post Offices and Post Roads with an amendment, on page 1, line 5, to strike out "$10,000" and insert "$5,000," so as to read:

Be it enacted, etc., That there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and paid to Sheldon R. Purdy, the sum of $5,000 in recognition of, and compensation for, valuable service rendered to the Post Office Department in the procedure for handling dead-letter mail and in the establishment of beneficial regulations and procedure with reference to improperly addressed mail, and in originating and procuring the cooperation of the public in the proper addressing of mail and the discontinuance of directory service in the delivery of mail, prior to January 1, 1924.

Mr. KING. Mr. President, I would like to ask the Senator from Colorado if he does not regard this as a somewhat dangerous precedent? I make the inquiry for the reason that a number of persons have spoken to me who have been in the public service, contending that they made suggestions which were of benefit to the Government. They never deemed it proper that they should apply for compensation in the shape of retirement or increased pay. If it established a precedent I do not know where we will end.

Mr. PHIPPS. Mr. President, had I not felt that this was an exceptional case I should not have gone to the trouble I did to get some recognition for this man. He applied himself assiduously to his labors. He was in the department for a number of years and it was through his persistency that the department finally recommended and put into effect the discontinuance of directory service in the post offices free of charge. That was one thing. The other thing brought to my attention was that of collecting due postage on letters returned from the dead letter office to the original writer where the writer could be located. It has brought in revenues amounting to hundreds of thousands of dollars to the Government. Had it not been for this man working on the matter and calling it to our attention we would not have had that revenue. If the Senator will read the report he will see the enormous amount of money that has flowed into the Federal Treasury and the Post Office Department through that means alone. The directory service is in effect in Chicago and some other places, but it was never until after the insistence of this man was brought to its attention that the Post Office Department issued a general order which made it universal in other large cities. It saved hundreds of thousands of dollars to the Government. I think the remuneration is a very small reward to an official who will do that sort of thing. Aside from that, the moral effect on other employees is very good indeed.

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.

NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Mr. SACKETT. Mr. President, I ask unanimous consent to return to Calendar No. 1044, the bill (S. 4126) authorizing the National Capital Park and Planning Commission to acquire rights in land, and to lease land or existing buildings for limited periods in certain instances. Consideration of the bill was objected to by the Senator from Wisconsin [Mr. BLAINE]. He now withdraws his objection.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill had been reported from the Committee on the District of Columbia with amendments, on page 2, line 3, after the word "grantor," to insert, "*Provided*, That such reservation of rights shall not continue beyond the life or lives of the grantor or grantors of the fee: *Provided further*, That"; and on the same page, to strike out lines 23 to 25, and on page 3, to strike out lines 1, 2, and 3, being section 2, and to insert a new section 2, so as to make the bill read:

Be it enacted, etc., That the authority of the National Capital Park and Planning Commission, established by the act approved April 30, 1926 (Stat. L. vol. 44, p. 374), is hereby enlarged as follows:

Said commission is hereby authorized to acquire, for and in behalf of the United States of America, by gift, devise, purchase, or condemnation, in accordance with the provisions of the act of June 6, 1924 (Stat. L., vol. 43, p. 463), as amended by the act of April 30, 1926 (Stat. L., vol. 44, p. 374), (1) fee title to land subject to limited rights reserved to the grantor: *Provided*, That such reservation of rights shall not continue beyond the life or lives of the grantor or grantors of the fee: *Provided further*, That in the opinion of said commission the permanent public park purposes for which control over said land is needed are not essentially impaired by said reserved rights and that there is a substantial saving in cost by acquiring said land subject to said limited rights as compared with the cost of acquiring unencumbered title thereto; (2) permanent rights in land adjoining park property sufficient to prevent the use of said land in certain specified ways which would essentially impair the value of the park property for its purposes: *Provided*, That in the opinion of said commission the protection and maintenance of the essential public values of said park can thus be secured more economically than by acquiring said land in fee or by other available means: *Provided further*, That all contracts for acquisition of land subject to such limited rights reserved to the grantor and for acquisition of such limited permanent rights in land shall be subject to the approval of the President of the United States.

SEC. 2. The Director of Public Buildings and Public Parks of the National Capital is authorized, subject to the approval of the National Capital Park and Planning Commission, to lease, for a term not exceeding five years, and to renew such lease for an additional term not exceeding five years, pending need for their immediate use in other ways by the public, and on such terms as the director shall determine, land or any existing building or structure on land acquired for park, parkway, or playground purposes.

The amendments were agreed to.

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

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

The title was amended so as to read: "A bill authorizing the National Capital Park and Planning Commission to acquire title to land subject to limited rights reserved, and limited rights in land, and authorizing the Director of Public Buildings and Public Parks of the National Capital to lease land or existing buildings for limited periods in certain instances."

SUIT ON BEHALF OF INDIANS OF CALIFORNIA

A bill (S. 727) authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California was announced as next in order.

Mr. LA FOLLETTE. Mr. President, there is a House bill similar to this which was reported favorably without amendment to-day from the Committee on Indian Affairs. I ask that the House bill may be substitued for the bill the title of which has just been stated.

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

Mr. LA FOLLETTE. I ask unanimous consent for the present consideration of the bill (H. R. 491) authorizing the attorney general of the State of California to bring suit in the Court of Claims on behalf of the Indians of California.

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

Be it enacted, etc., That for the purposes of this act the Indians of California shall be defined to be all Indians who were residing in the State of California on June 1, 1852, and their descendants now living in said State.

SEC. 2. All claims of whatsoever nature the Indians of California as defined in section 1 of this act may have against the United States by reason of lands taken from them in the State of California by the United States without compensation, or for the failure or refusal of the United States to compensate them for their interest in lands in said States which the United States appropriated to its own purposes without the consent of said Indians, may be submitted to the Court of Claims by the attorney general of the State of California acting for and on behalf of said Indians for determination of the equitable amount due said Indians from the United States; and jurisdiction is hereby conferred upon the Court of Claims of the United States, with the right of either party to appeal to the Supreme Court of the United States, to hear and determine all such equitable claims of said Indians against the United States and to render final decree thereon.

It is hereby declared that the loss to the said Indians on account of their failure to secure the lands and compensation provided for in the 18 unratified treaties is sufficient ground for equitable relief.

SEC. 3. If any claim or claims be submitted to said courts, they shall settle the equitable rights therein, notwithstanding lapse of time or statutes of limitation or the fact that the said claim or claims have not been presented to any other tribunal, including the commission created by the act of March 3, 1851 (9 Stat. L., p. 631): *Provided*, That any decree for said Indians shall be for an amount equal to the just value of the compensation provided or proposed for the Indians in those certain 18 unratified treaties executed by the chiefs and headmen of the several tribes and bands of Indians of California and submitted to the Senate of the United States by the President of the United States for ratification on the 1st day of June, 1852, including the lands described therein at $1.25 per acre. Any payment which may have been made by the United States or moneys heretofore or hereafter expended to date of award for the benefit of the Indians of California, made under specific appropriations for the support, education, health, and civilization of Indians in California, including purchases of land, shall not be pleaded as an estoppel but may be pleaded by way of set-off.

SEC. 4. The claims of the Indians of California under the provisions of this act shall be presented by petition, which shall be filed within three years after the passage of this act. Said petition shall be subject to amendment. The petition shall be signed and verified by the attorney general of the State of California. Verification may be upon information and belief as to the facts alleged. Official letters, papers, documents, and public records, or certified copies thereof, may be used in evidence, and the departments of the Government shall give the said attorney access to such papers, correspondence, or furnish such certified copies of records as may be necessary in the premises free of cost.

SEC. 5. In the event that the court renders judgment against the United States under the provisions of this act, it shall decree such amount as it finds reasonable to be paid to the State of California to reimburse the State for all necessary costs and expenses incurred by said State other than attorney fees: *Provided*, That no reimbursement shall be made to the State of California for the services rendered by its attorney general.

SEC. 6. The amount of any judgment shall be placed in the Treasury of the United States to the credit of the Indians of California, and shall draw interest at the rate of 4 per cent per annum and shall be thereafter subject to appropriation by Congress for educational, health, industrial, and other purposes for the benefit of said Indians, including the purchase of lands and building of homes, and no part of said judgment shall be paid out in per capita payments to said Indians: *Provided*, That the Secretary of the Treasury is authorized and directed to pay to the State of California out of the proceeds of the judgment when appropriated the amount decreed by the court to be due said State, as provided in section 5 of this act.

SEC. 7. For the purpose of determining who are entitled to be enrolled as Indians of California, as provided in section 1 hereof, the Secretary of the Interior, under such rules and regulations as he may prescribe, shall cause a roll to be made of persons entitled to enrollment. Any person claiming to be entitled to enrollment may within two years after the approval of this act make an application in writing to the Secretary of the Interior for enrollment. At any time within three years of the approval of this act the Secretary shall have the right to alter and revise the roll, at the expiration of which time said roll shall be closed for all purposes and thereafter no additional names shall be added thereto: *Provided*, That the Secretary of the Interior, under such rules and regulations as he may prescribe, shall also cause to be made, within the time specified herein a roll of all Indians in California other than Indians that come within the provisions of section 1 of this act.

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

Mr. LA FOLLETTE. I now ask that Senate bill 727 be indefinitely postponed.

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

CONSIDERATION OF BRIDGE BILLS

Mr. DALE. Mr. President, I ask that the next six bills on the calendar, from Order of Business 1096 to Order of Business 1101, inclusive, may be considered together. Some of the bills have been reported with amendments which make them all conform to the approved standard.

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

CUMBERLAND RIVER BRIDGE AT MOUTH OF INDIAN CREEK, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4295) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near the mouth of Indian Creek, in Russell County, Ky., which was read, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near the mouth of Indian Creek, Russell County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

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

CUMBERLAND RIVER BRIDGE AT NEELYS FERRY, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4289) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Neelys Ferry, in Cumberland County, Ky., which had been reported from the Committee on Commerce with an amendment, on page 1, line 7, after the words "Neelys Ferry," to insert "Cumberland County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Neelys Ferry, Cumberland County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An

accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. 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.

CUMBERLAND RIVER BRIDGE AT BURKESVILLE, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4290) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Burkesville, Cumberland County, Ky., which had been reported from the Committee on Commerce with an amendment, on page 1, line 7, after the word "near," to strike out the words "the town of," and after the word "Burkesville," in line 7, to insert "Cumberland County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Burkesville, Cumberland County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected shall be kept and shall be available for the information of all persons interested.

SEC. 3. 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.

CUMBERLAND RIVER BRIDGE AT ARAT, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4291) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Arat, Cumberland County, Ky., which had been reported from the Committee on Commerce with an amendment on page 1, line 7, after the word "near," to strike out the words "the town of" and after the word "Arat," in the same line, to insert the words "Cumberland County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Arat, Cumberland County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. 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.

CUMBERLAND RIVER BRIDGE AT BLACKS FERRY, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4292) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at Blacks Ferry near Center Point in Monroe County, Ky., which had been reported from the Committee on Commerce with an amendment on page 1, line 7, after the word "near" to strike out the words "the town of"; and on page 2, line 1, after the name "Center Point," to insert the words "Monroe County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Center Point, Monroe County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. 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.

The title was amended so as to read: "A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Center Point, in Monroe County, Ky."

CUMBERLAND RIVER BRIDGE AT CREELSBORO, KY.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 4293) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Creelsboro, in Russell County, Ky., which had been reported from the Committee on Commerce with an amendment in line 7, after the word "near," to strike out the words "the town of"; and in line 8, after the name "Creelsboro," to insert the words "Russell County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Creelsboro, Russell County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible

under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. 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.

CUMBERLAND RIVER BRIDGES AT BURNSIDE, KY.

Mr. SACKETT. Mr. President, there are two other bills of the same character as those which have just been passed, which have been favorably reported to-day, being Senate bill 4288 and Senate bill 4294, and I ask unanimous consent that those bills may now be considered.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The bill (S. 4288) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of the Cumberland River at Burnside, Pulaski County, Ky., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Commerce with amendments on page 1, line 6, before the name "Cumberland" to insert "South Fork of the"; in line 7, after the word "near," to strike out "the town of"; and at the end of the same line, after the name "Burnside" and the comma, to insert "Pulaski County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Burnside, Pulaski County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

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

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

The title was amended so as to read: "A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the South Fork of Cumberland River at or near Burnside, Pulaski County, Ky."

The bill (S. 4294) authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the North Fork of the Cumberland River at Burnside, Pulaski County, Ky., was considered as in Committee of the Whole.

The bill had been reported from the Committee on Commerce with amendments on page 1, line 7, after the word "near," to strike out "the town of"; and in the same line, after the name "Burnside" and the comma, to insert "Pulaski County," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the State highway commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge and approaches thereto across the Cumberland River, at a point suitable to the interests of navigation, at or near Burnside, Pulaski County, Ky., in accordance with the provisions of an 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.

SEC. 2. If tolls are charged for the use of such bridge, the rates of toll shall be so adjusted as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the cost of the bridge and its approaches, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 20 years from the completion thereof. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper maintenance, repair, and operation of the bridge and its approaches under economical management. An accurate record of the costs of the bridge and its approaches, the expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

SEC. 3. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

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

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

The title was amended so as to read: "A bill authorizing the State Highway Commission, Commonwealth of Kentucky, to construct, maintain, and operate a bridge across the Cumberland River at or near Burnside, Pulaski County, Ky."

BRIDGE LEADING TO ZILLAH STATE PARK, WASH.

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3039) making an appropriation for the construction of a bridge and approach road leading to the Zillah State Park, Wash., which had been reported from the Committee on Irrigation and Reclamation with amendments. The first amendment was, on page 1, line 3, after the word "hereby," to insert "authorized to be," and in line 6, after the words "sum of," to strike out "$4,500" and to insert "$3,000," so as to make the section read:

That there is hereby authorized to be appropriated, out of the special fund in the Treasury created by the act of June 17, 1902, and therein designated the "reclamation fund," the sum of $3,000, or so much thereof as may be necessary, for the construction of a bridge, with an approach road, over the wasteway operated by the Bureau of Reclamation of the Department of the Interior in connection with the Sunnyside Irrigation Canal, to replace the bridge and approach road leading to the Zillah State Park in the State of Washington which were washed out by the increased volume of water turned into such wasteway during a cloudburst on June 14, 1926. Such bridge and road shall be constructed by the State of Washington or any duly authorized agency or political subdivision thereof, under the supervision of the Commissioner of the Bureau of Reclamation, who may authorize the relocation of such bridge and road.

The amendment was agreed to.

The next amendment was, on page 2, section 2, line 8, after the word "herein," to insert the words "authorized to be," so as to make the section read:

SEC. 2. The sum herein authorized to be appropriated shall be paid by the Secretary of the Treasury to the proper authorities of the State of Washington, as the construction progresses, upon vouchers submitted by such authorities and approved by the Commissioner of the Bureau of Reclamation. Such sum shall not be charged to the operation and maintenance expense of the Sunnyside division of the Yakima irrigation project.

The amendment was agreed to.

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

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

The title was amended so as to read: "A bill authorizing an appropriation for the construction of a bridge and approach road leading to the Zilla State Park, Washington."

OWNERS OF THE BARGE "MARY M."

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 460) for the relief of the owners of the barge *Mary M*, which was read, as follows:

Be it enacted, etc., That the claim of the estate of Mary Malley, deceased, owner of the barge *Mary M*, against the United States for damages alleged to have been sustained by reason of a collision between said barge and the U. S. S. *Melville*, or by reason of the operation of the said steamship *Melville*, under the control of the Navy Department, on April 15, 1919, at the south end of Governors Island, New York Harbor, may be sued for by said owners of the barge *Mary M* in the United States District Court for the Southern District of New York, sitting as a court of admiralty and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter a judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of said owners of the barge *Mary M*, or against said owners of the barge *Mary M* in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties, and with the same rights of appeal: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by the order of said court, and that it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

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

ESTATE OF MOSES M. BANE

The Senate, as in Committee of the Whole, proceeded to consider the bill (S. 3056) for the relief of the estate of Moses M. Bane, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay to the estate of Moses M. Bane, deceased, who was receiver of public money for the Territory of Utah, and paid office rent at Salt Lake City for the years 1877 and 1878 and for the first quarter of 1879, the sum of $1,080, out of any money in the Treasury not otherwise appropriated, the said sum for office rent having been advanced by the officer out of his private means.

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

JESSE R. SHIVERS

The Senate, as Committee of the Whole, proceeded to consider the bill (H. R. 4396) for the relief of Jesse R. Shivers, which was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated and in full settlement against the Government, to Jesse R. Shivers, North Wildwood, N. J., the sum of $796.95, for damages sustained to motor boat *L–659*, in collision with U. S. Coast Guard patrol boat *CG–119*, February 9, 1926.

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

OWNER OF STEAMSHIP "CITY OF BEAUMONT"

The bill (H. R. 8001) conferring jurisdiction upon certain courts of the United States to hear and determine the claim by the owner of the steamship *City of Beaumont* against the United States, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the claim of the City of Beaumont Ship Corporation, a corporation existing under the laws of the State of Delaware, owner of the American auxiliary barkentine *City of Beaumont*, against the United States of America for damages alleged to have been caused by collision between the said vessel and the U. S. S. *Westland*, on the 19th day of December, 1918, may be sued for by the said owners of the *City of Beaumont* in the District Court of the United States for the Southern District of New York, sitting as a court of admiralty, and acting under the rules governing such court, and said court shall have jurisdiction to hear and determine such suit and to enter judgment or decree for the amount of such damages and costs, if any, as shall be found to be due against the United States in favor of the City of Beaumont Ship Corporation, or against the said corporation in favor of the United States, upon the same principles and measures of liability as in like cases in admiralty between private parties and with the same rights of appeal, except that no interest shall be allowed on any claim: *Provided*, That such notice of the suit shall be given to the Attorney General of the United States as may be provided by orders of the said court, and it shall be the duty of the Attorney General to cause the United States attorney in such district to appear and defend for the United States: *Provided further*, That said suit shall be brought and commenced within four months of the date of the passage of this act.

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

JOHN L. NIGHTINGALE

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 8810) for the relief of John L. Nightingale, which was read, as follows:

Be it enacted, etc., That the Postmaster General be, and he is hereby, authorized and directed to credit the account of John L. Nightingale, postmaster at Fort Collins, Colo., in the sum of $34,934.90, the value of funds and stamps lost in the burglary of the post office at Fort Collins, Colo., July 24, 1927.

Mr. KING. I ask for an explanation of the bill.

Mr. PHIPPS. Mr. President, I desire to say that this is the case of the robbery of a post office. The usual procedure has been followed in the case of this postmaster, who was in no wise responsible for theft from his office. The report was very conclusive, and I think the Senator will be satisfied with it.

Mr. KING. Was the postmaster warranted in retaining so large an amount of stamps and money in the place where he kept it?

Mr. PHIPPS. The vaults were practically blown up. He did not have the valuables in an ordinary safe that anyone could open, but he had them in a place which was authorized for the safekeeping of the stamp. Practically the bulk of the amount was in postage stamps, and it was stolen.

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

ALABAMA NATIONAL FOREST

The Senate as in Committee of the Whole proceeded to consider the joint resolution (S. J. Res. 130) suspending certain provisions of law in connection with the acquisition of lands within the Alabama National Forest. The joint resolution was read, as follows:

Whereas section 7 of the act of March 1, 1911 (36 Stat. 961), provides "That no deed or other instrument of conveyance shall be accepted or approved by the Secretary of Agriculture under this act until the legislature of the State in which the land lies shall have consented to the acquisition of such land by the United States for the purpose of preserving the navigability of navigable streams"; and

Whereas the State of Alabama by an act approved November 30, 1907, consented to such acquisitions; and

Whereas the State of Alabama by an act approved September 28, 1923, repealed the aforesaid act of November 30, 1907; and

Whereas the Secretary of Agriculture was not informed of said repeal and continued to contract for the purchase of certain lands within the present exterior boundaries of the Alabama National Forest, located in Winston, Lawrence, and Franklin Counties, in the said State of Alabama; and

Whereas the forestry officials of the said State of Alabama approved the policy of consolidation of lands within the present exterior boundaries of the aforesaid Alabama National Forest: Now, therefore, be it

Resolved, etc., That the provisions of section 7 requiring the consent of the said State legislature for the acquisition of such lands be, and the same are hereby, suspended as to any unacquired lands within the present exterior boundaries of the said Alabama National Forest until and including December 31, 1930.

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

The preamble was agreed to.

WOOL STANDARDS

The bill (H. R. 7459) to authorize the appropriation for use by the Secretary of Agriculture of certain funds for wool standards, and for other purposes, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That there is hereby authorized to be appropriated for expenditure by the Secretary of Agriculture, for the purposes hereinafter stated, all funds heretofore or hereafter collected by suit, or otherwise, pursuant to appropriations for the completion of the work of the domestic-wool section of the War Industries Board, and for enforcing Government regulations for handling the wool clip of 1918 as established by the wool division of said board, pursuant to the Executive order dated December 31, 1918, transferring such work to the Bureau of Markets, now a part of the Bureau of Agricultural Economics of the Department of Agriculture, and for continuing as far as practicable the distribution among the growers of the wool clip of 1918 of all sums heretofore or hereafter collected or recovered with or without suit by the Government from all persons, firms, or corporations which handled any part of the wool clip of 1918, which he finds it impracticable to distribute among said growers, provided that not to exceed $50,000 may be expended in any fiscal year.

SEC. 2. Said funds may be used for the purpose of acquiring and diffusing among the people of the United States useful information relative to the standardization, grading, preparation for market, marketing, utilization, transportation, handling, and distribution of wool, and

of approved methods and practices relative thereto, including the demonstration and promotion of the use of grades for wool in accordance with standards therefor which the Secretary of Agriculture is hereby authorized to establish. Said funds may be used for the grading of wool, and for such grading or other service rendered hereunder reasonable fees may be charged, and provided further that hereafter reasonable charges may be made for practical forms of grades for wool.

SEC. 3. The Secretary of Agriculture may make such rules and regulations as he deems advisable for carrying out any of the provisions of this act. All receipts hereunder shall be deposited in the Treasury to the credit of miscellaneous receipts.

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

PROTECTION OF FOREST LANDS, ETC.

The bill (S. 1344) to amend an act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor," approved June 4, 1924, was considered as in Committee of the Whole. The bill had been reported from the Committee on Agriculture and Forestry with amendments, on page 2, line 3, after the words "distribution of," to strike out "forest tree"; in line 4, after the word "plants," to insert "of forest trees, shrubs, and other beneficial forms of vegetation"; in line 6, after the word "belts," to insert "forests"; in line 7, after the word "lands," to strike out "and" and insert "or"; in line 8, after the word "forests," to insert "or other beneficial vegetative cover"; in line 9, after word "lands," to strike out "owned by any," and insert "in"; in the same line, after the word "county," to strike out "or municipality" and insert "municipal"; in line 10, after the word "or," to strike out "upon privately owned land" and insert "private ownership"; in line 14, after the word "that," to strike out "forest tree" and insert "such"; in line 17, after the word "timber," to strike out "thereon," and insert "or establishing a vegetative cover beneficial to water conservation thereon"; and in line 18, after the word "that," to insert "from any sums appropriated for carrying out the provisions of this section"; so as to make the bill read:

Be it enacted, etc., That section 4 of an act entitled "An act to provide for the protection of forest lands, for the reforestation of denuded areas, for the extension of national forests, and for other purposes, in order to promote the continuous production of timber on lands chiefly suitable therefor," approved June 4, 1924, be amended to read as follows:

"SEC. 4. That the Secretary of Agriculture is hereby authorized and directed to cooperate with the various States in the procurement, production, and distribution of seeds and plants of forest trees, shrubs, and other beneficial forms of vegetation for the purpose of establishing windbreaks, shelter belts, forests, and farm wood lots upon denuded or nonforested lands, or for the purpose of establishing forests or other beneficial vegetative cover upon lands in State, county, municipal, or private ownership situated on watersheds from which water is secured for domestic, irrigation, or industrial use within such cooperating States, under such conditions and requirements as he may prescribe, to the end that such seeds or plants so procured, produced, or distributed shall be used effectively for planting denuded or nonforested lands in the cooperating States and growing timber or establishing a vegetative cover beneficial to water conservation thereon: *Provided*, That from any sums appropriated for carrying out the provisions of this section, the amount expended by the Federal Government in cooperation with any State during any fiscal year for such purposes shall not exceed the amount expended by the State for the same purposes during the same fiscal year. There is hereby authorized to be appropriated annually, out of money in the Treasury not otherwise appropriated, not more than $100,000 to enable the Secretary of Agriculture to carry out the provisions of this section."

The amendments were agreed to.

The bill was reported to the Senate as amended and the amendments were concurred in.

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

BEAL NURSERY AT EAST TAWAS, MICH.

The bill (H. R. 10374) for the acquisition of lands for an addition to the Beal Nursery at East Tawas, Mich., was considered as in the Committee of the Whole. The bill had been reported from the Committee on Agriculture and Forestry with an amendment to strike out all after the enacting clause and insert:

That the Secretary of Agriculture is hereby authorized to expend, from the appropriation for planting trees on national forests during the fiscal year ending June 30, 1929, and/or from the appropriation for cooperation with States during the same fiscal year under the provisions of section 4 of the act of June 7, 1924 (43 Stats., 653), as amended, such amounts, but not to exceed a total of $25,000, as may be necessary to acquire by purchase or condemnation lands or water rights necessary, in his judgment, for forest-tree nurseries or for additions to existing forest-tree nurseries, and any lands obtained under the authority of this act shall, upon acquisition, become parts of the nearest national forests.

The amendment was agreed to.

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

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill authorizing the acquisition of land and water rights for forest tree nurseries."

THE FOREIGN SERVICE

The bill (S. 4382) to amend the act (Public, No. 135, 68th Cong.), approved May 24, 1924, entitled "An act for the reorganization and improvement of the Foreign Service of the United States, and for other purposes," was announced as next in order.

Mr. FESS. That is a very important bill and is quite lengthy. I do not think it ought to be passed under the five-minute rule when we are considering unobjected bills on the calendar.

The VICE PRESIDENT. Objection being made, the bill will go over.

Mr. MOSES. Mr. President, wait a moment, please. I can say to the Senator from Ohio that this bill represents the work of a subcommittee of the Committee on Foreign Relations which has diligently pursued the subject since the time of the introduction of a resolution by the Senator from Mississippi [Mr. HARRISON] in December. It has probably had a more extended hearing than almost any measure that has been before the Senate at this session. The subcommittee was unanimous in its report to the full committee, unanimous in making the draft of the bill as reported to the full committee, and the full committee, after going over the bill, section by section, was unanimous in reporting it; and I can assure the Senator from Ohio, whose presence we did not have immediately on the Committee on Foreign Relations, that there have been no injustices done by this bill but that the bill makes a great step in advance toward remedying many conditions which are intolerable under the administration of the act of May 24, 1924. I implore the Senator to withdraw his objection.

Mr. WARREN. I hope the Senator may be allowed to give some little explanation of the bill.

Mr. MOSES. Briefly, the so-called Rogers Act, which was designed to provide in the entire Foreign Service a single list of officers, with promotion by seniority and merit, provoked in its operation a great deal of opposition and a great deal of complaint and a very great deterioration of the morale of the Foreign Service, to such an extent that when the operations of the act were crowned by the appointment on one day of four men as chiefs of mission, three of whom served on the personnel board, it became evident that something ought to be done to correct conditions which exist.

Mr. FESS. Mr. President, if the Senator will permit me, the Rogers Act did not pass for over three years. It had been pending before both bodies for a long time, and I do not like to allow a bill of 27 sections amending that act to be passed without even any discussion.

Mr. MOSES. I can say to the Senator that, while the bill has 27 sections, it is an amendment of the Rogers Act and adopts the language of that act and does nothing to it except to make certain changes, which I can speedily explain to the Senator from Ohio.

The principal change is to take the subject matter of promotions in the Foreign Service out of the hands of men who are themselves in the Foreign Service and who may benefit by their action by setting up a bureau of personnel in the Department of State, to be in charge of an additional Secretary of State, who shall not be a Foreign Service officer nor have been a Foreign Service officer within two years of the time of his appointment; so that nobody concerned in promotion in the Foreign Service, following the passage of the bill now under consideration, can himself possibly benefit by any action which may be taken. We have found that of the nine men who from time to time have made up the personnel board under the Executive order issued pursuant to the enactment of the so-called Rogers Act, every man who has ever served for any time with that group has had promotions for himself, some of them three or four times, and, I think, the great majority of them at least twice.

Mr. FESS. Does this bill have the approval of the State Department?

Mr. MOSES. This bill has the approval of those officers of the State Department who have most to do with promotions. There is opposition to the bill in some quarters in the State Department.

Mr. SACKETT. Has it the approval of the Secretary of State?

Mr. MOSES. I am not sure. The principle of the bill, keeping promotions out of the hands of the board as it now exists, certainly has his approval. Whether the details of the bill have his approval or not I do not know. But, Mr. President, I have taken the position with reference to the bill that if we have general approval of the executives of the State Department who have had most to do with the matter of the personnel of the Foreign Service, that was sufficient, inasmuch as they are the permanent officers of the department who have been administering the Rogers law and who will have to act under the existing statutes. At any rate, Mr. President, I do not deem it to be of prime importance that we should have, for a new measure, the approval of those who have maladministered a previous measure.

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

Mr. MOSES. Oh, yes, indeed.

Mr. KING. Does this bill provide for the demotion of what some have said was a clique which it is alleged have controlled promotions in the State Department, and also promoted themselves? The Senator knows against whom charges have been made. There are, it is alleged, five or six men, a sort of Harvard association, who, some think, have tried to run the State Department.

Mr. MOSES. In behalf of my colleague [Mr. KEYES], who is a graduate of Harvard College, I shall have to take exception to some of the language used by the Senator from Utah. I am not sure that this bill will provide for the demotion of any of the individuals under criticism by the Senator from Utah, and who have been under criticism before the subcommittee which drafted this measure; but it certainly will put an end to some of the practices in the State Department to which the Senator from Utah has reference.

Mr. FESS. Mr. President, there has been enough said about that so that I do not want to see the bill passed without discussion.

Mr. MOSES. We can have discussion about it to-night, if the Senator from Ohio is willing.

Mr. FESS. The statements that have been made back and forth as to cliques in the State Department I think are pretty serious, and we do not want to pass a bill without any consideration of it under the unopposed rule.

Mr. HARRISON. Mr. President, I hope the Senator will not object to the consideration of this bill. The bill was drafted and considered by the full committee after the subcommittee had gone into the matter fully after weeks of investigation. I do not think it is obnoxious to the State Department. We know that certain men high up in the State Department approve it. It will help the morale of the whole Consular Service, and this seems to be a very good opportunity to pass it.

Mr. FESS. Not very, to-night.

Mr. HARRISON. The bill was unanimously reported from the Foreign Relations Committee after full consideration. In answer to the question propounded by the Senator from Utah as to whether it demotes the clique, I will state that it abolishes the clique that once controlled the Consular Service. We think it will work wonders.

Mr. KING. The Diplomatic Service rather than the Consular Service.

Mr. HARRISON. Well, the Consular and Diplomatic Service.

Mr. PITTMAN. Mr. President, I do not know whether the Senator from Ohio is suspicious of the subcommittee or not, but the other members of the Foreign Relations Committee will indorse the action of the subcommittee in this particular matter, if that is the cause of his objection.

Mr. WALSH of Montana. Mr. President, I feel like saying, in support of the statement made by the Senator from New Hampshire, that after this bill was presented to the full committee by the subcommittee it had the very careful consideration of the full committee, which went over the bill word by word, and made some alterations in it. It was very carefully considered, and was reported unanimously; and we all felt that it would go far to remove serious criticisms that have been directed against the personnel of the State Department.

Mr. HARRISON. Mr. President, may I say further to the Senator from Ohio that in the consideration of this matter we did not permit politics to be injected into it. We brought these people here from various parts of the country to appear before the subcommittee. There has been no criticism of the State Department before the subcommittee that conducted the investigation nor before the full committee. There is not now. We have merely tried to help the morale of the Consular and Diplomatic Services, and I believe we will do it. I dare say there is not a man in the Consular Service to-day who would not indorse this bill, and who does not believe that it will do what we think it will do.

Mr. REED of Pennsylvania. Mr. President, the bill accomplishes one thing that the Consular Service has very properly criticized in the old plan of the Foreign Service. In the past there has been very little opportunity for those officers who went into the Diplomatic Service to learn anything about the Consular Service. Now, for the first time, by statute we require that every officer who takes a position in the Diplomatic Service shall have had at least five years' service in the consular branch of the service. It will go very far toward removing what has seemed to many people to be a snobbish distinction between the consuls and the diplomatic officers in the Foreign Service.

Another hardship which the bill corrects, which, I think, has been called to the attention of most Senators, is that it permits these Foreign Service officers, particularly of the lower classes, who are on far-distant stations, and who can not possibly, out of their salaries, afford to return to the United States for the brief vacation period allowed them each year, to consolidate those leaves over a period of as much as four years. You can readily imagine how a consul in some town in China is quite unable to afford the trip home for a 30-day holiday in the home country; but by allowing him to accumulate his leave for the four years it is worth while for him to save up and make the trip.

That is a hardship that I think has been called to the attention of many Senators in the past.

Mr. FESS. Mr. President, my objection to the bill is because it is a voluminous statute. It in a sense is attacking, as I thought, the State Department. I did not like to have a measure of this sort go through without discussion. I have confidence, of course, in the judgment of these men who have thus expressed themselves on the necessity and the wisdom of the legislation; and I am amenable to reason. My only point was not to let it go through without discussion. I assume that these Senators would not make statements that are not supported by the facts. For that reason I am going to withdraw my objection.

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 Foreign Relations, with amendments.

The amendments were, on page 2, line 19, after the word "follows," to strike out "(the following is new)"; on page 3, line 10, after the word "may," to strike out "have accrued," and insert "accrue"; on page 4, to strike out lines 3 to 16, both inclusive; on page 11, line 10, to strike out "class 1" and insert "Class I"; on page 20, line 19, after the word "appointed," to insert "annually"; in the same line, after the word "State," to strike out "who shall be members of the board for one, two, and three years, respectively"; in line 22, after the words "It shall be the," to strike out "sole and exclusive"; on page 21, line 4, after "Sec. 24," to strike out "That it shall be the function of" and insert "The Bureau of"; in line 5, before the word "Personnel," to strike out "The Bureau of"; in the same line, after the word "Personnel," to strike out "Bureau shall be solely responsible for the accuracy other," and insert "shall assemble and be the custodian of all"; in line 10, after the words "shall be," to strike out "soley" and insert "solely"; in line 12, after the word "Such," to strike out "record" and insert "records"; in line 13, after the word "additions," to strike out "in them"; on page 22, line 20, after the word "the," to strike out "Personnel"; on page 23, line 11, after the word "Except," to strike out "for" and insert "under"; on the same page, line 19, after the word "officer," to insert "without regard to age or length of service"; in line 21, after the word "State," to strike out "without regard to age or length of service"; on page 24, line 6, after the word "paragraphs," to strike out "I" and insert "(i)"; in line 11, before the word "Bureau," to strike out "Personnel," and after the word "Bureau" to insert "of Personnel"; on page 25, to strike out lines 4 to 6, inclusive; and in line 7, to change the number of the section from 28 to 27; so as to make the bill read:

Be it enacted, etc., That the act (Public, No. 135, 68th Cong.), approved May 24, 1924, entitled "An act for the reorganization and improvement of the Foreign Service of the United States, and for other purposes," be, and the same is hereby, amended to read as follows:

"SECTION 1. That hereafter the Diplomatic and Consular Service of the United States shall be known as the Foreign Service of the United States.

"SEC. 2. That the official designation 'Foreign Service officer,' as employed throughout this act, shall be deemed to denote permanent officers in the Foreign Service below the grade of minister, all of whom are subject to promotion on merit and who may be appointed to either diplomatic or consular positions or assigned to serve in the Department of State subject to section 14 of this act, at the discretion of the President.

"SEC. 3. That the officers in the Foreign Service shall hereafter be graded and classified as follows with the salaries of each class herein affixed thereto, but not exceeding in number for each class a proportion of the total number of officers in the service represented in the following percentage limitations:

"Ambassadors and ministers as now or hereafter provided; Foreign Service officers as follows: Class I (13 per cent), $8,000 to $9,000; Class II (17 per cent), $7,000 to $8,000; Class III (24 per cent), $5,000 to $7,000; Class IV, $4,000 to $5,000; unclassified, $2,500 to $4,000: *Provided, however,* That as many Foreign Service officers above Class III as may be required for the purpose of inspection may be detailed by the Secretary of State for that purpose.

"On the date this act takes effect officers shall be reclassified as follows:

"Officers in Classes I and II, as officers in Class I; officers in Classes III and IV, as officers in Class II; officers in Classes V and VI, as officers in Class III; officers in Classes VII and VIII, as officers in Class IV; and officers in Class IX, as unclassified officers; but no officer shall receive less salary through such classification than he is now receiving nor shall he receive any increase of salary through such classification except such periodic increase as may accrue to him under section 18 of this act.

"SEC. 4. That Foreign Service officers may be commissioned as diplomatic or consular officers or both: *Provided,* That any officer who entered the Foreign Service subsequent to July 1, 1924, shall serve five years as a consular officer before promotion to Class I except that he may be excused from not more than two years of such service if, in the opinion of the Secretary of State on the recommendation of the Assistant Secretary in charge of the Foreign Service, the completion of such term of five years as consul will not be in the interest of the Government: *Provided further,* That all such appointments shall be made by and with the advice and consent of the Senate: *And provided further,* That all official acts of such officers while serving under diplomatic or consular commissions in the Foreign Service shall be performed under their respective commissions as secretaries or as consular officers.

"SEC. 5. That hereafter appointments to the position of Foreign Service officer shall be made after examination and a suitable period of probation or after five years of continuous service in the Department of State, by transfer therefrom under such rules and regulations as the President may prescribe, or after 10 years of satisfactory service as clerk in a mission or consulate: *Provided,* That no candidate shall be eligible for examination for Foreign Service officer who is not an American citizen and who shall not have been such at least 15 years: *Provided further,* That reinstatement of Foreign Service officers separated from the classified service by reason of appointment to some other position in the Government service may be made by Executive order of the President under such rules and regulations as he may prescribe.

"All appointments of Foreign Service officers shall be by commission to a class and not by commission to a particular post, and such officers shall be assigned to posts and may be transferred from one post to another by order of the President as the interests of the service may require: *Provided,* That the classification of secretaries in the Diplomatic Service and of consular officers is hereby abolished without, however, in anywise impairing the validity of the present commissions of secretaries and consular officers.

"SEC. 6. That section 5 of the act of February 5, 1915 (Public No. 242), is hereby repealed.

"SEC. 7. That the Secretary of State is directed to report from time to time to the President, along with his recommendations, the names of those Foreign Service officers who by reason of efficient service have demonstrated special capacity for promotion to the grade of minister and the names of those Foreign Service officers and employees and officers and employees in the Department of State and clerks at missions and consulates who by reason of efficient service, an accurate record of which shall be kept in the Department of State, have demonstrated special efficiency, and also the names of persons found upon taking the prescribed examination to have fitness for appointment to the service.

"That the grade of consular assistant is hereby abolished.

"SEC. 8. That sections 1697 and 1698 of the Revised Statutes are hereby repealed.

"SEC. 9. Every secretary, consul general, consul, vice consul of career, or Foreign Service officer, before he receives his commission or enters upon the duties of his office, shall give to the United States a bond, in such form as the President shall prescribe, with such sureties, who shall be permanent residents of the United States, as the Secretary of State shall approve, in a penal sum not less than the annual compensation allowed to such officer, conditioned for the true and faithful accounting for, paying over, and delivering up of all fees, moneys, goods, effects, books, records, papers, and other property which shall come to his hands or to the hands of any other person to his use as such officer under any law now or hereafter enacted, and for the true and faithful performance of all other duties now or hereafter lawfully imposed upon him as such officer: *Provided,* That the operation of no existing bond shall in anywise be impaired by the provisions of this act: *Provided further,* That such bond shall cover by its stipulations all official acts of such officer, whether commissioned as diplomatic or consular officer. The bonds herein mentioned shall be deposited with the Secretary of the Treasury.

"SEC. 10. That the provisions of section 4 of the act of April 5, 1906, relative to the powers, duties, and prerogatives of consuls general at large are hereby made applicable to the Foreign Service officers detailed for the purpose of inspection, who shall, under the direction of the Secretary of State, inspect in a substantially uniform manner the work of diplomatic and consular offices.

"SEC. 11. That the provisions of sections 8 and 10 of the act of April 5, 1906, relative to official fees and the method of accounting therefor shall apply to diplomatic officers below the grade of minister, and consular officers.

"SEC. 12. That the President is hereby authorized to grant to diplomatic and consular officers representation allowances and rent or post allowances wherever the cost of living may be proportionately so high that, in the opinion of the Secretary of State, such allowances are necessary to enable such diplomatic or consular officers to carry on their work efficiently, out of any money which may be appropriated for such purpose from time to time by Congress, the expenditure of such representation allowances or rent allowances to be accounted for in detail to the Department of State quarterly under such rules and regulations as the President may prescribe, and by the Secretary to be reported annually to Congress.

"SEC. 13. Appropriations are authorized for the salary of a private secretary to each ambassador who shall be appointed by the ambassador and hold office at his pleasure.

"SEC. 14. That any Foreign Service officer may be assigned for duty in the Department of State without loss of class or salary, such assignment to be for a period of not more than three years, unless the public interests demand further service, when such assignment may be extended for a period not to exceed one year. Any Foreign Service officer of whatever class detailed for special duty not at his post or in the Department of State shall be paid his actual and necessary expenses for travel and not exceeding an average of $8 per day for subsistence during such special detail: *Provided,* That such special duty shall not continue for more than 60 days, unless in the case of trade conferences or international gatherings, congresses, or conferences, when such subsistence expenses shall run only during the period thereof and the necessary period of transit to and from the place of gathering: *Provided further,* That the Secretary of State is authorized to prescribe a per diem allowance not exceeding $6, in lieu of subsistence for Foreign Service officers on special duty or Foreign Service inspectors.

"SEC. 15. That the Secretary of State is authorized, whenever he deems it to be in the public interest, to order to the United States on his statutory leave of absence any Foreign Service officer or vice consul of career who has performed three years or more of continuous service abroad: *Provided,* That the expenses of transportation and subsistence of such officers and their immediate families, in traveling from their posts to their homes in the United States and return, shall be paid under the same rules and regulations applicable in the case of officers going to and returning from their posts under orders of the Secretary of State when not on leave: *And provided further,* That while in the United States the services of such officers shall be available for trade conference work or for such duties in the Department of State as the Secretary of State may prescribe, but the time of such work or duties shall not be counted as leave.

"Leave with pay shall be of two kinds: (1) Leave as granted together with an additional allowance of a reasonable transit time between the officer's post and his residence in the United States, and (2) simple leave without such allowance.

"Simple leave with pay may be taken annually, if no other leave is taken in that year, for not more than 30 days in any one year, except, in the discretion of the President, in the case of illness of an officer or of a member of his immediate family or other exceptional circumstances.

"Simple leave not taken when due may be accumulated and taken not to exceed 60 days in any one year, but leave with transit time allowance may not be accumulated with simple leave and the whole taken as simple leave.

"Leave with pay with a transit time allowance may be taken biennially, if no other leave is taken in that year, for not more than 60 days in any one year, except, in the discretion of the Secretary of State, in the case of (1) officers at remote posts, and (2) illness of an officer or of a member of his immediate family, or other exceptional circumstances.

"Leave with transit time allowance not taken when due may be accumulated separately, when it may be taken not to exceed 120 days in the fourth calendar year, or it may be accumulated, together with simple leave, and the two taken together as leave with transit time allowance not to exceed 120 days in the third calendar year, after two years without any leave of either sort, or not to exceed 180 days in the fourth calendar year, after three years without any leave of either sort.

"No Foreign Service officer shall be absent from his post with pay for more than 48 hours without permission, except as provided herein.

"All rules and regulations governing the leaves of Foreign Service officers shall be uniform.

"Section 1742 of the Revised Statutes is hereby repealed.

"SEC. 16. That the part of the act of July 1, 1916 (Public, No. 131), which authorizes the President to designate and assign any secretary of Class I as counselor of embassy or legation, is hereby amended to read as follows:

"'*Provided,* That the President may, whenever he considers it advisable so to do, designate and assign any Foreign Service officer as counselor of embassy or legation.'

"SEC. 17. That within the discretion of the President, any Foreign Service officer may be assigned to act as commissioner, chargé d'affaires, minister resident, or diplomatic agent for such period as the public interests may require without loss of grade, class, or salary: *Provided, however,* That no such officer shall receive more than one salary.

"SEC. 18. That for such time as any Foreign Service officer shall be lawfully authorized to act as chargé d'affaires ad interim or to assume charge of a consulate general or consulate during the absence of the principal officer at the post to which he shall have been assigned, he shall, if his salary is less than one-half that of such principal officer, receive in addition to his salary as Foreign Service officer compensation equal to the difference between such salary and one-half of the salary provided by law for the ambassador, minister, or principal consular officer, as the case may be.

"SEC. 19. The President is authorized to prescribe rules and regulations for the establishment of a Foreign Service retirement and disability system to be administered under the direction of the Secretary of State and in accordance with the following principles, to wit:

"(a) The Secretary of State shall submit annually a comparative report showing all receipts and disbursements on account of refunds, allowances, and annuities, together with the total number of persons receiving annuities and the amounts paid them, and shall submit annually estimates of appropriations necessary to continue this section in full force and such appropriations are hereby authorized: *Provided,* That in no event shall the aggregate total appropriations exceed the aggregate total of the contributions of the Foreign Service officers theretofore made, and accumulated interest thereon.

"(b) There is hereby created a special fund to be known as the Foreign Service retirement and disability fund.

"(c) Five per cent of the basic salary of all Foreign Service officers eligible to retirement shall be contributed to the Foreign Service retirement and disability fund, and the Secretary of the Treasury is directed on the date on which this act takes effect to cause such deductions to be made and the sums transferred on the books of the Treasury Department to the credit of the Foreign Service retirement and disability fund for the payment of annuities, refunds, and allowances: *Provided,* That all basic salaries in excess of $9,000 per annum shall be treated as $9,000.

"(d) When any Foreign Service officer has reached the age of 65 years and rendered at least 15 years of service he shall be retired: *Provided,* That the President may, in his discretion, retain any such officer on active duty for such period, not exceeding 5 years, as he may deem for the interests of the United States: *Provided further,* That if any such officer shall have served 30 years he may be retired at his own request.

"(e) Annuities shall be paid to retired Foreign Service officers under the following classification, based upon length of service and at the following percentages of the average annual basic salary for the 10 years next preceding the date of retirement: Class A, 30 years or more, 60 per cent; class B, from 27 to 30 years, 54 per cent; class C, from 24 to 27 years, 48 per cent; class D, from 21 to 24 years, 42 per cent; class E, from 18 to 21 years, 36 per cent; class F, from 15 to 18 years, 30 per cent.

"(f) Those officers who retire before having contributed for each year of service shall have withheld from their annuities to the credit of the Foreign Service retirement and disability fund such proportion of 5 per cent as the number of years in which they did not contribute bears to the total length of service.

"(g) The Secretary of the Treasury is directed to invest from time to time in interest-bearing securities of the United States such portions of the Foreign Service retirement and disability fund as in his judgment may not be immediately required for the payment of annuities, refunds, and allowances, and the income derived from such investments shall constitute a part of said fund.

"(h) None of the moneys mentioned in this section shall be assignable, either in law or equity, or be subject to execution, levy, attachment, garnishment, or other legal process.

"(i) In case an annuitant dies without having received in annuities an amount equal to the total amount of his contributions from salary with interest thereon at 4 per cent per annum, compounded annually up to the time of his death, the excess of said accumulated contributions over the said annuity payments shall be paid to his or her legal representatives; and in case a Foreign Service officer shall die without having reached the retirement age the total amount of his contribution with accrued interest shall be paid to his legal representatives.

"(j) That any Foreign Service officer who before reaching the age of retirement becomes totally disabled for useful and efficient service by reason of disease or injury not due to vicious habits, intemperance, or willful misconduct on his part, shall, upon his own application or upon order of the President, be retired on an annuity under paragraph (e) of this section: *Provided, however,* That in each case such disability shall be determined by the report of a duly qualified physician or surgeon designated by the Secretary of State to conduct the examination: *Provided, further,* That unless the disability be permanent, a like examination shall be made annually in order to determine the degree of disability, and the payment of annuity shall cease from the date of the medical examination showing recovery.

"Fees for examinations under this provision, together with reasonable traveling and other expenses incurred in order to submit to examination, shall be paid out of the Foreign Service retirement and disability fund.

"When the annuity is discontinued under this provision, before the annuitant has received a sum equal to the total amount of his contributions with accrued interest, the difference shall be paid to him or to his legal representatives.

"(k) The President is authorized from time to time to establish, by Executive order, a list of places which by reason of climatic or other extreme conditions are to be classed as unhealthful posts, and each year of duty subsequent to January 1, 1900, at such posts, while so classed, inclusive of regular leaves of absence, shall be counted as one year and a half, and so on in like proportion in reckoning the length of service for the purpose of retirement.

"(l) Whenever a Foreign Service officer becomes separated from the service except for disability before reaching the age of retirement the total amount of contribution from his salary with interest shall be returned to him.

"(m) The Secretary of State is authorized to expend from surplus money to the credit of the Foreign Service retirement and disability fund an amount not exceeding $5,000 for the expenses necessary in carrying out the provisions of this section, including actuarial advice.

"(n) Any diplomatic secretary or consular officer who has been or any Foreign Service officer who may hereafter be promoted from the classified service to the grade of ambassador or minister, or appointed to a position in the Department of State, shall be entitled to all the benefits of this section in the same manner and under the same conditions as Foreign Service officers.

"(o) For the purposes of this act the period of service shall be computed from the date of original oath of office as diplomatic secretary, consul general, consul, vice consul, deputy consul, consular assistant, consular agent, commercial agent, interpreter, or student interpreter, and shall include periods of service at different times as either a diplomatic or consular officer, or while on assignment to the Department of State, or on special duty, or service in another department or establishment of the Government, but all periods of separation from the service and so much of any period of leave of absence without pay as may exceed six months shall be excluded: *Provided,* That service in the Department of State or as clerk in a mission or consulate prior to appointment as a Foreign Service officer may be included in the period of service, in which case the officer shall pay into the Foreign Service retirement and disability fund a special contribution equal to 5 per cent of his annual salary for each year of such employment, with interest thereon to date of payment compounded annually at 4 per cent.

"SEC. 20. In the event of public emergency any retired Foregin Service officer may be recalled temporarily to active service by the President, and while so serving he shall be entitled in lieu of his retirement allowance to the full pay of the class in which he is temporarily serving.

"SEC. 21. That all provisions of law heretofore enacted relating to diplomatic secretaries and to consular officers, which are not inconsistent with the provisions of this act, are hereby made applicable to Foreign Service officers when they are designated for service as diplomatic or consular officers, and that all acts or parts of acts inconsistent with this act are hereby repealed.

"SEC. 22. That the appropriations contained in Title I of the act entitled 'An act making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1929, and for other purposes,' for such compensation and expenses as are affected by the provisions of this act are made available and may be applied toward the payment of the compensation and expenses herein provided for, except that no part of such appropriations shall be available for the payment of annuities to retired Foreign Service officers: *Provided,* That thereafter all estimates and requests for appropriations for the

Foreign Service and appropriations therefor shall be made for Foreign Service establishments in countries or geographical or political areas, but upon necessity therefor arising sums appropriated may be transferred from establishment to establishment within the country or geographical or political area for which appropriated.

"SEC. 23. That there is hereby established in the Department of State a bureau of personnel to be under the supervision of an additional Assistant Secretary of State, to be appointed by the President by and with the advice and consent of the Senate, who shall not be when appointed or for two years prior thereto a Foreign Service officer. Such Assistant Secretary of State shall have no other duties assigned to him. The salary of such Assistant Secretary of State, as well as that of the Undersecretary of State, the four Assistant Secretaries of State, and the legal adviser of the Department of State, shall be at the rate of $10,000 per annum.

"SEC. 24. (a) That the Secretary of State is authorized (1) in accordance with the civil service laws to appoint, and, in accordance with the classification act of 1923, and later amendments thereto, to fix the compensation of, such officers and employees in the bureau of personnel as may be necessary for the administration of this act, or (2) to assign to the bureau of personnel from other bureaus or divisions in the Department of State such officers and employees as he deems advisable: *Provided*, That no person in an executive position in the bureau shall be of lower classification than grade 5—senior profession of grade 12—chief administrative, or in corresponding grades of later acts or amendments. No officer in the Foreign Service of the United States shall be appointed or assigned to the bureau of personnel nor shall any person be appointed or assigned thereto within two years following service as a Foreign Service officer, nor shall service in the bureau of personnel be accounted service in the Department of State for the purposes of appointment to the position of Foreign Service officer, or as service in some other position in the Government for reinstatement in the Foreign Service, as provided in section 5 of this act.

"(b) The Secretary of State is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, and for law books, books of reference, and periodicals) as may be necessary for the administration of this act.

"(c) There shall be a board of selection for Foreign Service officers composed of the Assistant Secretary, who shall be chairman, one member of the personnel office, who shall be secretary, and three other competent persons to be appointed annually by the Secretary of State, not more than one of whom may be a Foreign Service officer. It shall be the duty of the board of selection to recommend promotions in the Foreign Service and to furnish to the Secretary of State a list of Foreign Service officers of class I who have demonstrated special capacity for promotion to the grade of minister. To perform the duties hereinbefore set forth the board of selection shall be convened not later than December 1 of each year."

"SEC. 24. The bureau of personnel shall assemble and be the custodian of all information in regard to the character, ability, efficiency, experience, and general availability of Foreign Service officers. The Assistant Secretary of State supervising the personnel bureau shall be solely responsible for the accuracy and impartiality of the efficiency records of Foreign Service officers. Such records shall be kept so that no alterations, erasures, withdrawals, or additions can be made without being apparent and every Foreign Service officer shall be entitled to see his own record upon request by him. No unfavorable entry shall be made on an officer's record except together with the officer's reply thereto and the conclusion thereon of the Assistant Secretary supervising the personnel bureau. Not later than November 1 of each year the personnel office shall, under the supervision of the Assistant Secretary of State, prepare a list in which all Foreign Service officers shall be graded in accordance with their relative efficiency and value to the service. In this list officers shall be graded as excellent, high average, average or poor, with such further subclassification as the Assistant Secretary shall find necessary: *Provided*, That this list shall not become effective in so far as it effects promotion until it has been considered by and has the approval of the board of selection hereinbefore provided for: *Provided further*, That this list shall not be changed within a year after it has been prepared in so far as it effects promotion except for unusual cause. From this list of all Foreign Service officers, in the order of their ascertained merit within classes, recommendations for promotion shall be made. Recommendations shall also be made, in order of merit, for the unclassified grade as vice consuls, candidates who have successfully passed the examinations. All such recommendations shall be submitted to the Secretary of State, who shall transmit them to the President for submission to the Senate, if he see fit.

"The correspondence and records of the bureau of personnel shall be confidential except to the President, Secretary of State, the Assistant Secretary of State supervising the bureau, such of its employees as may be assigned to work on such correspondence and records, and the individual Foreign Service officers concerned, and except to proper administrative officers of the Department of State, concerning the abilities and capacities of officers for special work or specific posts.

"SEC. 25. That notwithstanding the provisions of section 3 of this act all Foreign Service officers shall, at the expiration of each year of service in any class after this act takes effect, receive an increase of salary of $100, except that no officer shall receive a salary above the maximum of his class. Foreign Service officers on the date this act takes effect shall receive an increase in salary of $100 for each full year served continuously in any class, effective on the date this act takes effect, except that no officer shall receive a salary greater than the maximum salary for his class. Except under extraordinary circumstances which shall be reported to the President by the Secretary of State, no Foreign Service officer shall be promoted from one class to another until he shall have served four years in the class to which he was admitted.

"If after 10 years of continuous service in the unclassified grade or 8 years' continuous service in any other class below Class I any officer is not recommended for promotion to the next higher class, such officer, without regard to age or length of service, shall be retired from the service, after a hearing by the Secretary of State, upon an annuity equal to 25 per cent of his salary at the time of retirement, in the case of officers over 45 years of age or in the case of officers under 45 years of age with a bonus of 1 year's salary at the time of his retirement, either annuity or 1 year's salary to be payable out of the Foreign Service officers' retirement and disability fund and except as herein provided, subject to the same provisions and limitations as other annuities payable out of such fund; but no return of contributions shall be made under paragraph (i) or L of section 19 of this act in the case of any Foreign Service officer retired under the provisions of this act. Whenever it is determined by the Assistant Secretary supervising the bureau of personnel that the efficiency rating of an officer is poor, thereby meaning below the standard required for the service, and such determination has been confirmed by the Secretary of State, the officer shall be notified thereof, and if, after a reasonable period of not less than one year, the rating of such officer continues to be found poor by the Assistant Secretary and such finding is confirmed by the Secretary of State after a hearing accorded the officer, such officer shall be separated from the service with the annuity or bonus provided in this section, but no officer so separated from the service shall receive the said annuity or bonus unless at the time of separation he shall have served at least 15 years. He shall, however, have returned to him the full sum of his contribution to the annuity fund, with interest thereon at 4 per cent.

"SEC. 26. That nothing in this act shall be construed to reduce the salary of any Foreign Service officer upon promotion to a higher class.

"SEC. 27. That this act shall take effect July 1, 1928."

The amendments were agreed to.

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

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

MARION BANTA

The bill (H. R. 10067) for the relief of Marion Banta was considered as in Committee of the Whole.

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

R. E. HANSEN

The bill (S. 3794) for the relief of R. E. Hansen was considered as in Committee of the Whole.

The bill had been reported from the Committee on Indian Affairs with an amendment, to strike out all after the enacting clause and to insert:

That the sum of $2,480.65 is hereby authorized to be appropriated out of funds received from the sale of stored water in the Blackfoot Reservoir, Fort Hall irrigation project, Idaho, to the North Side Canal Co., to be expended under the direction of the Secretary of the Interior, to pay R. E. Hansen, Blackfoot, Idaho, for damages incurred in the destruction of his crop of hay and oats by the overflow of his land on account of the operation of said irrigation project.

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.

COWLITZ TRIBE OF INDIANS

The bill (H. R. 167) to amend the act of February 12, 1925 (Public, No. 402, 68th Cong.), so as to permit the Cowlitz Tribe of Indians to file suit in the Court of Claims under said act was considered as in Committee of the Whole.

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

ARCH L. GREGG

The bill (S. 3595) for the relief of Arch L. Gregg was considered as in Committee of the Whole.

The bill had been reported from the Committee on Claims with an amendment, at the end of section 1 to insert a new section, as follows:

SEC. 2. That no part of the amount appropriated in this bill in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney, or attorneys on account of services rendered or advances made in connection with said claim. Any person or persons violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction shall be fined in any sum not exceeding $1,000.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay to Arch L. Gregg, out of any money in the Treasury not otherwise appropriated, the sum of $5,000 as compensation for disability resulting from an injury received in the performance of his duties while assuming to act as a special deputy United States marshal on November 20, 1917, when he was shot by a person whom he was endeavoring to arrest upon a charge of evading the selective draft act.

SEC. 2. That no part of the amount appropriated in this bill in excess of 10 per cent thereof shall be paid or delivered to or received by any agent or agents, attorney or attorneys, on account of services rendered or advances made in connection with said claim. Any person or persons violating the provisions of this act shall be deemed guilty of a misdemeanor, and upon conviction shall be fined in any sum not exceeding $1,000.

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.

DETAIL OF ENGINEERS OF BUREAU OF PUBLIC ROADS

Mr. PHIPPS. Mr. President, I was unable to attend the session on Tuesday evening, and in my absence Order of Business 825, Senate bill 1718, was called. It is entitled "A bill to authorize the President to detail engineers of the Bureau of Public Roads of the Department of Agriculture to assist the governments of the Latin-American Republics in highway matters." One Senator, through a misapprehension, stated that I was opposed to the consideration of the measure, and asked that it go over. I now ask unanimous consent to take up that bill for consideration and to make a brief statement in regard to it.

The PRESIDENT pro tempore. Is there objection?

Mr. BRUCE. I object.

The PRESIDENT pro tempore. Objection is made.

Mr. BRUCE. I object because the promise was made to us that when the unobjected bills were completed we would go back to the beginning of the calendar.

The PRESIDENT pro tempore. That is the unanimous-consent agreement under which we are operating.

HOWARD SEABURY

Mr. JONES. Mr. President, I should like to report from the Committee on Commerce a bill that I am satisfied will lead to no discussion, and ask for its passage, if the Senator will not object.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. Let it be stated.

Mr. JONES. From the Committee on Commerce I report back favorably, without amendment, House bill 12379, and I ask unanimous consent for its immediate consideration. It is a bill granting the consent of Congress to Howard Seabury to construct, maintain, and operate a dam to retain tidal waters in an unnamed cove which is situated and extends from Cases Inlet into section 28, township 21 north, range 1 west, Willamette meridian, in Pierce County, State of Washington.

Mr. BRUCE. If there will be no discussion, I shall not object.

Mr. JONES. No; I trust there will not be. It is a House bill.

There being no objection, the Senate, as in Committe of the Whole, proceeded to consider the bill.

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

The PRESIDENT pro tempore. Under the unanimous-consent agreement, the Secretary will now return to the beginning of the calendar.

FIRST NATIONAL BANK OF NEWTON, MASS.

The bill (S. 2447) for the relief of the stockholders of the First National Bank of Newton, Mass., was announced as next in order.

Mr. KING. An objection will enable a motion to be made, I presume.

Mr. GILLETT. Mr. President, I shall not move to consider this bill, because, while I think it is exceedingly meritorious, I understand that even if the motion prevailed there would be protracted debate; and at this time of night the motion would avail nothing to the bill, but would prevent other measures from passing. So, after consultation with other friends of the bill, I have decided not to waste time by making a motion for its consideration.

GRANT OF LANDS AT BATON ROUGE, LA.

Mr. NYE. Mr. President, I ask that we may return to Order of Business No. 1090, which has just had favorable action of the Senate here to-night. It is Senate bill 3537. An identical bill, House bill 11852, which is not yet upon the Senate calendar, has passed the House. I ask that the House bill may be substituted for the Senate bill, and the Senate bill indefinitely postponed.

The PRESIDENT pro tempore. Without objection, that order will be entered.

The Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 11852) providing for the confirmation of grant of lands formerly the United States barracks at Baton Rouge, La., to the board of supervisors of the Louisiana State University and Agricultural and Mechanical College.

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

The PRESIDENT pro tempore. Without objection, Senate bill 3537 will be indefinitely postponed.

LOUISE A. WOOD

The bill (S. 61) granting an increase of pension to Louise A. Wood was announced as next in order.

Mr. KING. Let that go over.

Mr. BRUCE. I move that the bill be taken up for consideration notwithstanding the objection.

The PRESIDENT pro tempore. The question is on agreeing to the motion proposed by the Senator from Maryland.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Louise A. Wood, widow of Leonard Wood, late a major general in the United States Army, and pay her a pension at the rate of $5,000 a year in lieu of that she is now receiving.

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

PENSIONS AND INCREASE OF PENSIONS

The bill (S. 1939) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes, was announced as next in order.

Mr. KING. Mr. President, does the Senator from South Dakota intend to press this bill to-night?

Mr. NORBECK. Mr. President, I am not going to move to take up this bill; but I do ask unanimous consent to take up instead the other bill, Order of Business 857, the Civil War widows' pension bill, to give them $40 per month.

The PRESIDENT pro tempore. Is there objection?

Mr. KING. I spoke to the Senator——

Mr. NORBECK. The amendments that the Senator and I agreed upon were adopted.

Mr. KING. Those were adopted?

Mr. NORBECK. Yes; they were adopted the other night.

The PRESIDENT pro tempore. Is there objection? The Chair hears none.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 10159) granting pensions and increase of pensions to widows and former widows of certain soldiers, sailors, and marines of the Civil War, and for other purposes.

The PRESIDENT pro tempore. This bill has been heretofore considered, and the amendments agreed to.

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

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

BILLS, ETC., PASSED OVER

The bill (S. 2787) providing for the appointment of governors of the non-Christian Provinces in the Philippine Islands by the Governor General without the consent of the Philippine Senate was announced as next in order.

Mr. LA FOLLETTE. Let that go over.

Mr. BINGHAM. Mr. President, this bill will lead to protracted debate. I therefore ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

The joint resolution (S. J. Res. 1) proposing an amendment to the Constitution of the United States prohibiting war was announced as next in order.

The PRESIDENT pro tempore. This joint resolution is reported adversely.

Mr. BRUCE. Let it go over.

The PRESIDENT pro tempore. The joint resolution will be passed over.

The bill (S. 2149) authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance was announced as next in order.

Mr. McNARY. I ask that that go over without prejudice.

The PRESIDENT pro tempore. The bill will be passed over.

The bill (S. 1414) for the prevention and removal of obstructions and burdens upon interstate commerce in cottonseed oil by regulating transactions on future exchanges, and for other purposes, was announced as next in order.

Mr. COPELAND. Mr. President, I have an understanding with the Senator from Texas [Mr. MAYFIELD] about this bill, and ask that it go over.

The PRESIDENT pro tempore. The bill will be passed over.

CLASSIFICATION OF SERVICE POSTMASTERS

The bill (S. 1728) placing service postmasters in the classified service was announced as next in order.

Mr. BLEASE. Let that go over.

Mr. BRUCE. Mr. President, I move that the bill be taken up for consideration, notwithstanding the objection.

Mr. KING. There will be some debate.

The PRESIDENT pro tempore. The question is on the motion of the Senator from Maryland. [Putting the question.] By the sound, the ayes seem to have it.

Mr. LA FOLLETTE. I call for a division.

Mr. REED of Pennsylvania. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a pair with the junior Senator from Indiana [Mr. ROBINSON]. During his absence, and not knowing how he would vote, I withhold my vote.

Mr. CURTIS (when his name was called). I have a general pair with the Senator from Arkansas [Mr. ROBINSON], who is absent. I do not know how he would vote, and therefore withhold my vote.

Mr. FESS (when his name was called). I have a pair with the senior Senator from Tennessee [Mr. MCKELLAR]. Not knowing how he would vote, I withhold my vote.

Mr. ASHURST (when Mr. HAYDEN's name was called). My colleague the junior Senator from Arizona [Mr. HAYDEN] is absent on important official business. If he were present, he would vote "nay."

Mr. WARREN (when his name was called). I have a pair with the junior Senator from North Carolina [Mr. OVERMAN], who is absent. I therefore withhold my vote.

Mr. WATSON (when his name was called). I have a pair with the senior Senator from South Carolina [Mr. SMITH]. In his absence I withhold my vote. If voting, I should vote "nay."

The roll call was concluded.

Mr. COPELAND. I have a general pair with the Senator from Rhode Island [Mr. METCALF], but I understand that on this question he would vote the same way I shall vote, so I will vote. I vote "nay."

Mr. JONES. I desire to announce the following general pairs:

The Senator from Delaware [Mr. DU PONT] with the Senator from Florida [Mr. TRAMMELL];

The Senator from West Virginia [Mr. GOFF] with the Senator from Rhode Island [Mr. GERRY];

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Virginia [Mr. GLASS]; and

The Senator from Oregon [Mr. STEIWER] with the Senator from North Carolina [Mr. SIMMONS].

Mr. BRATTON. I transfer my pair with the junior Senator from Indiana [Mr. ROBINSON] to the junior Senator from New Jersey [Mr. EDWARDS], and vote "yea."

The result was announced—yeas 24, nays 30, as follows:

YEAS—24

Blaine	Cutting	Hale	Norris
Borah	Dale	Howell	Nye
Bratton	Deneen	Johnson	Oddie
Brookhart	Edge	Jones	Sackett
Bruce	Frazier	Keyes	Vandenberg
Capper	Gillett	La Follette	Wheeler

NAYS—30

Ashurst	Dill	Mayfield	Stephens
Barkley	Fletcher	Moses	Swanson
Bayard	George	Norbeck	Thomas
Bingham	Harris	Phipps	Wagner
Black	Harrison	Pittman	Walsh, Mont.
Blease	Heflin	Reed, Pa.	Waterman
Broussard	King	Sheppard	
Copeland	McNary	Shortridge	

NOT VOTING—40

Caraway	Gould	Neely	Smith
Couzens	Greene	Overman	Smoot
Curtis	Hawes	Pine	Steck
du Pont	Hayden	Ransdell	Steiwer
Edwards	Kendrick	Reed, Mo.	Trammell
Fess	Locher	Robinson, Ark.	Tydings
Gerry	McKellar	Robinson, Ind.	Tyson
Glass	McLean	Schall	Walsh, Mass.
Goff	McMaster	Shipstead	Warren
Gooding	Metcalf	Simmons	Watson

So the Senate refused to proceed to the consideration of the bill.

CONVICT-MADE GOODS

The bill (S. 1940) to divest goods, wares, and merchandise manufactured, produced, or mined by convicts or prisoners of their interstate character in certain cases, was announced as next in order.

Mr. McNARY. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

COLUMBIA BASIN RECLAMATION PROJECT

The bill (S. 1462) for the adoption of the Columbia Basin reclamation project, and for other purposes, was announced as next in order.

Mr. KING. Let the bill go over.

Mr. DILL. Mr. President, I wish the Senator would let us take this bill up and consider it briefly. We have offered an amendment to the bill which takes out all of the appropriation for construction, and simply provides for the appropriation necessary to continue the studies and surveys of the project. I think with that amendment, taking out the provision of the bill for the large appropriation, there will not be serious objection to it. I wish the Senator would let us take the bill up. It is very important.

Mr. KING. Let me inquire if the amendment which it is proposed to offer does not commit the Government to the policy, and is not an authorization of it, regardless of the survey.

Mr. DILL. The proposed amendment simply commits the Government to the policy of investigating this project as a Federal project. It does not authorize the building of the project in any way. We took out the provision that did authorize that by this amendment. I do not think there can be serious objection to the bill, as it only authorizes a continuation of the studies.

Mr. KING. Will not the Senator move to take the matter up so that it can be debated without the limitation of five minutes on the length of speeches?

Mr. DILL. I am willing to, but I hope the Senator will permit the bill to be taken up without objection.

The PRESIDING OFFICER (Mr. BINGHAM in the chair). The Senator from Utah is correct. If the bill is taken up without objection, speeches will be limited to five minutes, whereas if it is taken up on motion, debate will be unlimited.

Mr. DILL. I move that the bill be taken up.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington.

Mr. ASHURST. Mr. President, I am very glad at this juncture to give my support to this bill. I happen to be a humble member of the committee that reported it.

The PRESIDING OFFICER. The motion is not debatable.

Mr. BORAH. Mr. President, under what rule is it that the motion is not debatable?

The PRESIDING OFFICER. Under Rule VIII, under which the Senate is now operating.

Mr. BORAH. This is after 2 o'clock, is it not?

The PRESIDING OFFICER. Under previous decisions of the Chair, when the Senate indulges in a night session and proceeds under Rule VIII, it is assumed that 2 o'clock is somewhere in the future and not in the past.

Mr. BORAH. But it is after 2 o'clock to-day. There is no logic in that ruling.

The PRESIDING OFFICER. Under previous decisions of the Chair debate is not allowed on a motion to take up a bill at a night session when the Senate is operating under Rule VIII.

Mr. KING. Mr. President, if we vote in the affirmative to take the bill up, it means that it may be debated under Rule VIII without any limitation as to the length of speeches?

The PRESIDING OFFICER. The Senator from Utah is correct.

The question is on agreeing to the motion of the Senator from Washington.

On a division, the motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill.

The PRESIDING OFFICER. The pending question is on the amendment offered by the Senator from Florida [Mr. FLETCHER], on page 1, line 7.

Mr. BORAH. Mr. President, I would like to have the bill read before we start with the amendments.

The PRESIDING OFFICER. The clerk will read.

The Chief Clerk read the bill, as follows:

Be it enacted, etc., That the lands in the eastern part of the State of Washington embraced in what is commonly known as the Columbia Basin project, or all the lands that may be embraced within the boundaries of such project, as may be finally determined by the Secretary of the Interior, be, and the same are hereby, adopted as a reclamation project to be known as the Columbia Basin reclamation project, and the appropriation of the necessary funds to determine and carry on such project is hereby authorized from funds in the Treasury of the United States not otherwise appropriated. This project shall be carried on, developed, and dealt with in every respect and pursuant to the terms and conditions of the United States reclamation act and amendments thereto, except for the appropriation provision herein made.

Mr. FLETCHER. Mr. President, I understand the junior Senator from Washington [Mr. DILL] has an amendment which, to a large extent, meets my ideas, and I beg to withdraw the amendment which I offered, and will let the Senator offer his amendment.

The PRESIDING OFFICER. The Senator from Florida withdraws his amendment.

Mr. DILL. Mr. President, I offer an amendment, which previously was offered by my colleague for him and myself, beginning on page 1, line 9, to strike out the remainder of the bill which carries the appropriation; on page 1, line 9, after the word "project," to strike out the balance of the line, all of line 10, and on page 2, all of lines 1 to 6, inclusive, and to insert the following:

and the appropriation of funds to make such surveys, investigations, and studies as may be necessary to enable the Secretary of the Interior to determine the economic feasibility of this project, and the best method for prosecuting the same, is hereby authorized from funds in the Treasury of the United States not otherwise appropriated.

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

Mr. DILL. Mr. President, the bill as it would read with this amendment simply provides for the appropriation of the necessary funds to make the studies and surveys to determine the economic feasibility of this project, and no longer authorizes the appropriation for the building of the project, as it previously did. The amendment does not affect, however, the amendments already adopted regarding the States of Idaho and Montana. It refers only to that part of the bill which carries the authorization of the appropriation for construction.

We are anxious to have the appropriation in order that the work may go forward over a period of years and be done with a view to the actual construction of the project rather than by piecemeal appropriation. The Secretary of the Interior has said in his report that he approves the appropriation of funds for the studies and surveys, but he did object to the bill as it was written because of the large appropriation and it being an indeterminate amount at this time.

I shall be glad now to answer any questions.

Mr. PHIPPS. Mr. President, may I ask the Senator from Washington if the amendment now proposed by him, inserted at the point designated in the bill, would not still leave in the bill the language from lines 6 to 9, inclusive, "to be finally determined by the Secretary of the Interior, be, and the same are hereby, adopted as a reclamation project, to be known as the Columbia Basin reclamation project"?

Mr. DILL. That is true.

Mr. PHIPPS. The adoption of the project, it seems to me, should take place after and not before the investigation to determine the feasibility. I think the amendment as suggested by the Senator from Florida was in proper form. If the Senator from Washington prefers the language of his own amendment, I would not have any objection to that, but I do not think that the Congress at this time is ready to declare and adopt this property or this land as a reclamation project. I think the investigation should first be had.

As I said before on the floor of the Senate, I am in favor of having the necessary appropriations to determine that fact authorized and made, but I feel that if the Congress goes on record as having adopted this as a reclamation project it is perhaps setting up false hopes in the minds of settlers, who will come into that district saying, "We are going to move into a Government reclamation project." I think it would very likely result in a land boom that would not be justified at this time.

Mr. DILL. Settlers will not go into and live on the project with knowledge that the economic feasibility will not be determined for some years to come. There is no way for them to make a living unless they make it by pumping water or carrying water on the land.

Mr. PHIPPS. Then what is the purpose of insisting upon having it adopted as a reclamation project? Why not be satisfied with the authority to expend all the money necessary to determine whether or not it is a feasible reclamation project?

Mr. DILL. If we simply continue to appropriate money in small amounts, as we have been doing, we will continue to get piecemeal investigations and piecemeal reports. If the project is adopted as a project, it means that $250,000 or $300,000 or $400,000, which will be spent over the period of the next five or six years, will be spent consecutively with a view to determining the development of the project as a whole, and one final report will be made, and we will not be having a report on every $50,000 we appropriate.

Under the present law there is no possibility of building a reclamation project until it has been determined economically feasible.

The use of the word "adoption" does not commit the Government to building the project, but it will commit the Reclamation Bureau to investigation on the theory that it is to be built as a whole if it is to be built at all. As long as this is done we will have to spend the money as we have been in the past, and we will not be able to get a study of the project on the theory of the entire project, spending three or four hundred thousand dollars, because we will only appropriate $50,000 or $100,000 at most at a time, and we will get a piecemeal investigation.

Mr. PHIPPS. An authorization is not necessarily an appropriation. While it is true that the appropriation would be made annually in moderate amounts as the necessary work progresses, I see no objection to making the authorization if such amount as is estimated will be sufficient to determine definitely and finally whether or not it is feasible.

I am absolutely opposed to the Congress going on record as having adopted this project before it knows whether or not it is feasible. I think it is misleading to the public, misleading to the people who would interest themselves in it, and it is absolutely unnecessary to go to that expense.

I think the Senators from Washington should be satisfied to have the authorization for the money that may be necessary, no matter whether it is $100,000 or $500,000, authorized to be appropriated in the judgment of the Congress from time to time on reports from the Department of the Interior. But to say that this is adopted as a reclamation project to my mind is a very bad policy, and I hope the bill will not be supported in that form. At the proper time I shall move to strike out the necessary language to eliminate its adoption as a project.

Mr. DILL. Mr. President, I want to answer the Senator from Colorado. The Senator from Colorado speaks as though there had been no report on the feasibility of the project. There have been reports on the feasibility of the project and they are on file as Senate documents. The project has been declared feasible, but before any project can be constructed there must be a study of the economic conditions by which the Secretary of the Interior is enabled to say it is economically feasible. The Congress has appropriated in the past funds for this investigation and the reports on file now are that the project is a feasible project. But it is such an immense project, there is so much soil involved, the carrying of the water is the biggest thing ever attempted by the Government, that consequently a great deal of study ought to be carried on and a great deal of work should be done before an actual declaration of its economic feasibility should be made.

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

Mr. DILL. Certainly.

Mr. WATSON. Does the Senator himself understand and intend that this measure, as he now has it formulated, does not commit the Government of the United States to the construction of this project?

Mr. DILL. It certainly does not commit the Government to the construction. That will be determined only after a report has been had from the Secretary of the Interior as to whether it is economically feasible.

Mr. PHIPPS. Then why put the cart before the horse and adopt it now? Why adopt it in advance? The Senator is well aware of the moneys that have been expended on the project.

Large amounts have been expended, not only by the Federal Government, but by the States and by individuals. I voted for the Federal appropriation. As I said, I am willing to vote for more. I am willing to authorize now any amount that may be determined upon as necessary to determine definitely and finally whether or not the project is economically feasible and practicable and desirable.

Mr. President, I feel that in approving the bill as rewritten by the Senator from Washington we are committing a blunder and incurring a moral obligation on the part of the Government of the United States to proceed with the project.

Mr. DILL. The Senator knows we have adopted other projects which were not ready to build, but which we meant to build. The adoption of the project in this language means that the studies from now on will be made with a view to the economic feasibility of the entire project and not piecemeal reports such as have been made in the past.

Mr. PHIPPS. The manner in which the investigation should be conducted would not vary one iota on either basis. It would be identically the same. The reports and recommendations would have to come to the bureau, be passed on by the department, and the department in turn recommend to Congress that appropriations be made, and the appropriations would then be made. There is not one bit of difference whatever involved in the manner of handling the appropriations. The authorization is one thing and the appropriation is another, but there is a vast difference between authorizing an investigation and providing the appropriations for it, and the adoption of a project. I hope the Senate will not agree to the passage of the bill in its present form.

Mr. NORBECK. Mr. President, I have no desire to delay a vote on the matter. I think the Senators from Washington are entitled to have a vote on it. I have no objection to one more investigation of the matter. I know absolutely nothing about the project except from the literature furnished by the boosters. I have never heard a knock on it anywhere along the whole line. The proponents of the bill claim for it that it has a six-months growing season, that it will raise staple farm products, and that it can be put in for $157 an acre. Am I correct?

Mr. DILL. About that amount.

Mr. NORBECK. Our experience, where we have to agree on these reclamation projects, has been that they have cost from two to three times what the engineers have estimated them to cost. But, assuming that the figures are right, that the booster literature which has gone out is correct, it will cost more to put water on that land than we can buy Iowa land for. It will raise the same crops, because it is in a higher altitude than other sections where other projects are located. Washington is fortunate in many respects. All other reclamation projects are not so fortunate. I think they have a remarkable record, but so far as I know they are all at a lower altitude and all produce other kinds of crops than this land is intended to produce.

Mr. JONES. The Senator is mistaken with reference to the altitude of these lands. Generally these are much lower than any other reclamation projects.

Mr. NORBECK. I am speaking of the reclamation projects in the State of Washington. This altitude is given at about 1,550 feet.

Mr. JONES. No; the altitude is about 350 or 400 feet up to 1,750 feet.

Mr. NORBECK. What is the altitude at Yakima? These are higher than any other projects in the State of Washington, are they not?

Mr. JONES. Oh, no. The Yakima project ranges from about 350 to 900 feet.

Mr. NORBECK. And this runs to about 1,500?

Mr. JONES. This runs from about 350 feet to about 1,500.

Mr. NORBECK. But a large part of it lies in the higher altitude.

Mr. JONES. No; the Senator is mistaken. The greater part is in the lower altitude.

Mr. NORBECK. I only have the booster pamphlets for it.

Mr. JONES. The Senator has not read them quite right, then.

Mr. NORBECK. I have no objection to getting a vote on the proposition providing for further investigation. I want to vote for it with my eyes open, but I do share the fear of some that it will lead to agricultural overproduction. It will take a long time to get the project under water.

Mr. HARRIS. Mr. President, I have voted for many reclamation projects in the West. I have voted for them without any hesitation. The Senators from the West were recently telling us that they must have an appropriation of $100,000,000 to take care of surplus crops. The Government has lost $25,000,000 on these reclamation projects already.

Lands in the United States, in the Middle West, the West, South, and North can be bought for less than it takes to put water on these lands. It seems to me the Senators ought to be satisfied to amend the bill so as to provide merely for a survey.

Congress has appropriated $3,000,000 or more for a survey of all the rivers in the United States, and the Columbia River is one of them. I am sure that the senior Senator from Washington [Mr. JONES], chairman of the Committee on Commerce, will see that that river gets attention, and he will have the assistance of the able junior Senator from Washington [Mr. DILL]. I hope the Senator will amend the bill, and not, as the Senator from Colorado [Mr. PHIPPS] suggested, put the cart before the horse. I want to do anything I can to help him in any matter in which he is interested, but he is asking a thing that he ought not to call upon the Congress to do.

Mr. DILL. Mr. President, I want to say with reference to the Senator's suggestion that we are asking Congress to authorize an appropriation for the building of this project contemplating more than it would ever pay back, that we believe the effective way to have the investigation of this great project is to have it done as a project, adopted by the Government. That does not commit the Government to building the project, but it does commit the Reclamation Bureau to the study of the project as a whole.

The Senator from Georgia mentioned the fact that the West has received much money for reclamation, and it is true that it has. The South has just received great consideration at the hands of Congress, and I am glad that it has.

Mr. HARRIS. But not in the same proportion. Senators from the West can ask for $10,000,000 and get it more easily than we can get $100,000 down in my section of the country. I do not say that in any unkind spirit, but the facts will prove it.

Mr. DILL. I do not want to get into an argument, but I must remind the Senator that the flood control bill carried $325,000,000, none of which will ever be repaid. I do not say that in any spirit of criticism. I am glad it was appropriated for the purpose. We are asking only $300,000 or $400,000 at most to build this project that some day the country will badly need. Twenty-five or thirty years from now this land will be badly needed. I can say to those who have any fear of over-agricultural production that it will be many years before there is any production on this land, because it is such an immense project that there is no possibility of it being done within a reasonable time.

Mr. PHIPPS. Mr. President, I think I can shorten proceedings, if the Senator will allow me. May I ask if the amendment proposed by the Senator from Washington is the amendment before the Senate?

The PRESIDENT pro tempore. The question before the Senate is the amendment proposed by the Senator from Washington.

Mr. PHIPPS. Is it now in order for me to offer a substitute for the amendment?

The PRESIDENT pro tempore. It is.

Mr. PHIPPS. I send to the desk an amendment in the form of a substitute, which I ask to have stated.

The PRESIDENT pro tempore. The Senator from Colorado offers an amendment to the amendment proposed by the Senator from Washington, in the form of a substitute, which will be stated.

The LEGISLATIVE CLERK. On page 1, line 7, after the word "be," it is proposed to strike out down to and including the word "made," in line 6, page 2, and to insert in lieu thereof the following:

investigated as to feasibility and cost, including the extent of the irrigable land, with a classification of soils of that area, measurements and sources of the water supply and determination of the cost of works for storage and distribution, working out plans for settlement and farm development, and there is hereby authorized to be appropriated such sums as may be necessary to enable the Secretary of the Interior to determine the economic feasibility of this project.

Mr. NORRIS. Mr. President——

Mr. DILL. I yield the floor.

The PRESIDENT pro tempore. The Senator from Nebraska is recognized.

Mr. NORRIS. Mr. President, it seems to me that we are presented with a question here that ought to be seriously considered by Senators coming from localities in the country where it is necessary, either in whole or in part, to irrigate land and which have had the benefits of the Reclamation Service. I would not want to block anything that the Senators from Washington desire; I would be willing to resolve the doubt in their favor; but I want to speak particularly to Senators who come from localities where the Reclamation Service operates.

We can not afford to ask Congress to do something involving an expenditure of the public money of the United States or of the reclamation fund that will afterwards bring discredit upon the Reclamation Service. It seems to me, Mr. President, that there is such doubt about this proposed project that before we legally adopt it as a reclamation project we ought fully to investigate it and be fully advised as to it. It is already stated that it is conceded by the engineers that it is going to cost from $150 to $157 an acre to put water on this land. That ought to make us pause and consider. It may be that it will be found on investigation that that estimate is proper and that the work should be done, but that is going, in my judgment, about the limit. It is a question of whether land in that locality will be able to pay itself out if we have to expend $157 an acre to put water on it, besides the annual cost of keeping up the project, which will amount to something in addition to that.

I should not have any objection to an investigation to see whether we should adopt this as a project, but I can not for the life of me understand why it is necessary to put in the statute the direct language that "it is hereby adopted as a reclamation project," when all concede that there is some doubt as to whether it is going to be practicable or impracticable. We go far enough, it seems to me, if we authorize an appropriation to make the necessary investigation. I believe that Senators from reclamation States ought to be careful that they do not overstep the bounds and have Congress do something out of favor to us that we may regret in the future. I myself can not understand why everything that could be expected would not be accomplished if we should withhold any action as to the formal adoption of this as a project until the necessary investigation shall have been made.

As I understand, even the Senators from the State of Washington are unable to say now that there is going to be a favorable report when a full investigation shall have been made. Why not make the full investigation?

Mr. DILL. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Nebraska yield to the Senator from Washington?

Mr. NORRIS. I yield.

Mr. DILL. The Senator from Nebraska says that we are unable to say whether there is going to be a favorable report on this project. Of course, we can not forecast the report, but we can say that every report up to this time has been favorable. As to the analysis of soil, as to the details of the report as to the economic feasibility of the project, as required by the Department of the Interior, of course, nobody can forecast that, but we have every reason to believe that the report will be favorable, and if it shall not be favorable, then, of course, the project never will be constructed. I remind the Senator, however, that projects are adopted regularly by the Government which can not be built until further investigation and the department shall declare them economically feasible.

Mr. NORRIS. That may be; I may be wrong about it; but I want to ask the Senator why can not everything be accomplished that he wants to accomplish if he will amend the bill so that we shall not formally adopt the project, but shall authorize a sufficient appropriation to make the investigation? I think I was warranted from the Senator's own language in stating that he can not now tell until all these investigations shall have been made whether the project will be feasible. I hear it said that it is going to be a very expensive proposition.

Mr. DILL. There is this point, which I tried to explain a moment ago, that if the investigations are made under an adoption clause they will be made with a view to a final report; but if they be made by a piecemeal appropriation we shall only get a report at the end of each session of Congress.

Mr. NORRIS. But we can easily arrange that, it seems to me, by the language of the proposed statute. Let the bill provide, if the Senator desires, that the entire proposition shall be investigated and a complete report submitted on it, but do not bind us by law to accept this as a reclamation project until then. How would the project be injured should the bill be amended in that way? What would be the difference according to the Senator's own viewpoint? Where would the Senator begin if we did that?

Mr. DILL. The project would then be looked upon as a project as to which it was not yet determined whether it would be a Federal project or not. If this project is ever built at all, it must be built as a Federal project.

Mr. NORRIS. I am perfectly willing, as far as I am concerned, to have the Government make that full investigation, but it is conceded we are not qualified now to invite settlers up there.

Mr. DILL. We can not invite settlers onto any project until it has been declared economically feasible, even though the Government has recognized it as a Federal project.

Mr. NORRIS. What is the difference, according to the Senator's idea, whether we formally say this is a Federal project, or whether we say we will investigate now before we make that declaration? It does not hurt it any to leave it that way. If it can be determined that it is easily feasible, an investigation will bring that out. We have to have that, any way.

Mr. DILL. I suggest to the Senator that the department engineers have already declared it a feasible project, but no action has ever been taken to recognize it as such, and if we refuse to recognize this project at all until it is recognized as economically feasible, we will be taking a different course from any we have taken with other Federal projects.

Mr. NORRIS. I understand the Senator himself to say that he does not know whether it is economically feasible or not.

Mr. DILL. No; nor do we know that of some other Federal projects which have already been adopted.

Mr. NORRIS. I have not looked into all of them, but it may be that we have committed errors in the past. As much as I am in favor of irrigation—I am not afraid of irrigating any piece of land where the project is decided to be a feasible one, and will vote for it almost without limit—I do not want, for the sake of the Reclamation Service itself, to take a step that may get us into disrepute not only with the country, but with Congress. I am afraid we might lose some of the respect of the country if we should ask the Government of the United States to declare this as a feasible project, and it might be determined in the end that it is not. If there were anything to be lost, if there were any possibility of losing anything, there might be some argument in putting this in, but I have not heard one word from anybody that, to my mind, gives any excuse for making this declaration now.

Mr. PHIPPS. Mr. President, will the Senator yield to me for the purpose of reading an extract from the report of the Secretary of the Interior on this project?

Mr. NORRIS. I am through.

Mr. PHIPPS. I do not want to take the Senator off the floor.

Mr. NORRIS. I can get the floor again if I want it.

Mr. PHIPPS. I want the Senator to hear this. This is from a copy of a letter addressed to me as chairman of the Committee on Irrigation and Reclamation; and at this point I want to say that, as chairman of that committee, I feel I would be assuming an undue responsibility if I allowed this measure in its present form to become a law. In this letter the Secretary said:

> I have your request for report on S. 1462, "A bill for the adoption of the Columbia Basin reclamation project, and for other purposes," for which the bill proposes to authorize the necessary funds from the General Treasury.
>
> The importance of this project to the Nation would make advisable a complete investigation of feasibility and cost extending over several years. This should include the extent of the irrigable area with a classification of soils of that area, measurements of the water supply and determination of the cost of works for storage and distribution, working out plans for settlement and farm development. All this information would be necessary in order to make a final and safe determination of feasibility as a prerequisite to recommending authorization of the project.
>
> I am, therefore, unable to recommend favorable consideration of the bill in its present form, but would recommend a reasonable appropriation to further and complete our investigations to determine feasibility.

With that information comes this:

> The last report made by a board of engineers gives the following information regarding cost, area, and engineering feasibility, which, of course, would be subject to correction as a result of more complete and recent investigations, if the department should be authorized by Congress to make a further survey:

Total area of Columbia Basin project	acres	1,224,000
Probable total cost		$197,895,595
Probable per acre cost of construction		$157

Mr. President, I do not think any member of the committee is a stronger friend of this project than I am, but I am not convinced that the time has arrived when Congress can properly adopt it as a reclamation project. I feel that the amendment I have submitted as a substitute would meet all the requirements, fill every condition that should reasonably be expected, and would enable the people to go ahead so that this work could be carried to a conclusion, to the point, at least, where the Government could determine whether or not it was feasible.

RECESS

The PRESIDENT pro tempore. The hour of 10.30 o'clock having arrived, under the unanimous-consent agreement previously entered into, the Senate will stand in recess until to-morrow at 12 o'clock.

Thereupon, at 10.30 o'clock p. m., the Senate took a recess until to-morrow, Friday, May 11, 1928, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 10 (legislative day of May 3), 1928

UNITED STATES COAST GUARD

The following-named cadets in the Coast Guard of the United States, to rank as such from May 15, 1928:

To be ensigns

Watson A. Burton.
Walter C. Capron.
Dale T. Carroll.
Samuel F. Gray.
Wilbur C. Hogan.
Kenneth P. Maley.
Leon H. Morine.
Carl B. Olsen.
Earl K. Rhodes.
Thomas M. Rommel.

These young men will have satisfactorily completed the course of instruction for cadets at the Coast Guard Academy, have passed the prescribed physical examination, and have served as cadets the time required by law.

JUDGE OF THE MUNICIPAL COURT OF THE DISTRICT OF COLUMBIA

Robert E. Mattingly, of the District of Columbia, to be judge of the municipal court, District of Columbia. (A reappointment, his term having expired.)

UNITED STATES ATTORNEY

Lewis L. Drill, of Minnesota, to be United States attorney, district of Minnesota, vice Lafayette French, jr., resigned.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY

FINANCE DEPARTMENT

First Lieut. William Thomas Johnson, Infantry (detailed in Finance Department), with rank from July 1, 1920.

First Lieut. Earle Everette Cox, Cavalry (detailed in Finance Department), with rank from January 1, 1925.

INFANTRY

Maj. Irving Joseph Phillipson, Adjutant General's Department, with rank from July 1, 1920.

AIR CORPS

Second Lieut. Joe L. Loutzenheiser, Cavalry (detailed in Air Corps), with rank from June 12, 1924.

PROMOTIONS IN THE REGULAR ARMY

To be lieutenant colonel

Maj. Joseph Warren Stilwell, Infantry, from May 6, 1928.

To be major

Capt. Jay Drake Billings Lattin, Signal Corps, from May 6, 1928.

To be captain

First Lieut. Allen Ferdinand Grum, Ordnance Department, from May 6, 1928.

To be first lieutenant

Second Lieut. Bernard Aye Tormey, Field Artillery, from May 6, 1928.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 10 (legislative date of May 3), 1928

PROMOTIONS IN THE NAVY

To be lieutenant commander

Benjamin F. Staud.

To be lieutenant

Carl H. Reynolds, jr.

To be chaplains

William H. Rafferty.
John E. Johnson.
Joseph E. McNanamy.
Homer G. Glunt.
Edward J. Robbins.
Charles A. Dittmar.
Emerson G. Hangen.

To be chief boatswain

George P. Childs.

To be chief pay clerks

Andrew E. King.
Rufus Hendon.
Fred Robinson.
Chester W. Utterback.
Wilburn Bates.

To be ensigns

Thomas A. Ahroon.
Alfred M. Aichel.
John C. Alderman.
Stephen H. Ambruster.
Paul R. Anderson.
Robert J. Archer.
Carl R. Armbrust.
Theodore F. Ascherfeld.
Thomas Ashcraft.
Michael P. Bagdanovich.
Alan B. Banister.
Richard N. Belden.
Irwin F. Beyerly.
Lex L. Black.
John A. Bole, jr.
John T. Bowers, jr.
Clarence M. Bowley.
John M. Boyd.
James H. Brett, jr.
Chesford Brown.
Cuthbert J. Bruen.
John E. Burke.
Albert C. Burrows.
Raymond O. Burzynski.
Harlow J. Carpenter.
Eugene C. Carusi.
Max L. Catterton.
William A. Cockell.
Victor B. Cole.
George W. Collins.
John L. Collis.
Gordon V. Conway.
Albert B. Corby.
Neale R. Curtin.
Roger M. Daisley.
Edwin B. Dexter.
Thomas A. Donovan.
George P. Enright.
Augustus W. Estey.
Edward T. Eves.
Albert J. Fay.
Evan E. Fickling.
Joseph Finnegan.
Eugene W. Fitzmaurice.
Michael F. D. Flaherty.
Leonard F. Freiburghouse.
George Fritschmann.
Allan G. Gaden.
Philip D. Gallery.
Norman F. Garton.
Marcel R. Gerin.
Donald S. Gordon.
Walter N. Gray.
Robert S. Hall, jr.
Weldon L. Hamilton.
Edward A. Hannegan.
Claude M. Harris.
Wilfred J. Hastings.
Earle C. Hawk.
Lindell H. Hewett.
Allen S. Hicks.
William E. Howard, jr.
Charles P. Huff, jr.
George K. Huff.
William H. Jacobsen.
Ralph K. James.
Milton G. Johnson.
Horace B. Jones.
Thomas W. Jones.
Francois C. B. Jordan.
Robert T. S. Keith.
Charles H. Kendall.
William D. Kennedy.
Paul E. Kerst.
George E. King.
Rodney B. Lair.
James R. Lee.
Julian H. Leggett.
Carl A. R. Lindgren.
Donald A. Lovelace.
Edward E. Lull.
Elwood C. Madsen.
Edward J. Martin.
Harold A. McCormick.
John K. McCue.
David L. McDonald.
Maurice M. Merson.
William J. Millican.
George H. Moffett.
Albert O. Momm.
Idris B. Monahan.
Frederick E. Moore.
Robert L. Morris.
Baron J. Mullaney.
John F. Mullen, jr.
Nic Nash, jr.
John F. Nelson.
Frank McD. Nichols.
Hugh R. Nieman, jr.
Rollo N. Norgaard.
Oscar L. Otterson.
William S. Parsons.
Robert C. Peden.
John R. Pierce.
Robert A. Pierce.
Earl H. Pope.
William S. Pye, jr.
Joseph F. Quilter.
John Quinn.
William F. Raborn, jr.
Matthew Radom.
Howard F. Ransford.
Jack C. Renard.
Harry W. Richardson.
J. Clark Riggs, jr.
Basil N. Rittenhouse, jr.
Lewis W. Sayers, jr.
William A. Schoech.
James B. Schuber, jr.
John A. Scott.
William M. Searles.
Harry E. Sears.
William W. Shea.
Vincent Shinkle, 3d.
Thomas H. Simmonds.
Charles R. Smith.
Thurmond A. Smith.
Phillip G. Stokes.
Robert O. Strange.
Guy W. Stringer.
Stephen N. Tackney.
Henry B. Taliaferro.
Donald A. Taylor.
William A. Taylor.
William D. Thomas.
Wells Thompson.
David W. Todd, jr.
Jesse J. Underhill.
John G. Urquhart, jr.
Robert E. Van Meter.
Daniel J. Wagner.
Phillip F. Wakeman.
Albert J. Walden.
William M. Walsh.
Charles R. Watts.
John T. White.
Harry B. Whittington.
John A. Williams.
Robert W. Wood.
Joe E. Wyatt.
Edwin J. S. Young.
John Zabilsky.
Hurley McC. Zook.

To be assistant paymasters

James S. Bierer.
Edward H. Koepel.

POSTMASTERS

NORTH CAROLINA

Ocie O. Freeman, Gates.
Lucile L. White, Salemburg.

OHIO

Melroy C. Johns, Caldwell.
Hosea A. Spaulding, Delaware.
Ralph Dunfee, Dresden.
Fred M. Hopkins, Fostoria.
Olive G. Randall, Hubbard.
Ray Phillips, Leavittsburg.
Robert E. Friel, Lore City.
Don B. Stanley, Lowell.
John W. Kramer, Maumee.
Harry E. Griffith, Mount Gilead.
Charles R. Finnical, Newton Falls.
Ben J. Filkins, Wakeman.

OKLAHOMA

Stephen M. Gold, Indianola.
Isaac W. Linton, Jones.

PENNSYLVANIA

Albert A. Campbell, Zelienople.
Robert H. Wilson, Littlestown.

SOUTH DAKOTA

Floyd Twamley, Alexandria.
Ralph L. Hazen, Canistota.
Christopher J. Johnson, Centerville.
Lottie M. Johnson, De Smet.
Philip S. Feldmeyer, Garden City.
Hellen S. Angus, Humboldt.
Linville Miles, Langford.
Della Reue, Leola.
Charles J. Moriarty, Marion.
Clyde C. Asche, Olivet.
Clarence Mork, Pierpont.
Fred S. Williams, Pierre.
Mae George, Ravinia.
Hugh H. Gardner, Ree Heights.
John W. Rydell, Rosholt.
Charles Furois, St. Onge.
Cyrus J. Dickson, Scotland.
Ola S. Opheim, Sisseton.
Pius Boehm, Stephan.
Carl O. Steen, Veblen.
John A. Hawkins, Waubay.
Edward A. Wearne, Webster.
Charles G. Kuentzel, White Rock.

WEST VIRGINIA

Lawrence Barrackman, Barrackville.
Aileen J. Calfee, Eckman.
Alphonse Leuthardt, Grafton.
Gertrude Smith, Oak Hill.
Norvell H. Burruss, Spring Hill.

HOUSE OF REPRESENTATIVES

THURSDAY, *May 10, 1928*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou who art all in all, Thou art such a merciful Father, for height nor depth, nor any other creature shall be able to separate us from the love of God. O give us an outburst of faith with the assurance that nothing can defeat divine care and divine compassion; we shall wonder then at the richness of life that shall come to us. Chasten all desire and graciously help us to know ourselves and Thy purpose concerning us. Give us wise views of the needs of our country and renew our strength and hope in all good things. Continue, blessed Lord, to establish us in all those virtues and in the love of that truth as taught by the Teacher of Nazareth. In His blessed name. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMMIGRATION

Mr. CARLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. CARLEY. Mr. Speaker, under the permission granted me, I want to call the attention of the House to the very meritorious provisions of H. R. 12816, entitled:

A bill relating to immigration of certain relatives of United States citizens and aliens lawfully admitted to the United States.

This bill has been favorably reported from the Committee on Immigration and Naturalization, and is now on the House Calendar. Its purpose is to remove some of the hardships now imposed under the present immigration quota law, which in its strict application has practically severed many family ties.

The population of the eighth congressional district of New York, which I have the honor to represent, is composed to a very large extent of foreign-born citizens, their American-born children, and resident aliens.

Since being elected by the people of the eighth congressional district of Brooklyn, N. Y., to represent them in Washington there have been called to my attention many pitiful and deserving cases.

Hardships and family separations caused by the strict enforcement of the immigration law are so frequently found and called to my attention that I am in favor of amending the present law and humanely modifying many of its provisions.

I heartily agree with the report of the committee and favor the early passage of the bill.

This bill would permit the entry, outside of quota limitations, of the wives of United States citizens, the husbands of United States citizens, and the children, under 21 years of age, of United States citizens.

The present law does not give a nonquota status to the husbands of citizens or the children between the ages of 18 and 21 years of citizens.

This bill also gives a certain preference status, within the quota allowances, to the unmarried children under 21 years of age, the wives, and the husbands of aliens already lawfully admitted to the United States and permanently resident here.

I would urge greater leniency than would be accorded under the terms of this bill. I would not set any age limit upon the children of United States citizens, for so long as either parent was a citizen I would admit their unmarried children irrespective of age. In fact, I would even go further; I would give a nonquota status to those minor children living abroad of aliens who have been legally admitted to the United States and who have filed their declarations of intention to become American citizens.

In many instances immigrants legally in the United States, some of them having filed their declarations of intention to become citizens, have appealed to me to assist in bringing their minor children here to join the family group in their established home. The only answer I could give those people was that their children would have to make application in the regular way at the American consulates abroad and come under the quota allowance, which, in most instances, on account of the small quota allowance, meant a wait of long and weary years.

I would be in favor of further amending the immigration laws so as to give the Secretary of Labor, or some officer designated by him, certain discretionary powers to meet unusual emergencies which can not otherwise be properly met on account of the strict interpretation of immigration law.

I have particularly in mind two pathetic cases in which discretion, if it were authorized, would have relieved a very distressing situation.

The first which came to my notice when I assumed office was the case of an alien widow who, with her infant child, came to this country on a visit to near relatives. While here on a visitor's visa this alien mother was taken ill and died. Under the technical interpretation of the quota immigration law the motherless infant could not remain here with its blood relatives but was compelled to return to its native land, the same as an adult alien.

Within the past few days an appeal was made to me by a young woman, a naturalized citizen, to procure permission to bring her infant sister to live with her, the widowed mother having died, leaving this little sister alone. Under the present law there was no provision whereby this child could be admitted to the United States, even temporarily, as she was under the age that she might be admitted for educational purposes.

I can not believe that anyone, not even the strongest advocate of total restriction of immigration, in circumstances as in the cases cited, would or could object to a provision in the immigration law that would give to the proper officials some discretionary powers to take care of such an emergency.

The adoption of the amendments suggested would not seriously affect the quota provisions of the present law; it would be merely granting to our own adopted citizens the benefit of humane provisions and common-sense interpretation of the quota law.

In conclusion, I sincerely hope that before adjournment of the Seventieth Congress some remedial and humane legislatiou