

2963. By Mr. LEA of California: Petitions of 74 residents of Lower Lake, Calif.; 89 residents of Oroville, Calif.; and 52 residents of Lower Lake and Clear Lake Highlands, Calif., urging passage of Spanish-American War pension bills now before Congress; to the Committee on Pensions.

2964. By Mr. McCLINTOCK of Ohio: Petition of 80 citizens of Stark County, Ohio, favoring increased pension for men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

2965. By Mr. McDUFFIE: Petition of citizens of Whister, Prichard, Chickasaw, Creighton, and Mobile, Ala., urging the passage of the Spanish-American War veterans' bill (H. R. 2562); to the Committee on Pensions.

2966. Also, petition of citizens of Lamison, Ala., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

2967. Also, petition of citizens of Clarke County, Ala., urging the passage of House bill 2562, granting an increase in pensions to Spanish-American War veterans; to the Committee on Pensions.

2968. Also, petition of citizens of the State of Alabama, urging the passage of the Spanish-American War veterans' bill (H. R. 2562); to the Committee on Pensions.

2969. Also, petition of citizens of Mobile, Ala., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

2970. By Mr. MAGRADY: Petition signed by 52 citizens of Watsontown, Pa., and vicinity, urging the enactment of Senate bill 476 and House bill 2562, providing increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

2971. By Mr. MILLIGAN: Petition executed by Mary E. Owings, Winston, Mo., and other citizens of that community, indorsing certain increases of pension for veterans of the Civil War and widows of veterans; to the Committee on Invalid Pensions.

2972. By Mr. MOUSER: Petition of citizens of Fremont, Ohio, urging the passage of the Civil War pension bill proposed by the National Tribune, granting an increase of pension to veterans and widows of veterans; to the Committee on Invalid Pensions.

2973. By Mr. MURPHY: Petition of George Burwell, Rayland, Ohio, and 64 other residents of Rayland, asking for the passage of the Spanish-American War pension bill; to the Committee on Pensions.

2974. Also, petition of Bert Aldrich, 313 Virginia Avenue, Steubenville, Ohio, and 63 other residents of that city, urging the passage of the Spanish-American War pension bill; to the Committee on Pensions.

2975. By Mr. HENRY T. RAINEY: Petition signed by V. C. Peckenpaugh and citizens of Pittsfield, Pike County, Ill., asking for the consideration and passage of bills providing for increased rates of pension to men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

2976. Also, petition signed by A. Waddle and 60 other citizens of Jerseyville, Ill., asking for speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

2977. Also, petition signed by Wm. L. Schnieder and 60 other citizens of Jerseyville, Ill., asking for consideration and passage of Senate bill 476 and House bill 2562, providing for increased rates of pension of Spanish War veterans; to the Committee on Pensions.

2978. Also, petition signed by C. Moran and 67 other citizens of Beardstown, Ill., asking for speedy consideration and passage of Senate bill 476 and House bill 2562, increasing rates of pensions to the men who served in the armed forces of the United States during the Spanish-American War; to the Committee on Pensions.

2979. Also, petition signed by Bert Smith and 41 other citizens of Jerseyville, Ill., favoring a bill for the increase of pensions of Spanish War veterans; to the Committee on Pensions.

2980. By Mr. REED of New York: Petition of residents of Olean, N. Y., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

2981. By Mr. REID of Illinois: Petition of Ernest Roweliff and 77 other residents of Aurora, Ill., urging the passage of House bill 2562, granting an increase in pensions to veterans of the Spanish-American War and widows of veterans; to the Committee on Pensions.

2982. By Mr. ROWBOTTOM: Petition of R. E. Smith, of Owensville, Ind., and others, of Gibson and Posey Counties, Ind., that Congress enact into law at this session legislation

for the relief of Spanish-American War veterans; to the Committee on Pensions.

2983. By Mr. SUMMERS of Washington: Petition signed by Albert S. Broun, I. E. Rice, Frank P. Day, and other citizens of Yakima, Wash., in support of legislation in behalf of Spanish War veterans and widows of veterans; to the Committee on Pensions.

2984. By Mr. THOMPSON: Petition of residents of Henry County, Ohio, praying passage of legislation proposed to increase the pensions of Spanish War veterans and widows of veterans; to the Committee on Pensions.

2985. By Mr. THURSTON: Petition signed by 125 citizens of Decatur County, Iowa, urging the Congress to enact legislation increasing the pensions now allowed to veterans of the Spanish War; to the Committee on Pensions.

2986. By Mr. TILSON: Petition of Rose Razee and other voters of West Haven, Conn., urging passage of legislation to increase the pension rates for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

SENATE

WEDNESDAY, January 15, 1930

(Legislative day of Monday, January 6, 1930)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

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

The PRESIDENT pro tempore. The clerk will call the roll.

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

Allen	Frazier	Keyes	Schall
Ashurst	George	King	Sheppard
Barkley	Gillett	La Follette	Shipstead
Bingham	Glenn	McCulloch	Shortridge
Black	Goff	McKellar	Simmons
Blaine	Goldsborough	McMaster	Smith
Blease	Gould	McNary	Smoot
Borah	Greene	Metcalf	Steak
Bratton	Grundy	Moses	Stciwer
Brookhart	Hale	Norbeck	Sullivan
Broussard	Harris	Norris	Thomas, Idaho
Capper	Harrison	Nye	Thomas, Okla.
Caraway	Hatfield	Oddie	Townsend
Connally	Hawes	Overman	Trammell
Copeland	Hayden	Patterson	Tydings
Couzens	Hebert	Phipps	Vandenberg
Dale	Heflin	Pine	Walcott
Deneen	Howell	Pittman	Walsh, Mass.
Dill	Johnson	Ransdell	Waterman
Fess	Jones	Robinson, Ind.	Watson
Fletcher	Kendrick	Robison, Ky.	Wheeler

Mr. HARRISON. I desire to announce that my colleague the junior Senator from Mississippi [Mr. STEPHENS] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

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

PETITIONS AND MEMORIALS

Mr. WALCOTT presented resolutions adopted by members and guests of the Winsted Chamber of Commerce, of Winsted, and the Woman's Foreign Missionary Society of Meriden, in the State of Connecticut, favoring ratification by the Senate of the proposed World Court protocol, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Board of Councilmen of the City of Torrington, Conn., favoring the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

He also presented a petition of sundry letter carriers of the Stamford (Conn.) post office, praying for the passage of legislation granting increased retirement pay to Federal employees, and also reducing the number of working hours on Saturday, which was referred to the Committee on Civil Service.

Mr. ALLEN presented a resolution adopted by the Board of County Commissioners of Brown County, Kans., favoring the making of an appropriation to be used in assisting Brown County, Kans., to construct bridges on the Sac and Fox and the Kickapoo Indian Reservations, which was referred to the Committee on Appropriations.

He also presented a resolution adopted by the mayor and commissioners of the city of Parsons, Kans., favoring the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

He also presented petitions of sundry citizens of Chetopa, Mound Valley, Oswego, and Parsons, all in the State of Kansas, praying for the passage of legislation granting increased

pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. NORBECK presented petitions of Mrs. E. H. Riemath and 67 other citizens of Hitchcock, of Charles Miller and 59 other citizens of Hot Springs, and of Rex W. Harris and other citizens of Webster, all in the State of South Dakota, praying for the passage of legislation granting increased pensions to Civil War veterans and the widows of veterans, which were referred to the Committee on Pensions.

He also presented petitions of Marvin C. Bowen, Otto Litzkow, and 130 other citizens of Watertown; of C. C. Cone and 89 other citizens, and of R. S. Vetas, Grace Williamson, and 114 other citizens of Sioux Falls, all in the State of South Dakota, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. BLAINE presented a petition of sundry citizens of Monticello, Wis., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

Mr. ROBINSON of Indiana presented a petition of sundry citizens of Bedford, Ind., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

Mr. BROOKHART presented petitions of sundry citizens of Audubon, Iowa, praying for the passage of legislation granting increased pensions to Civil War veterans and the widows of veterans, which were referred to the Committee on Pensions.

He also presented petitions of sundry citizens of Denison, Early, and Mandamin, all in the State of Iowa, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. ODDIE presented a telegram in the nature of a petition from the Nevada Mine Operators Association at Reno, Nev., praying for the imposition of an adequate tariff duty on silver, which was ordered to lie on the table.

VETERANS' LOANS AND ECONOMIC DISTRESS

Mr. WALSH of Massachusetts. Mr. President, I present for publication in the CONGRESSIONAL RECORD some interesting statistics with reference to the extent that veterans of the World War have made loans upon their adjusted-service certificates.

Nearly one-half of the 3,440,634 to whom certificates have been issued under the adjusted service compensation act up to January 1 of this year have borrowed on their certificates.

The number of loans made in November and December, 1929, was twice the number in the corresponding months of 1928, and the amount of loans doubled. Approximately 170,000 applications for loans were received from January 1 to January 9 of the present year. This is three times the number of loans made in the entire month of December, 1929, and much in excess of all loans made in the entire month of January, 1929.

I think the recent increase in applications reflects somewhat the extent of unemployment and the financial distress now prevailing throughout the country among those of meager incomes.

I ask that the table and correspondence referred to may be published in the CONGRESSIONAL RECORD.

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

The letters and table referred to are as follows:

UNITED STATES VETERANS' BUREAU,
Washington, January 9, 1930.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: I wish to acknowledge your letter of January 4, 1930, requesting certain information in connection with loans on adjusted-service certificates.

The approximate number of certificates issued to January 1, 1930, is 3,440,634, with a maturity value of \$3,484,930,373.

It is estimated that 170,000 applications for loans have been received from January 1, 1930, to the present date, aggregating an amount of \$15,000,000. I should like to make it plain that this latter figure is only an approximation in its broadest sense, as no exact tabulation would be possible without an appreciable amount of work being done for the specific purpose of compiling the figure, and it is felt that you would rather have this energy directed toward the making of loans than used in making an exact survey of the situation.

There is attached hereto a statement showing the number and amount of loans made by the bureau from April 1, 1927 (the date the first direct loan was made) to December 31, 1929. Strictly speaking, no direct loans are made by the Government; however, it is assumed that the information you wish is in connection with loans made by this bureau from the United States Government life insurance fund, which is a trust fund made up of premiums paid by ex-service policyholders. The real title to this fund lies with the policyholders

and not with the Government, the bureau's relation to the fund being simply that of a trustee.

If there is any further information in this connection you desire, I assure you that it will be promptly furnished to you upon request.

Very truly yours,

FRANK T. HINES, Director.

UNITED STATES VETERANS' BUREAU

Number and amount of loans made by bureaus from date of authorization by law, April 1, 1927, to December 31, 1929
[Compiled by Finance Service]

Month	Number of loans	Amount of loans
1927		
April.....	106,226	\$9,989,620.40
May.....	67,631	6,137,364.01
June.....	52,055	4,836,992.71
July.....	39,782	3,839,413.13
August.....	36,225	3,847,629.71
September.....	27,306	2,643,155.91
October.....	24,462	2,329,616.57
November.....	23,091	2,165,644.20
December.....	25,573	2,395,259.06
1928		
January.....	78,089	7,836,513.17
February.....	68,190	7,108,716.35
March.....	68,031	7,085,387.82
April.....	51,898	5,175,653.26
May.....	47,325	4,536,986.44
June.....	41,821	3,847,228.91
July.....	36,172	3,577,442.36
August.....	32,597	3,243,822.07
September.....	25,969	2,647,064.41
October.....	27,012	2,680,854.54
November.....	25,363	2,498,391.87
December.....	29,584	2,853,888.53
1929		
January.....	142,835	10,192,857.14
February.....	93,237	7,794,710.50
March.....	83,592	7,299,258.86
April.....	71,108	6,995,727.14
May.....	55,509	5,466,677.37
June.....	49,262	4,627,602.31
July.....	47,933	4,806,956.94
August.....	41,012	4,114,401.03
September.....	32,458	3,275,498.26
October.....	36,012	3,812,244.22
November.....	38,729	3,985,183.06
December.....	158,000	15,800,000.00
Total.....	1,684,090	159,447,777.34

¹ Approximate.

UNITED STATES VETERANS' BUREAU,
Washington, January 13, 1930.

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR WALSH: With reference to your letter of January 10, 1930, requesting information as to why the loans during the month of January exceed those of other months, I wish to advise you that under the adjusted compensation act the earliest date as of which adjusted service certificates could be issued was January 1, 1925. Since the majority of the applications for benefits under this act were filed prior to the aforesaid date, the anniversary date of the majority of the certificates is January 1 of each year.

As the loan value of the certificates increases with the anniversary date, the amount which may be borrowed thereon is usually applied for as soon as the increased amount is available, which causes so many more loans to be made during January than in other months.

Very truly yours,

FRANK T. HINES, Director.

PORTO RICAN HURRICANE RELIEF

Mr. BINGHAM, from the Committee on Territories and Insular Affairs, to which was referred the joint resolution (S. J. Res. 118) to authorize additional appropriations for the relief of Porto Rico, reported it without amendment and submitted a report (No. 91) thereon.

ADMINISTRATION OF INSULAR POSSESSIONS (S. DOC. NO. 68)

Mr. BINGHAM, from the Joint Commission on Insular Reorganization, pursuant to law, submitted a report (which was ordered to be printed as a document), accompanied by a joint resolution (S. J. Res. 120) authorizing the President to reorganize the administration of the insular possessions, which was read twice by its title and referred to the Committee on Territories and Insular Affairs.

REPORTS OF NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry post-office nominations, which were ordered to be placed on the Executive Calendar.

Mr. COUZENS, as in open executive session, from the Committee on Interstate Commerce, reported favorably the nomination of William E. Lee, of Idaho, to be an interstate commerce commissioner, which was ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

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

By Mr. COPELAND:

A bill (S. 3127) authorizing the issuance of victory medals to certain nurses; to the Committee on Military Affairs.

By Mr. HALE:

A bill (S. 3128) granting a pension to Amanda Alberta McKinney (with accompanying papers); to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 3129) for the relief of the widow of T. E. C. Vesper; to the Committee on Claims.

By Mr. ODDIE:

A bill (S. 3130) to enable the Secretary of Agriculture to control emergency insect infestations on the national forests; to the Committee on Agriculture and Forestry.

By Mr. SULLIVAN:

A bill (S. 3131) for the relief of the Buck Creek Oil Co. (with accompanying papers); to the Committee on Claims.

By Mr. GEORGE:

A bill (S. 3132) granting a pension to Mahlon A. Russell; to the Committee on Pensions.

By Mr. METCALF:

A bill (S. 3133) granting an increase of pension to Jane Kelley (with accompanying papers); to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3134) granting an increase of pension to Eda Blankart Funston; to the Committee on Pensions.

By Mr. TYDINGS:

A bill (S. 3135) granting the consent of Congress to Helena S. Raskob to construct a dam across Robins Cove, a tributary of Chester River, Queen Annes County, Md.; to the Committee on Commerce.

By Mr. GOFF:

A bill (S. 3136) to provide for the erection of a public building at New Martinsville, W. Va.; to the Committee on Public Buildings and Grounds.

By Mr. ROBINSON of Indiana:

A bill (S. 3137) granting an increase of pension to George C. Hall (with accompanying papers); and

A bill (S. 3138) granting an increase of pension to Minnie V. Dickens (with accompanying papers); to the Committee on Pensions.

By Mr. HOWELL:

A bill (S. 3139) to extend the times for commencing and completing the construction of a bridge across the Missouri River at or near Brownville, Nebr.; to the Committee on Commerce.

A bill (S. 3140) for the relief of William T. Stiles (with accompanying papers);

A bill (S. 3141) for the relief of Enriqueta Koch v. de Jeaneret (with accompanying papers); and

A bill (S. 3142) to allow credits in the accounts of certain disbursing officers of the United States Veterans' Bureau (with accompanying papers); to the Committee on Claims.

By Mr. COUZENS:

A bill (S. 3143) to provide for the advancement on the retired list of the Army of David Donaldson; to the Committee on Military Affairs.

AMENDMENT TO THE TARIFF BILL—ANTIMONY

Mr. ODDIE submitted an amendment intended to be proposed by him to House bill 2667, the tariff revision bill, which was ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES

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

REFUND OF FEES COLLECTED FOR VISAS (H. DOC. NO. 256)

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Foreign Relations and ordered to be printed:

To the Congress of the United States:

I inclose a report received from the Secretary of State concerning certain claims against the United States for the refund of the fees collected for visas issued under the laws in force

prior to July 1, 1924, which were rendered worthless by the enactment of the immigration act of 1924. The report requests that the Congress authorize the appropriation of the sum necessary to refund the fees referred to.

I concur in the recommendation of the Secretary of State and recommend that the Congress authorize an appropriation in the sum of \$160,000, or so much thereof as may be necessary, to effect the settlement of these claims.

HERBERT HOOVER.

THE WHITE HOUSE, January 15, 1930.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 7955) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 7955) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate executive messages from the President of the United States, which were referred to the appropriate committees.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

Mr. WATERMAN. Mr. President—

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Mississippi [Mr. HARRISON] to the amendment of the committee. The Senator from Colorado is recognized.

Mr. BARKLEY and others addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Colorado yield; and if so, to whom?

Mr. WATERMAN. Mr. President, I will ask the Senator from Kentucky to permit me to proceed for just a moment?

Mr. BARKLEY. Certainly.

Mr. WATERMAN. In order to disclose that the attitude of my people is my attitude upon this floor, I ask unanimous consent that some telegrams upon the pending question which I send to the desk may be printed in the Record.

The PRESIDENT pro tempore. Is there objection?

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

LAMAR, COLO., January 14, 1930.

Senator C. W. WATERMAN,

United States Senate Building;

Farmers of this valley highly incensed over sugar tariff and demand substantial relief.

RAY McGRATH,

President Arkansas Valley Ditch Association.

OLATHE, COLO., January 14, 1930.

CHARLES W. WATERMAN,

Care of United States Senate;

We urge you to uphold tariff bill for protection of beet-sugar industry.

WESTERN COLORADO BEET GROWERS' ASSOCIATION,

H. B. TURNER, *Secretary.*

LAMAR, COLO., January 14, 1930.

Hon. C. W. WATERMAN,

Care of United States Senate;

The farmers of this great Arkansas Valley are hoping that you will do everything in your power to get them an increase tariff on sugar. The life of this industry in this valley depends on it.

THE LAMAR CHAMBER OF COMMERCE,

C. H. WOODEN, *Secretary.*

MANZANOLA, COLO., January 14, 1930.

Senator C. W. WATERMAN:

Valley farmers greatly interested in advance present sugar tariff. We hope you are successful.

H. B. DYE,

President Arkansas Valley Chamber of Commerce.

DENVER, COLO., January 14, 1930.

Senator CHARLES W. WATERMAN,

Senate Office Building, Washington, D. C.:

Indirectly Colorado livestock producers and feeders are interested in beet production. Therefore we respectfully request you support tariff bill providing 2.20 cents on sugar. Please send copy of this message to Senator PHIPPS.

COLORADO STOCK GROWERS' AND FEEDERS' ASSOCIATION,
B. F. DAVIS, *Manager.*

DELTA, COLO., January 14, 1930.

Senator C. W. WATERMAN:

In the interest of our beet-growing members we respectfully request that you favor a high sugar tariff.

DELTA POTATO GROWERS' COOPERATIVE ASSOCIATION.

SUGAR CITY, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

United States Senator from Colorado:

We believe that an increased tariff on sugar is necessary for the preservation of the beet-sugar industry in this territory, and urge upon you the necessity for fighting for this when the tariff on sugar is voted on in the Senate.

NATIONAL SUGAR MANUFACTURING CO.

WILEY, COLO., January 14, 1930.

Senator CHARLES W. WATERMAN:

Strong tariff on sugar is absolutely necessary for the survival of the beet-sugar industry in Arkansas Valley.

J. L. FLEECHER.

DELTA, COLO., January 14, 1930.

Senator C. W. WATERMAN:

We ask that you favor a high tariff on sugar.

DELTA FARMERS' UNION.

LAMAR, COLO., January 14, 1930.

Senator C. W. WATERMAN:

The farmers of Arkansas Valley ask your support in securing the maximum increase in tariff on sugar.

T. H. HEATH,
President Southwest Colorado Livestock Association.

LAS ANIMAS, COLO., January 14, 1930.

Hon. C. W. WATERMAN,

United States Senator:

Myself, as well as all farmers in this community, are very much interested in obtaining some tariff relief on sugar. Will appreciate all you can do for us.

STANLEY LEE,
Chairman Board of County Commissioners Bent County.

LAMAR, COLO., January 14, 1930.

Senator CHARLES W. WATERMAN,

United States Senate:

Only the maximum sugar tariff will continue industry here.

H. C. NEVIUS.

LAS ANIMAS, COLO., January 14, 1930.

Hon. C. W. WATERMAN,

United States Senator:

We are depending upon you to help us obtain tariff relief on sugar.

FRANK A. CROWE,
President Bent County National Farm Loan Association.

LAS ANIMAS, COLO., January 14, 1930.

Hon. C. W. WATERMAN,

United States Senator:

Myself as well as all farmers in this community are very much interested in obtaining some tariff relief on sugar. Will appreciate all you can do for us.

ALVA C. BART,
Secretary Las Animas Farmers' Union.

GRAND JUNCTION, COLO., January 14, 1930.

Senator C. W. WATERMAN,

Washington, D. C.:

We feel that the increased tariff on sugar is absolutely necessary to the life of the beet-sugar industry, and as farmers in this community raising sugar beets we respectfully request that you use every effort to increase the tariff on sugar.

L. D. NELSON,
President of the Western Slope Beet Growers' Association.

LAS ANIMAS, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

United States Senator, Washington, D. C.:

People of this section want higher tariff on sugar. Do all you can for us.

A. C. JOHNSON,
Republican County Chairman.

AVONDALE, COLO., January 14, 1930.

Senator WATERMAN,

United States Senate, Washington, D. C.:

Would appreciate all efforts possible for higher sugar tariff protecting this beet-growing community.

C. T. GRISHAM,
RALPH ALLEN,
WILLIAM ALLEN,
E. E. SMITH,
Sugar-Beet Farmers.

PUEBLO, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

*United States Senator from Colorado,
Washington, D. C.:*

Knowing the necessities of Colorado farmers by reason of representing owners of over 5,000 acres of irrigated land in the Arkansas Valley, I urge you to maintain your firm stand for increase in sugar tariff and to use your influence to secure adoption.

JAMES C. PEABODY.

PUEBLO, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

*United States Senator from Colorado,
Washington, D. C.:*

Stockholders of the Bessemer Irrigating Ditch Co. at annual meeting to-day adopted following resolution:

"Resolved by the stockholders of the Bessemer Irrigating Ditch Co., who are the owners of the 20,000 acres of land irrigated by the Bessemer ditch, That the Colorado Senators be urged to maintain their stand for an increase in the sugar tariff, which is an absolutely necessary measure for the relief of farmers in Colorado, and to use their utmost efforts to insure the adoption of such increase."

LEWIS BARNUM, *Secretary.*

LAS ANIMAS, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

United States Senator, Washington, D. C.:

All our people vitally interested in higher tariff on sugar. Use all your influence in our behalf.

LAS ANIMAS (COLO.) LIONS CLUB,
G. K. MCCAULEY, *Secretary.*

LAS ANIMAS, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

United States Senate, Washington, D. C.:

Citizens of Las Animas and farmers of Bent County vitally interested in sugar tariff. Your support solicited for a higher tariff, which will provide farmers protection on a fair price for beets.

BYRON G. ROGERS,
President Las Animas Chamber of Commerce.

RIFLE, COLO., January 14, 1930.

Hon. CHARLES W. WATERMAN,

Senate Office Building, Washington, D. C.:

Commending your constant effort to obtain adequate protection for western industries, we earnestly urge unfaltering persistence in maintaining Senate committee rates on sugar.

CLAUD GEORGE,
*President, and 121 growers Garfield
County Beet Growers' Association.*

DELTA, COLO., January 15, 1930.

CHARLES W. WATERMAN,

Senator, Washington, D. C.:

We know that you are strongly advocating increased duty on sugar. This is just a reminder that the farmers of western Colorado are behind you and appreciate your efforts to get adequate tariff protection.

DELTA COUNTY CHAMBER OF COMMERCE,
L. A. DOWD, *President.*

DELTA, COLO., January 15, 1930.

Hon. C. W. WATERMAN,
Senate Chamber, Washington, D. C.:

A higher tariff on sugar is of vital importance to the farmers on the Uncompahgre reclamation project. It will be a big lift in paying the high water charges held against us. Your best efforts along these lines will be greatly appreciated.

THE UNCOMPAHGRE VALLEY
WATER USERS' ASSOCIATION,
C. B. ELLIOTT, Acting President.

FOWLER, COLO., January 15, 1930.

Senator CHARLES W. WATERMAN,
Senate Chamber, Washington, D. C.:

The Fowler Cooperative Beet Growers' Association of 100 members urges you to use all your influence to further the interests of the sugar industry in Colorado.

C. J. STAUDER, Secretary.

GRAND JUNCTION, COLO., January 15, 1930.

Senator CHARLES W. WATERMAN,
Washington, D. C.:

Future of western Colorado beet growers and sugar industry depends upon ample tariff protection. Present narrow margin makes this source of relief imperative. A continuation of your strenuous efforts Wednesday's session will be valuable. Our appreciation for your attention.

CHAMBER OF COMMERCE.

Mr. WATERMAN. Mr. President, yesterday on page 1581 of the RECORD appears what purports to be a letter from some one in Colorado which the senior Senator from Mississippi [Mr. HARRISON] asked to have printed in the RECORD. It appears to be anonymous. I ask the Senator from Mississippi if he will kindly place the name of the writer of that letter in the RECORD?

Mr. HARRISON. Yes. I will say to the Senator from Colorado that the gentleman who wrote to me and made the statement said he had no objection to putting his letter and his name in the RECORD, and I shall be very glad to do that.

Mr. WATERMAN. I should like to have that done.

Mr. HARRISON subsequently said: Mr. President, at the request of the junior Senator from Colorado [Mr. WATERMAN], I ask to have read at the desk the letter which he desires shall be placed in the RECORD. It is from Mr. William D. Hoover, 1175 Race Street, Denver, Colo.

The PRESIDENT pro tempore. Without objection, the clerk will read, as requested.

The Chief Clerk read as follows:

DENVER, COLO., January 11, 1930.

Hon. PAT HARRISON,
Senate Office Building, Washington, D. C.

DEAR SENATOR: You are welcome to use any of the statements of the inclosed memorandum if they appeal to you.

I have been intimately connected with the industry under so much discussion from its inception in Colorado, and consider myself a protectionist under justifiable conditions.

If the public were more familiar with the commonplace facts concerning this subject its opinion surely would dictate the correct solution.

Most sincerely,

W. D. HOOVER.

Mr. WATERMAN. I thank the Senator from Mississippi.

Mr. BARKLEY. Mr. President, if no other Senator desires to make any preliminary motions or suggestions, I desire briefly to discuss the pending amendment of the Senator from Mississippi [Mr. HARRISON], which leaves the tariff on sugar as it is in the present law.

Mr. President, there is no more important provision in the pending tariff bill than the schedule which we are now considering affecting the tariff on sugar. We are all familiar with the fact and the RECORD has spoken time and time again to the effect that the House bill increased the tariff on sugar from 1.76 to 3 cents per pound, subject to the Cuban differential, which brought it down to 2.40, and that the Senate Finance Committee has reported an amendment to that provision so as to increase the tariff from 1.76 cents to 2.20 cents on Cuban sugar and 2.60 on all other sugar. The proposal of the House bill increased the tariff on sugar more than 36 per cent, while the Senate amendment increases it more than 25 per cent above present rates. I am opposed to all increases in the tariff on sugar.

In order to justify an increase in the tariff on sugar, I take it for granted no one will deny that it is necessary to demonstrate that the increased tariff is either needed by the United States Government as a matter of revenue or that the beet and cane sugar industries in the United States are entitled to the increase and need the increase as a matter of protection. Of

course, the latter phase of the question carries with it the corollary of farm relief involved in the increase in the tariff on sugar. Many of those who came before the House and Senate committees urging the increase in the tariff on sugar based it upon the theory that it was a measure of farm relief designed to aid the growers of sugar beets and sugarcane in the United States. I shall discuss the so-called farm-relief phase of the problem a little later.

I assume that no Senator on this floor will seriously contend that this increase is needed as a matter of revenue, although in a verbal passage at arms across the aisle recently the Senator from Utah [Mr. SMOOT] submitted the suggestion, in all seriousness so far as his countenance could show, that it might be justified as a revenue measure, notwithstanding the fact that within the last 30 days we have passed a joint resolution handing back to the taxpayers of the United States \$160,000,000 represented by a surplus in the Treasury at the present time. So, Mr. President, I do not think the argument that the increase in the tariff is needed as a matter of revenue is entitled to serious consideration.

That brings us, then, to a discussion of its merits, if it has any, as a matter of protection to the sugar industry as a whole and to the farmers of the United States in particular. I think it might be interesting and illuminating to make some comparisons as to the acreage represented by the sugar industry and by other agricultural industries in their relation to the farm problem. A large number of what I consider to be the inequities of the pending tariff bill are based upon and sought to be justified by an appeal to our natural desire to aid the farmer. The Congress was called into extraordinary session last year because of an agricultural condition, which was not produced by depression in the peanut market, which was not produced by any condition that existed among the popcorn producers, nor by any condition so far as I know existing in the olive orchards; but we were brought here because of a condition that existed in the great farming regions which produce corn and wheat and tobacco and rye and hay and cattle and other staple commodities which are regarded as presenting a serious farm problem in the United States. Yet by nothing that you have done so far in this tariff bill have you brought one dollar of profit to the wheat grower; by nothing that you have done so far have you added one penny to the income of the producer of corn or of tobacco; but, on the contrary, at every turn of the tariff road you have heaped additional burdens upon the producers of all the farm products in the United States.

If this measure shall become a law, either as it passed the House or as it has been up to date considered by the Senate, it will increase the price of every product bought by every farmer of the United States. It will increase the price of every woolen garment which the farmer is required to buy to wear either in the summer or the winter time; it will increase the price of every hat which he is required to buy whether it be of wool or of straw; it will increase the price of every implement of husbandry and of all the implements and tools of the artisans and the laborers of the United States; and now we are asked to heap an additional burden upon 30,000,000 farmers and 90,000,000 other consumers because of an increased price of sugar, and we are told that it is needed to be done as a measure of farm relief.

Mr. President, how many people are engaged or interested in the production of sugar beets in the United States? Somewhere in the neighborhood of 300,000, which is only 1 per cent of the 30,000,000 farmers who will be affected by the increase in the price of sugar. What is the acreage of the various staple crops of the United States?

It is interesting and somewhat astonishing to make a comparison between the acreage devoted to the cultivation of sugar beets and sugarcane with that devoted to the cultivation of other crops in the United States.

In 1928 there were 100,761,000 acres of corn in cultivation in the United States. There were 45,326,000 acres of cotton in cultivation in 1928. There were 57,724,000 acres of wheat in cultivation. There were 1,912,000 acres of tobacco in cultivation in 1928. There were 41,733,000 acres of oats. There were 3,825,000 acres of potatoes. There were 12,000,000 acres of barley in cultivation in 1928. There were 1,777,000 acres of beans, 750,000 acres of buckwheat, 965,000 acres of rice, 720,000 acres of timothy seed—not hay, but timothy seed; there were 1,388,000 acres of cowpeas, 3,444,000 acres of rye, 2,721,000 acres of flaxseed, 6,497,000 acres of grain sorghum, 57,775,000 acres of tame hay, and 13,144,000 acres of wild hay, making a total of 70,919,000 acres devoted to the cultivation of hay in the United States; there were 713,000 acres of clover seed, 1,910,000 acres of soybeans, 1,541,000 acres of velvet beans, 810,000 acres of sweetpotatoes, 138,000 acres of sugarcane,

348,000 acres of sorghum cane, and 464,000 acres of sugar beets in cultivation in the entire United States of America in the year 1928.

In other words, compared to 45,000,000 acres of cotton, for which nothing is done or can be done under this tariff bill, we have 646,000 acres of sugar beets and 138,000 acres of sugarcane.

Compared to 100,000,000 acres of corn in the United States, for which nothing is done or can be done in this tariff measure, we have 646,000 acres of sugar beets.

Compared to 57,000,000 acres of wheat, we have 646,000 acres of sugar beets.

In other words, in order, as they say, to protect the growers of 646,000 acres of sugar beets, we are proposing to tax 30,000,000 farmers who cultivate 100,000,000 acres of corn, 45,000,000 acres of cotton, 57,000,000 acres of wheat, and so on, ranging all the way down through the agricultural list. Even the growers of sweetpotatoes in the United States cultivate more acreage than is involved in all the sugar beets used in all the States that are asking for this increased tariff.

I am informed that on the average one person can cultivate about 13½ acres of beets, which means that there are actually about 47,000 people engaged in the cultivation of this product.

There are 640 acres in a square mile. One thousand square miles would be 640,000, which is the acreage last year in sugar beets. In other words, a strip of territory ten times the size of the original dimensions of the District of Columbia—which was a square 10 miles each way, and therefore contained 100 square miles—represents, if it were all put in one parcel, the entire acreage that was last year cultivated in sugar beets. Yet, in order to protect 1,000 square miles of territory producing sugar beets in the United States, we are asked to levy an additional burden upon not only 30,000,000 farmers who produce corn and wheat and tobacco and rice and rye and barley and all the other crops that go to feed and clothe the American people and the world, but we are asked also to put an additional burden upon the breakfast tables of 75,000,000 or 80,000,000 people who are not engaged in agricultural pursuits. And the fallacy of the proposal is that it will in fact not benefit the beet or cane growers of the United States.

Farm relief! Why, they produce in Louisiana ten times as much acreage in corn as they do in sugarcane; and yet those who produced that corn in Louisiana, those other farmers who are compelled to cultivate 1,240,000 acres of corn in Louisiana, are to be taxed because 138,000 acres of cane sugar is here demanding more protection and a greater burden at the expense of the American people. If we are to deal with the tariff on sugar purely as a matter of agricultural protection, what shall we say to the farmers in Louisiana who cultivate a million and a quarter acres of corn, for whom this measure provides no benefit whatever, but upon whom it heaps additional burdens? How can we justify a course that helps further to impoverish the very farmers for whose benefit we were supposed to have been called into extra session?

More than a million acres of cotton are cultivated in Louisiana. Those cotton producers receive no benefit from an additional tariff on sugar; but every man who grows cotton, every man who in the blistering rays of the summer sun must cultivate it and in the fall must gather it, must pay his share of tribute into the coffers of the sugar industry, in order, as they say, that 138,000 acres of sugarcane in Louisiana may have more protection. In other words, in order to protect a hothouse industry in one State we are proposing to tax those who are engaged in an industry that is indigenous to the soil, and whose soil produces, by reason of its excellent quality, both wheat and corn and cotton.

Taking it only from the standpoint of Louisiana alone, there is no justification for this increase in the tariff on sugar for the benefit of those who cultivate 138,000 acres of sugarcane.

In 1928—which are the last figures I have, taken from the 1928 Agricultural Yearbook, which is the last yearbook which has been published—the State of Ohio had 38,000 acres in sugar beets. The State of Ohio had 872,000 acres in wheat; and yet the farmers who cultivated 872,000 acres of wheat in Ohio are asked to pay an additional burden in order to protect those who cultivate 38,000 acres of sugar beets in that State.

The State of Michigan in 1928 cultivated 65,000 acres of sugar beets. At the same time the farmers of Michigan cultivated 887,000 acres of wheat. Those wheat growers are asked to pay an additional burden in the way of a tariff on sugar for the benefit of the comparatively small number who cultivate 65,000 acres of sugar beets. I deny that even the growers of sugar beets will receive the benefit of this additional tax, if it should be levied.

The State of Michigan in the same year cultivated 1,461,000 acres of corn; and, bear in mind, this tariff bill does nothing

for the corn producer nor the wheat producer; and yet we are asked here to tax those who cultivate 1,461,000 acres of corn in Michigan in order to protect those who cultivate 65,000 acres of sugar beets.

In the State of Wisconsin, in the year 1928, they cultivated 8,000 acres of sugar beets. In the State of Wisconsin in the same year they cultivated 1,121,000 acres of corn and 104,000 acres of wheat.

In the State of Nebraska in 1928 they cultivated 88,000 acres of sugar beets. I was somewhat surprised to learn that next to Colorado, Nebraska has more acreage in sugar beets than any other State, Colorado having 179,000 and Nebraska 88,000. In 1928, however, Nebraska had 3,672,000 acres of wheat; and yet, in order to use the agricultural problem as a lever for increasing the price of sugar, we are asked to tax the producers of wheat in Nebraska who cultivate 3,672,000 acres, in order that 88,000 acres of sugar beets may, as they say—assuming that they are correct, and that they would receive the benefit of it—be protected by an increase in the tariff on sugar. And while we are taxing those who cultivate 3,672,000 acres of wheat in the State of Nebraska, we are also taxing the farmers who last year cultivated 4,469,000 acres of corn; and when we add 3,672,000 to 4,469,000 we have about 8,000,000 acres in the combined cultivation of corn and wheat, the growers of which receive no benefit whatever from this tariff bill. We are asked to mulct them by an increase in the price of sugar for the benefit of a few people who cultivate 88,000 acres of sugar beets in that great agricultural State, and we are asked to do it in the name of farm relief, Mr. President!

In the State of Montana last year they had 29,000 acres of sugar beets. They had 3,853,000 acres of wheat and 274,000 acres of corn.

In the State of Wyoming last year they had 45,000 acres of sugar beets, 243,000 acres of wheat, and 167,000 acres of corn.

In the State of Colorado last year they had 179,000 acres of sugar beets, and that is the largest acreage produced by any State. In the same year there were 1,339,000 acres in cultivation in wheat in the State of Colorado and 1,438,000 acres in corn. Corn and wheat combined in Colorado represented 2,777,000 acres as against 179,000 acres in sugar beets, or in the ratio of nearly 16 to 1.

Farm relief! We all recall the tragic sentence of Madame Roland, who said: "O liberty, how many crimes are committed in thy name!" How appropriate it might be to paraphrase that expression and say, "O farm relief, what iniquities are committed in thy name."

We have been in the habit of referring to Utah, the State represented by the distinguished chairman of the Finance Committee, as the sugar-beet State, when, as a matter of fact, Utah is fourth in the list. Colorado is first, Nebraska is second, Michigan is third, and Utah is fourth. But the fact that the sugar refineries are very largely located in the State of Utah, which may give a clue to the anxiety of those from Utah to increase the price of sugar and the tariff on it, probably has given rise to the habit of referring to Utah as the beet-sugar State.

In Utah last year only 53,000 acres were in cultivation for sugar beets. At the same time there were 238,000 acres in wheat in that State, more than four times the acreage in beets. These significant figures from the sugar-beet States themselves show how utterly false is the pretense that this increase in the cost of sugar is intended as a measure of farm relief.

I wish here to insert the following tables showing the acreage of various crops in the United States for the year 1928, the latest year for which accurate figures are available:

Crop acreage, 1928	
Alfalfa.....	235,000
Corn.....	1,761,000
Cotton.....	45,326,000
Wheat.....	57,724,000
Tobacco.....	1,912,000
Oats.....	41,733,000
Potatoes.....	3,825,000
Barley.....	12,000,000
Beans.....	1,777,000
Buckwheat.....	750,000
Rice.....	965,000
Timothy (1927).....	720,000
Cowpeas.....	1,388,000
Rye.....	3,444,000
Flaxseed.....	2,721,000
Grain sorghum.....	6,497,000
Hay (tame).....	57,775,000
Hay (wild).....	13,144,000
Hay (total).....	70,919,000
Clover seed.....	713,000
Soybeans.....	1,910,000
Velvet beans.....	1,541,000
Sweetpotatoes.....	810,000
Sugarcane (Louisiana).....	138,000
Sorghum sirup.....	348,000
Sugar beets.....	646,000

WHEAT BY STATES	
Pennsylvania	1,108,000
Ohio	872,000
Indiana	910,000
Illinois	1,563,000
Michigan	887,000
Minnesota	1,599,000
Missouri	1,511,000
North Dakota	10,367,000
South Dakota	3,362,000
Nebraska	3,672,000
Kansas	10,473,000
Virginia	673,000
Oklahoma	4,413,000
Texas	2,016,000
Montana	3,853,000
Idaho	1,160,000
Colorado	1,339,000
Washington	2,271,000
Oregon	1,055,000
California	812,000
Total	57,724,000

CORN BY STATES	
New York	650,000
Pennsylvania	1,283,000
Ohio	3,646,000
Indiana	4,583,000
Illinois	9,570,000
Michigan	1,461,000
Wisconsin	1,121,000
Minnesota	4,089,000
Iowa	11,174,000
Missouri	6,260,000
North Dakota	997,000
South Dakota	4,469,000
Nebraska	8,937,000
Kansas	6,634,000
Virginia	1,642,000
North Carolina	2,305,000
South Carolina	1,422,000
Georgia	3,602,000
Florida	607,000
Kentucky	3,029,000
Tennessee	2,915,000
Alabama	2,650,000
Mississippi	1,765,000
Arkansas	2,002,000
Louisiana	1,242,000
Oklahoma	3,050,000
Texas	4,722,000
Colorado	1,438,000
Total	100,761,000

COTTON BY STATES	
North Carolina	1,890,000
South Carolina	2,355,000
Georgia	3,719,000
Tennessee	1,086,000
Alabama	3,595,000
Mississippi	3,994,000
Arkansas	3,610,000
Louisiana	1,985,000
Oklahoma	4,240,000
Texas	17,766,000
Total	45,326,000

TOBACCO BY STATES	
Massachusetts	7,100
Connecticut	23,700
New York	800
Pennsylvania	34,000
Ohio	30,100
Indiana	8,400
Wisconsin	31,000
Missouri	4,000
Maryland	32,000
Virginia	177,000
West Virginia	4,500
North Carolina	659,000
South Carolina	104,000
Georgia	81,500
Florida	8,800
Kentucky	290,000
Tennessee	87,800
Louisiana	1,000
Total	1,912,700

Acreage in sugar beets, by States, 1928	
Ohio	38,000
Michigan	65,000
Wisconsin	8,000
Nebraska	88,000
Montana	29,000
Wyoming	45,000
Idaho	26,000
Colorado	179,000
Utah	53,000
California	52,000
Other States	63,000
Total	646,000

In addition to the crop comparisons which I have made, it is worth while to recall that for the same year there were in the United States 55,000,000 head of cattle, 60,000,000 head of hogs, and 47,000,000 head of sheep on the farms of the United States, the owners and producers of which would have to pay their share of the increase in the price of sugar if this sugar tariff is increased.

Mr. President, when we compare the acreage under cultivation in sugar beets in the United States with the enormous acreage in other crops, the cry of a higher sugar tariff for the benefit of the farmer becomes a huge joke, or it would be a joke if it were not a tragedy.

There is no way by which to estimate the additional burden which will be placed upon agriculture if this tariff bill is enacted, either as it came from the House of Representatives or as it came from the Senate Committee on Finance. We do know that there is no benefit in it for the great bulk of farmers, whose condition brought us here last April. We do know that it contains no benefit for the great masses of American agriculture, in whose name we are asked to pass a bill for the benefit of agriculture; and, so far as I am concerned, I regret that the economic and agricultural situation is such that we can not do anything for the wheat grower, for the corn grower, for the cotton grower, for the rye producer, for the tobacco grower in this country by reason of any tariff we may place upon these products in this bill. And that furnishes all the greater reason why we should not take advantage of their situation in order to heap burdens upon them that will make them still more depressed in their agricultural relationship by reason of increasing the burden which they bear and which they must pay if we increase either the sugar schedule or the other manufacturing schedules to which I have referred from time to time during the consideration of the pending bill. If this Congress takes advantage of the deplorable conditions in agriculture as an excuse for still further increasing the cost of living to those engaged in it, no defense for such a betrayal can be fabricated in any honest mind.

Mr. President, I can not justify an increase, and I do not believe any man on the floor of this body, coming from an agricultural State, even from a State where sugar beets are grown, can justify an increase on all the rest of the farmers of the United States for the benefit of about 300,000 engaged or interested in the production of beets and cane, out of which sugar is made, and then call it farm relief.

What is the situation with reference to sugar? In my judgment, according to the information which is available, there has been really no great depression among the sugar-beet growers of this country. Let us take the value of their land and the acreage production in sugar beets, and the price which they have been receiving for sugar beets, which has been in the neighborhood of from seven to eight dollars a ton. If we compare the value of their land, the cost of their labor and their production, and the return which they have received from the 640,000 acres which they have in sugar beets, it will be found that they have received a higher reward for their labor in the production of sugar beets than has been received by the producer of any other farm product in the United States of America.

I invite a comparison between sugar beets and wheat. I invite it as to corn. I invite it as to tobacco. I invite it as to cotton. I invite it as to rye and rice and barley, and all the other crops which are mentioned in the table from which I have read. I challenge any Senator, whether he come from a sugar-beet State or sugarcane State, to deny the statement I am about to make, that the growers of sugar beets in the United States have received a higher return for their investment and upon their cost of production and the value of their lands than have any other farmers in the United States of America. Yet we are asked to tax all the other 30,000,000 in order that we may add to the profits, as we are told, of 300,000. I might say in passing that it is extremely doubtful whether, even if the tariff is increased, the producers of sugar beets will receive very much, if any, benefit from it. The sugar refiners and the island possessions will get most of the benefit.

Mr. President, we consume in the United States every year about 12,000,000,000 pounds of sugar, and we produce about 2,000,000,000; or to reduce it to tons, we consume about 6,000,000 tons and produce about 1,000,000. So that we are required to import into the United States 5,000,000 tons, or 10,000,000,000 pounds, of sugar. About half of that 6,000,000 tons we import from Cuba, which makes a total of 4,000,000 tons added to our own million production, and the other 2,000,000 tons, or 4,000,000,000 pounds, in round figures, we import from Porto Rico, Hawaii, and the Philippine Islands.

The tariff on sugar was increased from 1.6 cents, as carried in the Underwood bill in 1913, to 1.76 cents, as carried in the Fordney-McCumber bill. In other words, we added seven-tenths of a cent per pound to the tariff. Notwithstanding that addition in the tariff, our domestic sugar production has been about the same during the last five or six years. On the contrary, the importations from the Philippine Islands, from Porto Rico, and from the Hawaiian Islands have greatly increased, because with sugar from those islands coming in without the payment of duty they have been able not only to compete with

our domestic production, but, by reason of the higher tariff on Cuban sugar, the importations from those islands have to a large extent been substituted for Cuban sugar.

Mr. President, the extent to which the people of the United States have been compelled to pay tribute to the sugar industry, both cane and beet, is almost incredible. Cane sugar has been produced in Louisiana for something like 200 years. In 1890 Congress provided a bounty of 2 cents per pound on beet sugar, there then being no duty on imported sugar. This bounty continued until 1895, when it was eliminated and an import duty levied on sugar. That duty was 40 per cent ad valorem. In 1898 the Republican Party doubled the rate. The Democrats reduced it in 1913; but when the Harding administration came it on two occasions increased the rate within two years. Now we are asked to raise the rate upon this indispensable food to all the people by from 25 to 36 per cent, and if this increase is granted it will mean that sugar will bear a rate of nearly 100 per cent upon its value, which must be paid by every class of people in this Republic.

Since the adoption of the 2-cent bounty in 1890 the American people have paid to the cane and beet sugar interests \$900,000,000, to the Hawaiians \$485,000,000, to the Porto Ricans \$270,000,000, to the Filipinos \$133,000,000, making a total of \$1,788,000,000 which the American people have paid to some form of special interest. This does not include \$1,800,000,000 which they have paid in tariff duties on Cuban sugar imported into this country.

In other words, it has cost the American people more than \$3,500,000,000 to pursue the policy which has culminated in this indefensible proposal which is now before us.

If an increase from 1.6 to 1.76 cents per pound in the last seven years resulted in more than doubling the importation of free sugar from Porto Rico, the Philippines, and the Hawaiian Islands, which has come in competition with domestic beet and cane sugar, will not an additional increase in the tariff, placing still greater restrictions on Cuban importations, result in still more sugar being brought in from the Philippines, from Hawaii, and from Porto Rico to compete with domestic sugar, so that the result of this increase will be larger profits not only to certain domestic producers and manufacturers of sugar but larger profits to the producers in Hawaii, in Porto Rico, and in the Philippines? So, as I indicated a moment ago, I doubt seriously whether the grower of sugar beets in the United States will receive any benefit whatever from the increase if it is granted to them on the ground of agricultural relief. Although the tariff was increased 70 per cent in 1922, there was less domestic sugar produced in 1929 than in 1920. This was largely on account of free importations from other islands than Cuba, and further restrictions upon Cuban importations will bring in still more sugar free of duty from Porto Rico, Hawaii, and the Philippines, without any corresponding benefit to the American beet grower.

What have been some of the profits of some of these sugar companies? Last year we produced slightly more than 900,000 tons of beet sugar and 145,000 tons of cane sugar, making a little more than 1,000,000 tons as our total production.

Fifty-eight per cent of our domestic beet sugar is produced by one company, the Great Western Sugar Co., and I do not suppose the most enthusiastic advocates of sugar protection would urge that the Great Western Sugar Co. is in need of any additional protection. They have been paying a 7 per cent dividend on their preferred stock for a number of years, and last year they paid the equivalent of 33.6 per cent on their common stock. They multiplied their outstanding stock from 600,000 shares, valued at \$25 a share, to 1,800,000 shares of no par value. They have out of earnings added to the value of their property, which is capitalized at about \$15,000,000, or was prior to the stock split up, until it is six times as valuable now, without any additional capital except what they have put aside in surplus each year, in addition to the 7 per cent dividend on their preferred and 33 per cent dividend on their common stock.

I am in no sense objecting to the success of this company. But with its production of 58 per cent of all our domestic beet sugar, with its 7 per cent preferred dividends and its 33 per cent common dividends in addition to that set aside to surplus, I submit that greater protection for the sugar industry not only is not necessary but is utterly incredible and indefensible.

The present tariff on sugar is costing the American people more than \$285,000,000 per annum. That is the equivalent of 14 cents on each pound of sugar produced in the United States. If the proposed Senate rate is adopted, it will add another \$75,000,000 to the annual cost, making a total of \$360,000,000 as the annual tribute paid by the American people to the sugar industry alone. This will mean the equivalent of nearly 18 cents per pound on all the sugar produced in the United States.

Already the tariff on sugar is nearly twice as large as the average of tariff rates on all other dutiable articles coming into the country. The further increase in this duty has no justification from any standpoint whatever.

We can not justify it from the standpoint of revenue, for it is not needed.

We can not justify it from the standpoint of protection, because it is already overprotected.

We can not justify it from the standpoint of farm relief; for it will be a burden to agriculture instead of a benefit.

We can not justify it on account of American labor, because most of the labor employed consists of Mexicans and other temporary foreign residents, and the conditions of child labor employed in these sugar regions have brought forth the condemnation of public-spirited men and women throughout the Nation.

We are asked to pass a bill which will place anywhere from \$75,000,000 to \$100,000,000 of an additional burden upon the people of the United States in order to protect a domestic industry 58 per cent of which is controlled and produced by a single company which last year declared a 7 per cent dividend on its preferred stock and 33.6 per cent on its common stock. We are asked to do that in order to relieve agriculture. We are asked to do that in order that the pretended friends of the farmer in and out of Congress may return to those who sent them here with the hypocritical claim that they have helped him by this legislation, in order that those who have deluded him heretofore may again delude him. I will not be a party to this false pretense and delusion. I will not join those who seek to take advantage of him by increasing his burdens and then pretending to have saved him. I will not be one of those who seek to save him from a watery grave by adding more millstones around his neck.

Mr. President, not only is there no justification for the increase in tariff by reason of any need for revenue, nor as a farm-relief measure, but there is no justification for it when we consider our international relations with Cuba and our trade relations with that island. A good deal has been said on one side and the other about lobbying with reference to sugar. There are undoubtedly lobbies here advocating an increase in the tariff on sugar—very active lobbies. There has been one here logrolling in opposition to the proposed increase in the tariff on sugar. I have no doubt that both of these lobbies have engaged in practices that were reprehensible. So far as I am personally concerned, I have no sympathy whatever with any unethical or improper practice engaged in by any lobby, though I recognize the right of American citizens to come here and petition Congress in a proper manner, for or against any legislation in which they may be interested. I do not propose to be deterred in the performance of my duty as I see it, representing the State of Kentucky, and by my vote affecting all the people of the country, by any sensational stories about the activities of any lobby, either for or against an increase in the tariff on sugar. If there had been no lobby investigation, if there had been no lobby activities in Washington, my position upon the question would be the same as it is to-day. I was against this increase before the lobby investigation started, and I am against it now.

I desire to see American industry prosper. I desire to see stockholders receive dividends upon the value of their stock if the industry is so economically and so wisely located and administered as to justify them in the expectation that they may receive dividends. But I am not willing, Mr. President, to burden any further the great masses of the American people in order that an artificial prosperity may be injected into a hot-house industry, a part of which probably never should have been located within the borders of the United States. I am not willing to cast my vote upon this question or to have my judgment swayed by a lobby either for or against a sugar tariff. I hope that in my votes and in my conduct here I may represent not only the sound judgment and the conscience of those who sent me here, but that at least in part I may speak for the whole people of the United States in so far as one Member of the Senate may do so, because in a larger sense, while coming from an individual State, he represents all of the people and his conduct and his acts here affect the welfare of all the people.

What has the increase in sugar tariff in the past done to our trade with Cuba? If we are going to look at this question as a matter of farm relief, I desire to invite the attention of the Members of the Senate to the effect upon the farmers of the United States of the law as it now exists. The island of Cuba has been our most profitable and most friendly customer to the south of the Gulf of Mexico. In 1923 we shipped American-made goods to Cuba valued at \$192,438,000. That \$192,438,000 worth of domestic products which were shipped to Cuba, which we

never could have shipped to Cuba except by the purchase of her sugar, gave to hundreds of thousands of American laboring men work in the production of those products which we could not consume in the United States. In 1924 we sent \$199,000,000 worth of our commerce to the island of Cuba. In 1925 it sank to \$187,000,000, in 1926 to \$160,000,000, and in 1927 to \$155,000,000.

In 1928 our exports to Cuba were reduced to \$127,000,000 as compared with \$199,000,000 in 1923, soon after the increase in the tariff on sugar, which amounted to a reduction of \$70,000,000 in our annual export trade to the island of Cuba. That \$70,000,000 reduction in our exports to the island of Cuba alone must be added to the other costs we have borne as a result of the increase in the sugar tariff; and if we increase the tariff still further, our trade with Cuba and our exports to that island will decrease still more, which must be added to the actual cost involved in a further increase in the rate upon it. It is estimated that the increase in the cost of sugar to the American people by even the tariff rate proposed by the Senate Committee on Finance will be between \$70,000,000 and \$150,000,000. I take it that it will be around \$75,000,000. And yet we have in five years reduced our exports to Cuba alone, because of the tariff already in existence on sugar, by an amount practically equal to the additional burden placed upon the American people by the increased tariff on sugar and by an amount twice as much as that which is represented by the increased revenue to the Treasury on account of the increased tariff.

How was that decrease in exports justified? Talk about farm relief! What we have talked about in the last 10 or 12 years has been the surplus of American farm products. We have been seeking, by organization and cooperation and legislation, to devise some way by which the American farmer could find a market for his surplus products, so he would not have to pile them up in the field without a market or be compelled to dump them on the market when it was unprepared to receive them. All of our education and cooperation and organization have been designed to find a market in the markets of the world for the surplus products of the American farm. And yet among those items which have been reduced in our exports to Cuba we find the following farm products:

Hams and shoulders, produced on the farms of the United States, giving a market to the raisers of hogs, decreased 41.7 per cent to the island of Cuba; bacon and other products of the hog decreased 26.4 per cent; eggs in shells, which are a farm product, decreased 12.4 per cent. Milk, which is a dairy product and which we have been undertaking in some measure to protect in the consideration of the bill now before us, decreased in our exports to Cuba 60.5 per cent; rye 14.7 per cent; corn, grain, 33.6 per cent; beans, 18.5 per cent; potatoes, 38.9 per cent.

Then, going down to other items than agriculture, our exports to Cuba of boots and shoes decreased 27.2 per cent; shirts, 54.2 per cent; cement, 67.6 per cent. By increasing the tariff on Cuban sugar our exports of cement to that island decreased 67 per cent, and we are asked to place a tariff on cement imported into the United States. While the present tariff brought about a reduction of more than 27 per cent in the boots and shoes we sent to Cuba, we are asked to reduce these exports still more by another increase in the tariff on Cuban sugar, and then levy a tariff on boots and shoes and increase their cost to the American people.

My friends, how can we justify a measure that adds more than \$75,000,000 to the tax burden of the country, one-third of which will be borne by agriculture already depressed, by increasing the tariff on sugar still further and making it still more impossible for Cuba to purchase our bacon and our ham and our lard and our poultry and our eggs and our boots and shoes and shirts? This will be the result if we make it impossible for the producers of Cuban sugar, who supply one-half of our domestic consumption, to sell their product to us. By such an increased tariff we will still further restrict the market for American exports to the great island of Cuba.

There is a moral question as well as an economic question involved. We have witnessed the spectacle of men coming before the Congress asking independence for the Philippines, not as a matter of principle, not because the great sentiment of human liberty swells their bosoms, not actuated by the same sentiment which actuated our soldiers when they went into Cuba and the Philippine Islands to drive the Spanish despot from those Spanish provinces of the Caribbean and the Pacific; we have seen the spectacle of men coming here and asking us to grant independence to the Philippine Islands solely in order that we may tax them.

Mr. President, if and when we grant to the Filipinos their independence I want it to be done as a matter of principle and as a matter of justice. I would be ashamed to withhold it from them on principle and on justice and then grant it on the sordid

and selfish ground that I want to tax them. When in the providence of God we grant to these people a right to their place in the family of nations let not the act be tarnished with the admission that we are actuated by any selfish or mercenary motive.

Mr. President, I can not help regretting that President Hoover's opinions and expressions have not been more sharply defined in this regard; but in one or two of his speeches I think we can get a hint of what was in his mind, not only his recommendation of a limited revision of the tariff but otherwise. Not only in his inaugural address but in his campaign speeches, and particularly in a speech delivered since the inauguration and since the beginning of this Congress, he said that in considering a tariff measure and our relationship with the business world we must not overlook the fact that America is now an exporting Nation and that in order to build up American labor, in order to find remunerative and constant employment, we must find markets in all the lands of the world capable of taking and absorbing the surplus products of American labor, both in the factory and on the farm.

We have established a Department of Commerce, which in every American embassy and legation has commercial attachés whose business it is to study the markets of the world and to steer American products in the channels of world trade; yet here at our doors is a republic, created by us, by our sacrifices and by our own ideals, kindling the light of liberty which inspired the Cubans to revolt against Spain, and we are asked, for a selfish motive, not only to destroy an industry in that republic in which Americans have invested a billion of dollars—for Americans own three-fourths of the sugar industry in Cuba, as they own large proportions of the sugar industry in the Philippines, in Hawaii, and in Porto Rico—we are asked to shut the doors of our commerce, to disrupt our reciprocal relations, to change our friendly attitude toward this island republic, in order that the great Western Sugar Company may increase its 7 per cent dividend and its 33 per cent dividend, despite the fact that 30,000,000 American farmers who can not be assisted by this tariff bill, will be required to pay thirty, forty, or fifty million dollars a year more for sugar than they now pay. All that is to be done in order that some, either in this body or outside of it, may return to their people and say, "Look what we have done; we have brought home the bacon for the farmer of the United States." When the farmer asks, "How did you do it?" the reply will be, "We put a tariff on peanuts, on olives, on sugar beets." "Well, what about wheat and corn and tobacco?" I can imagine the tobacco farmer in North Carolina, Virginia, and Kentucky when we go back to him and say we have helped the farmer asking, "How did you help him?" "We put an increased tax on sugar, the cultivation of which requires the use of only 646,000 acres of land." "What about tobacco?"

To tobacco there are devoted 2,000,000 acres of land in the United States, and tobacco pays into the Treasury \$434,000,000 a year, which is one-eighth of the total revenue of the United States Government. I wonder how any tobacco farmer will be satisfied with that measure of farm relief which taxes him on the thing he digs out of the ground and also taxes him on the thing he has to buy for his breakfast table. I wonder also how the wheat growers and the corn growers of Illinois, Iowa, Minnesota, Nebraska, Ohio, and Indiana, which States have millions upon millions of acres in cultivation to grow those farm products, who are not benefited by this tariff bill, will be satisfied with that sort of farm relief which puts another burden of \$40,000,000 on them in addition to the increased burdens which will be carried in other schedules of the bill?

This increased tax on sugar will cost the people of Illinois \$25,000,000 per annum. It will cost the people of Indiana \$7,500,000. It will cost the people of Ohio \$17,700,000, and the people of Kentucky will be taxed a total of \$4,520,000 if this proposal is enacted into law.

Mr. President, if it were not a huge joke it would be a tragedy that serious-minded men are willing to advocate this increased burden on the American breakfast table as a measure of farm relief. For that reason I shall vote for the amendment of the Senator from Mississippi proposing to reduce the tariff on sugar to its present figure. If we are to take the word of the Tariff Commission for it, we would be justified in moving for a reduction in the tariff on sugar, for when that commission investigated the cost of production here and abroad, which was the yardstick adopted in the Fordney-McCumber tariff bill, and in the flexible provision of the tariff law, they found by a majority that 1.23 cents per pound was all the tariff that was needed on sugar, and the Tariff Commission recommended that the tariff ought to be reduced to that figure.

So if we were to take the word of the Tariff Commission for it, we would be justified in asking for a reduction of the

tariff on sugar; but we are not asking for that. We shall be satisfied to leave the tariff where it is, at 1.76 cents, under which domestic sugar producers in Colorado and in Utah already receive a higher reward for their labor than any other class of farmers in the United States, under which a concern which produces 58 per cent of our domestic sugar has been able to increase its profits until it has multiplied its assets six times and has declared dividends of 33½ per cent a year on its common stock since the present law was passed.

We are not asking for a reduction of the tariff upon sugar, but we do ask, in behalf of American labor, in behalf of the American housewife, in behalf of the American farmer, that no additional burden be placed upon their shoulders by an increase in the tariff on sugar which will be indefensible, unreasonable, unjust, and unfair. Therefore, I hope the amendment of the Senator from Mississippi providing that the duty on sugar shall remain as it is at present will be adopted.

Mr. CAPPER. Mr. President, the sugar schedule of the pending tariff measure presents not only one of the most important problems in the bill, but also one of the most confusing. Unless one keeps clearly in mind the objective we seek to attain, he is almost certain to lose his bearings and become confused by the mass of statistics and conflicting interests involved. And if he keeps a clear view of the objective sought, he finds himself between the devil and the deep blue sea in striving to attain that objective through the imposition of a protective tariff on sugar.

We are seeking to protect the cane and beet sugar growers in the United States. If we levy a high tariff we militate against the Cuban sugar industry, and encourage the importation of sugar from the Philippines, as well as from Porto Rico and Hawaii. A lower tariff discourages Philippine importations for the benefit of Cuba. But the beet and cane sugar farmers of the United States get no protection in either case. They are in no better position than the horse thief captured by a posse in the days of the wild West. His captors, being imbued with a rude sense of fair play, and having in them the milk of human kindness, offered the horse thief his choice of two alternatives. He could choose either to be hanged by the neck until dead, or he could be shot to death. In either event he faced certain death.

The case of the American sugar grower was stated clearly and concisely yesterday by the senior Senator from Idaho [Mr. BORAH]. His masterly exposition leaves little to be said, but I feel in duty bound to state my position while indorsing the views he expressed.

It is proposed by the House bill, as I understand, by increasing the duty on sugar, to levy an additional burden of from eighty to ninety million dollars a year on the people of the United States. The Senate Finance Committee proposes a lesser increase, amounting only to about from fifty to fifty-five million dollars a year.

If that increase of some \$50,000,000 a year in the cost of sugar went to the American sugar grower, our problem would be comparatively a simple one. But that increase, whether fifty or sixty million dollars a year under the Senate amendment or ninety or so millions under the House bill, will be paid by farmers and other consumers—but not to American farmers growing sugar beets or sugar cane. American farmers will pay twenty to twenty-five million dollars more annually for the sugar they use; the American growers will get possibly two or three millions—probably not that much.

Mr. President, our protective-tariff system proposes that for the protection of American industry and American labor and to foster and preserve what we sometimes call the American standard of living, American producers shall be protected against cheap foreign labor and cheap foreign production costs by the imposition of import duties on the commodity or product to be protected.

In every such case the many consumers of the commodity or product each contribute a small amount per capita to give the producer, the manufacturer, and the laborer sufficient profits on the sale of their commodity, their product, or their labor, as the case may be, to allow them to maintain the American standard of living. So far that policy has been justified by its fruits.

To be sure, agriculture as a whole has not obtained the same proportionate benefit that industry has obtained. It is becoming increasingly plain that the protective tariff by itself can not afford that protection to the wheat grower, the cotton grower, or the grower of any other surplus crop. We are trying other means to afford the wheat grower and the cotton grower the protection it is admitted he is entitled to but does not obtain from the operations of the protective tariff system.

A different set of conditions leads to a similar result in the case of the American sugar grower.

Mr. President, I see no escape from the conclusion stated so ably by the senior Senator from Idaho that the American sugar grower will receive little, if any, benefit from an increase in the sugar tariff. In fact it seems doubtful if he obtains any great benefit from the present tariff on sugar.

Statistics already in the RECORD, and with which we are all familiar, show that there has been no material increase in sugar production in continental United States following previous increases in the tariff. On the other hand, each increase since we took over the Philippines has shown an increase in Philippine production and importation into continental United States.

In 1921-22 continental United States produced some 1,200,000 short tons of sugar, including both beet and cane sugar. In 1921 the duty on sugar was increased from 1.35 cents a pound to 1.64 cents and in 1922 it was increased to 1.76 cents a pound.

But in 1927-28 continental United States produced a total of only some 1,100,000 short tons of sugar. Beet-sugar production remains practically stationary. Cane-sugar production in Louisiana dropped from 170,000 short tons to 70,000 short tons. I understand that prospects now point to a production of about 200,000 short tons of cane sugar for 1928-29.

How about the island production? In 1921-22 Philippine production was under 400,000 tons, Porto Rico about the same, Hawaii produced more than 500,000 tons, Cuba's production was around 4,000,000 tons.

Others have placed the exact figures in the RECORD. I am interested only in trying to paint the general picture.

By 1928 Porto Rican production had increased to approximately 700,000 short tons, compared to less than 400,000 short tons six years previously. Hawaiian production increased to more than 800,000 tons, the Philippines to more than 600,000 tons.

I see no reason to doubt the statement of Gen. Leonard Wood that Philippine production can be increased to 5,000,000 tons. And as we increase our tariff rate on sugar the production in the Philippines is bound to increase. The production in Hawaii and Porto Rico will increase slightly. Our consumption from Cuba might be cut down somewhat.

But in all this I can not see where the domestic cane-sugar or beet-sugar grower will benefit. Through manipulating the sugar tariff we can increase our consumption of Philippine sugar at the expense of Cuba, or we can limit importations from the Philippines and favor the Cuban producer.

Mr. President, I believe in the principle of the protective tariff. I believe in the practice of the protective tariff. I am perfectly willing to assess an increased tariff on the consumers of sugar in the United States if the cane and beet sugar growers in the United States can derive the benefit of that increase.

But I can see no advantage to American sugar growers in juggling with the tariff for the benefit of the Philippines as against Cuba, or vice versa. It is not the duty of Congress to levy tariff duties for the protection of the Filipinos or against the American capitalists who control Cuban sugar production. Our duty is to levy tariffs for the benefit of the American people.

On paper, the protective tariff on sugar gives the advantage to the beet-sugar grower and the cane-sugar grower of the United States; but in effect that tariff is largely only a scrap of paper.

We say to the American sugar grower, "Here is a protective tariff of 1.76 cents a pound, or 2.20 cents a pound, or 2.40 cents a pound. It protects you against importations of sugar from foreign countries where labor is cheap and where sugarcane is grown under the most favorable conditions. Yes, Mr. American Sugar Grower; we protect you against foreign-grown sugar, against cheap-production costs, including cheap labor costs, with a few exceptions. We give the Cuban sugar interests a preferential that enables them to compete with you under conditions under which they can produce sugar more cheaply than you can hope to. Cuba produces some four or five million tons a year, and that can be thrown into the American market in competition with you."

Yes; and there is another exception that perhaps ought to be mentioned. We allow the Philippines to ship in sugar duty free. They have probably the best sugar-producing land in the world, with the most favorable conditions; and their labor costs are very low, some 40 or 50 cents a day. Their potential production is some 5,000,000 tons, in case the tariff should be pegged at a point where the Philippine sugar can come into this country cheaper than Cuban sugar can. The tariff does not protect you against Cuban sugar, nor against Philippine sugar, nor against Hawaii, nor Porto Rico; but you might frame the sugar-tariff section and hang it on the wall for luck.

It is proposed—and the proposal has many supporters—that we solve this problem, and at the same time some other vexa-

tious problems, by freeing the Philippines. If that seemed a possibility in this generation, I should be inclined to give that proposal serious consideration. But I should say the odds are very much against freedom for the Philippines within a decade or even within a generation; and if we increase the tariff duty on sugar, it will become effective right now.

There are other importations from the Philippines that seriously injure American agriculture, but this is no time to deal with them. They only add to the desirability of separating the Philippines from the United States, if that were possible.

The economics of the Philippine situation, as affecting American agriculture, would incline me very much to support a resolution providing for Philippine independence. But I doubt if the Filipinos themselves would desire independence if it meant economic independence for the United States farmers and sugar growers as well as political independence for the Filipino people.

Mr. President, for the reasons outlined and already placed in the RECORD more completely by others, I must vote against any increase in the tariff on sugar. As I have said, if it would help our beet-sugar growers, I should feel impelled to support an increase in the tariff. But I am convinced it will not, and therefore must vote against any increase.

It seems to me, however, that to stop at that point is only dodging the real problem.

The American growers of cane and beet sugar are entitled to effective protection in some form or other against both the Cuban and Philippine sugar importations. They are entitled to enough protection to give them approximately an even break in the American market.

It is highly important that we encourage the beet-sugar industry particularly. Continental United States perhaps never will produce enough sugar to supply its demands; but we should be in position to supply as much of that demand as is economically and practically possible.

If we are to give the Cuban sugar industry a bounty through the subterfuge of calling it a preferential, it seems to me there are enough words in the dictionary from which we can choose one that can be substituted for "subsidy" or "bounty" and give the American sugar producer a bounty for every pound of sugar produced.

Hence, I shall look forward with interest and approval to the adoption of an amendment to protect the American sugar grower through paying a bounty or a rebate from the tariff collected upon sugar imported from Cuba or other foreign countries.

That method also will be much cheaper for the consumers of America, and the benefit should go directly to the sugar grower that we are attempting to protect through the imposition of a higher tariff on sugar.

Mr. FESS. Mr. President, I had not intended to take any part in this debate, first, because I doubt whether anything that can be said or will be said will have any effect on any votes to be cast; and, in the second place, because we are all interested in reaching a decision. However, it has already been determined that we shall vote at a fixed time to-morrow.

The argument that was offered by the Senator from Kentucky [Mr. BARKLEY] could be and has been applied to the protective principle no matter what article or item of the bill might be under consideration. There always have been two schools of political thought on this subject. It is true that the difference between the schools is constantly narrowing. At one time one school could see nothing whatever in the principle of protection. It was universally rejected. That opposing school is gradually giving way, argument by argument and item by item, until now there is scarcely anyone who belongs to this body who does not offer protective arguments on some particular article, be it this or that. So that the two schools, while widely different in other days, are closer together now than ever before; but, at the same time, we hear the recrudescence of the old free-trade argument that was offered by the Senator from Kentucky: "In order that we may increase our foreign trade, we must have the largest possible freedom of trade."

The Senator makes that statement in the face of the fact that we are operating to-day under the highest protective duties we have ever had, and under those duties we see the greatest foreign trade the Nation has ever enjoyed. That is a sufficient answer, without any further words.

It is also asserted on the part of some individuals that if we enter upon the protective system that will reduce the revenue, and we ought to consider revenue only when we lay duties. That argument, of course, is without any strength whatever, for under the highest protective system we have ever had we are collecting the largest revenue that we ever enjoyed. In fact, at the peak year of the Underwood bill, which was a competi-

tive revenue act, we collected only \$322,000,000 in customs dues. That was the ideal tariff bill under that system; and yet to-day, under a protective system that superseded the Underwood bill, we are collecting nearly double that amount of customs dues. So I pay very little attention to the old-line arguments such as we listened to a few moments ago.

What is the real situation here?

We are at the parting of the ways. It is a question whether we are going to abandon the protection of an industry that it is true has not developed as rapidly under protection as we had hoped it would develop, or whether we are going to continue to stimulate it.

I believe that the United States ought to encourage American production, no matter what that production is. In other words, I believe in the policy of complete independence of our country from foreign countries to the degree that it is possible. If there is no possibility of our developing the sugar industry, then it becomes a question of whether we ought to tax the American people for an article that we have to import. I state frankly that I should not be willing to do that, any more than I should be willing to put a tariff upon coffee or tea or any other article that is produced wholly outside of the United States; but the question with me is whether this country can not develop an industry for the production of an article which is almost universally used.

Everybody must concede that sugar is an almost universal element of food. I do not know anything that is more universally used. It goes without saying that we must have the article. The question is whether we shall produce it to the degree that we can, or whether we shall be willing to be left to the will of foreign countries.

In view of the argument that has been offered here so often about the production of sugar in Cuba because it is produced with American capital and because of the great possibilities of production on the one hand, and because of the danger to the Cuban people if they are interfered with on the other, the question has come to us, What should be the proper policy in reference to Cuba? The very fact that most of the sugar comes from one country dominated by American capital puts it under the possibility of complete price control on the part of the industry over which we have no control; and if an article of universal consumption is left to a foreign country in its production, and that country can dominate the market, and we have no control over it, they can fix the price, and we shall be compelled to pay whatever they determine we shall pay.

To me that is a determining factor in my vote on this particular item. It appears to me the height of unwisdom to place ourselves under the control of a foreign interest in an item of universal consumption that all of us admit we can not do without. That of itself is quite a determining factor so far as my vote is concerned.

On the other hand, the question arises as to our ability to produce. Secretary Wilson, the first great student of the ability of America to produce sugar, gave out a statement when he was Secretary of Agriculture to the effect that there are 278,000,000 acres of land in the United States that will grow the sugar beet. If 278,000,000 acres were put in sugar beets, we should not only produce every pound of sugar we consume but we should become an exporter of sugar.

I admit that we have not had the growth in sugar production under legislation which I thought there would be. I am disappointed that with the amount of encouragement we have given we have not made the great progress the facts in the case would seem to justify. I frankly admit that that has disturbed me somewhat. But when I make inquiry of the people who know the subject—I do not refer to lobbyists, but I refer to people who know the industry—when I make inquiry as to why we have not progressed more rapidly in sugar production, the reply universally comes back that, in the first place, you can not induce the growth of sugar beets unless there are mills to grind the beets into sugar, and to establish a mill required 15 years ago \$1,000,000, and to-day probably would require \$3,000,000. With the uncertainty of legislation by Congress, with the uncertainty as to whether we will surrender this industry to foreign countries employing cheaper labor, to the complete destruction of the industry by that competition, with that uncertainty, you can not induce the multiplication of sugar mills, and that prevents the further planting of beets. It is the uncertainty, on the one hand, as to what is to be our policy, and the great expense and risk on the other hand in the establishment of the sugar plants that retard the growth of the industry.

I can see that that is perfectly logical. I have no doubt in the world that that is the explanation, and if we would stop our continual argument against the continued production of beet sugar, and give some assurance that this policy is settled, that

this is no longer open to uncertainty, then, indeed, capital would at once be invited, and we would do exactly what the American protective tariff has always done, we would stimulate the investment of American capital in American industry, to employ the labor of this country in that industry. But with this uncertain talk constantly before us, that we are going to discontinue this industry and revert back to foreign countries, which can easily supply the commodity at a cheaper rate when we are competing with them, but when they have driven us out, they will fix their own rate, with that uncertainty, capital will not invest. That is the explanation of the tardy growth of the sugar industry; on the other hand, we are told we could produce the consumptive needs of our country.

I speak of the sugar beet especially because I am of the opinion that the cane sugar soil is more or less limited in our country, but surely the sugar-beet soil is not limited, it is unlimited, it spreads all over the Nation. The argument is offered that any root product is valuable to the soil, that, unlike the case where a product is not of the root character, the soil is not depleted where a root product is grown, and the beet countries which have made great progress have shown that where beets are cultivated for sugar purposes, the soil is very greatly enriched. That is one of the arguments which, it seems to me, justifies our production of beets.

On the other hand, it offers another opportunity for the rotation-of-crop system, upon which largely our other crops depend. If I can possibly think of it entirely free from any consideration except the economic one, it appears to me that sugar furnishes one of the best examples of the benefit of a protective tariff. The sugar industry is one which, while it is now weak, is producing an article which everybody needs, and any article which all the people need should, if possible, be produced in our own country, rather than that we should be dependent upon some other country for it.

With the character of our soil and with the unlimited amount of acreage which can grow sugar beets, it would appear to me that it is not a far-fetched statement to say that the industry, though weak to-day, under proper encouragement could be made strong. That is the very quintessence of the protective policy, that things that we need should be produced by ourselves, by the investment of our own capital at home instead of abroad, employing our own labor, and put on such a basis that it can not be driven out of business by foreign competition.

I do not know of any other agricultural product that furnishes such a good example of the benefits of the protective tariff as does the production of sugar. But if there continues to be the present uncertainty, large capital will not be invested where there is a possibility that through legislation in a short time they may be in the red entirely, with a complete loss.

Mr. President, it is these considerations that lead me to vote not to abandon this industry. I confess the argument of the Senator from Idaho [Mr. BORAH] as to Cuba and the Philippines was very impressive, but that is not an argument on protection. That is an argument as to our proper relationship with Cuba and the Philippines. If we are permitting Cuba for any reason to destroy an American industry, it is a question whether we ought to do that. If we are ready to take that matter up for discussion, let us discuss frankly what our policy should be.

In the matter of the Philippines, I have the greatest sympathy along the lines that have been suggested; as long as we hold the Philippines as we are now holding them I do not think I would vote to exact from them a tariff on any product they send to us. If we did, it would be too much like the attitude of Great Britain toward the American colonies in their many navigation laws, when they not only limited the markets of the colonies, but limited the method of marketing, holding that commerce had to be carried in ships flying the British flag. I do not like that policy, and so long as we maintain our control over the Philippines I could not be free to vote to exact from them any duties which might be regarded as against their own interest. I would be inclined to say that we should keep off the duties or turn the islands loose.

I am not ready, it is true, to vote for the independence of the Philippines. I have my serious doubts about that, not from the standpoint of the United States, but from the standpoint of the Filipinos themselves. However, I have an open mind on that. But if it be true that the Philippine production is unlimited in its possibilities, I think we could have some regulation as to the amount they could ship into this country. I do not see anything wrong in that. It seems to me we would be ethical and justified in doing something of that sort.

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

Mr. FESS. I yield.

Mr. COPELAND. Just one question on the last point the Senator has made. The proportion of sugar coming from the

Philippines, as compared with the total consumption, is really small, is it not?

Mr. FESS. It is.

Mr. COPELAND. So that even though there were total exclusion of Philippine sugar, it is extremely doubtful, I am sure the Senator will feel, whether there would be the relief the continental raisers of sugar desire.

Mr. FESS. If the Senator from New York will permit, I am referring to the suggestion of the Senator from Idaho, who said the production in the Philippines was unlimited. I am taking that view of it.

Mr. COPELAND. Did the Senator hear what the Senator from Florida [Mr. FLETCHER] said yesterday when he interrupted me to read the statement regarding the very matter the Senator is now discussing?

Mr. FESS. I think I was not in the Chamber.

Mr. COPELAND. It was to the effect that there is not unlimited production or the large possibility of acreage in the Philippines which the Senator from Idaho [Mr. BORAH] suggested yesterday.

Mr. FESS. I was not in the Chamber at that time.

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

Mr. FESS. I yield.

Mr. SMOOT. We would not be setting a new precedent if we did limit the amount of sugar that could come from the Philippine Islands. In the tariff act of 1913, the Senator will remember, there was a limitation of 300,000 tons.

Mr. FESS. Yes; I recall that.

Mr. SMOOT. I was a member of the Committee on Finance at that time, and it was positively stated to the committee by people who claimed to know the facts that at no time would the Philippines ever produce more than 300,000 tons. But that has proven to be a false prophecy.

Mr. COPELAND. Mr. President, if the Senator from Ohio will permit me, I have no question at all of the power of the Congress to do the thing the Senator suggests. I am aware of the fact that the Congress could do that; but I have sympathy with what the Senator from Idaho said yesterday on that subject. So long as we sustain the position we now hold to the Philippines, it seems to me, as was suggested by the Senator from Ohio, it would be very unjust and improper for us to place any sort of restriction upon importations from those islands.

Mr. HARRIS. Mr. President, last year and for several years I have been trying to get a restriction of the immigration from Mexico, and the Senators from the Middle West who are interested in sugar-beet production have insisted that it is necessary to have that cheap labor in order to raise beets profitably. I ask the Senator from Utah if it is true that with this increased tariff rate they could use American labor instead of the cheap Mexican labor and make a profit? It is estimated that there are 3,000,000 unemployed in the United States at this time.

Mr. SMOOT. The statement that it is cheap labor I must qualify. Those Mexicans, when they go into the beet fields to dig the beets, make all the way from \$4 to \$5 a day. The only reason why that Mexican labor is employed or why the beet raisers want it at all is to have them come in temporarily to dig the beets. I do not know whether the Senator has ever seen the beets dug, particularly when the weather is wet in the fall, or when the ground is frozen. It is an awful job. Those laborers do not remain there. They go back into Mexico.

I will say to the Senator that I do not care how strict a bond might be required of all the sugar companies in the United States to see that the men who come over the border for a couple of months in order to do that awfully dirty work will return or be returned to Mexico, it is impossible to see that each and every one of them does return to Mexico.

Mr. HARRIS. Would not the increased duty on sugar enable the sugar companies to employ American labor?

Mr. SMOOT. If we could employ American laborers, we would be glad to do so; but we can not get American labor. Think of the thousands and hundreds of thousands of tons of beets that have to be taken out of the ground within a period of two weeks. If American laborers were there and available, we would not want to use Mexicans; we would not want a Mexican coming near the beet fields. It is not that, but it is just during that brief period of time while we are digging beets that we must have an enormous number of laborers. We have to get them from somewhere, because if the beets remain in the ground two weeks longer the frost will get them and they will not be worth anything.

Mr. HARRIS. Then an increased duty would not enable the sugar companies to pay a higher rate of wage and thus employ American laborers?

Mr. SMOOT. We can not get them. Many Mexicans in the digging of the beets make \$5 a day. It is not because we want

Mexicans or prefer Mexicans that they are employed; it is because we have not the Americans there and can not get them. Ordinarily in a farming community the farmer has his own place to tend to and we have not that extra floating population which the great manufacturing centers have. The only people who live in the farming communities are people who live there all the year round and do nothing but tend to their farms. The business of the whole community is based upon the number of farmers there.

Mr. OVERMAN. Mr. President—

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

Mr. FESS. I yield.

Mr. OVERMAN. Suppose we were to restrict absolutely Mexicans from coming in under the circumstances, would it not destroy the beet-sugar industry?

Mr. SMOOT. I do not know what we could do if we had an absolute restriction.

Mr. OVERMAN. It would probably destroy the industry entirely.

Mr. SMOOT. I would not say that it would destroy it, but I do not know where we would get the people to dig the beets. It would be a great hardship upon us. If it were a matter of asking that these people come in and remain here, I would say, rather than allow it, I would prefer to see the beet-sugar industry "go by the board." I am not going to stand here as a Senator of the United States and advocate, because of an industry in the United States requiring certain men to do the work, that these Mexicans should come in here and become citizens of the United States. That is the last thing I would ever consent to or even think of.

Mr. HARRIS. But they are doing that work regardless of the law. Thousands of Mexicans come over every year, and they are not going back but remain here permanently.

Mr. SMOOT. That has been reported to be the case as to laborers employed by the railroad companies, but I have never heard it reported as to the beet diggers. I understand that many of them get over the border undetected and remain in this country after coming here. But where there is a contract it is made with Mexicans who come over or with some one responsible to see that every Mexican must be accounted for and returned to Mexico. I assure the Senator that there is no one more interested in keeping that class of people out of the United States than are the Western States. They would be affected by it a great deal more than any other part of the country.

Mr. HARRIS. We have deprived other sections of the opportunity to use seasonal labor of this kind, and I do not see why we should make an exception of one industry when you are trying to get an increased tariff on sugar, which will not increase wages at all, as the Senator has said. The increase will probably go to the Mexicans, as I understand it.

Mr. SMOOT. Oh, no; it will not, because they will not have to pay a dollar more for the Mexican labor than in the past.

Mr. HARRIS. That is the point I am making. The Senator is asking for an increase in the duty, and yet he will not have to pay any more to the labor employed.

Mr. SMOOT. The amount that is paid to labor in the few weeks they are here would not be one-half of 1 per cent of the cost of manufacturing the sugar. No; it would not be even one-quarter of 1 per cent of the cost.

Mr. SHORTRIDGE. Mr. President—

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

Mr. FESS. I yield.

Mr. SHORTRIDGE. In regard to the type of labor employed and the necessity therefor, I think it may be of interest for me to advise the Senator that there is now pending an application for patent on a machine which it is claimed will enable the beet raiser to do away with many laborers now employed in the harvesting of beets. In a word, the patent calls for a machine which will do the labor now performed by hand, and to considerable extent by the Mexicans. It is claimed that this improved, patented machine will result in a great saving to the beet raiser. The necessity for labor is, of course, beyond question. The difficulty of getting the laborers is also recognized. Wherefore inventive genius is seeking to bring about and cause to be manufactured in quantity machines which will meet and relieve the situation.

Mr. SMOOT. That has been undertaken a good many times.

Mr. SHORTRIDGE. Unquestionably.

Mr. SMOOT. Up to the present time it has been a failure.

Mr. SHORTRIDGE. Yes; but it is now thought that a machine will be built that will do the work required.

Mr. FESS. Mr. President, I am grateful for the interruptions, because they are all helpful and deal with rather a difficult question; that is, labor in the beet fields.

Mr. COPELAND. Mr. President, the Senator has been very patient. Will he yield for one more question?

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

Mr. FESS. I yield.

Mr. COPELAND. I wish to ask the Senator from California [Mr. SHORTRIDGE], what are we going to do when we get machinery to do all of the work of all of the laboring people? What are we going to do, then, with those who now labor? How are we going to take care of the unemployment problem then?

Mr. SHORTRIDGE. Mr. President, if the Senator from Ohio will permit me—

Mr. FESS. Certainly.

Mr. SHORTRIDGE. The development of one industry generally brings into being others. If men are turned from one employment they find opportunity elsewhere. Labor-saving inventions, so called, have increased rather than decreased opportunities for human labor.

Personally, if the Senator will permit me to add a word, I very fully agree with the thought expressed by the Senator from Ohio. If we are protective-tariff men, if we believe in the theory of tariff protection, if we contemplate the Nation as a nation and cease to think of locality, if we would benefit the whole American people, whether they live in Maine or Florida, in New York or California, then we will seek to develop each and every American industry whether it be agricultural or manufacturing.

If we can build up agriculture and make it prosperous, we directly benefit those engaged in that line of industry, and with equal directness we benefit the manufacturing industries of the Nation. Conversely, if we build up the great manufacturing cities, giving employment to skilled and unskilled labor, those great cities are made prosperous and become the consumers of the products of the farm. They are at once producers and consumers. I sometimes become wearied by discussions as to "consumers" and "producers." There is no such a division, natural or artificial. All are producers—except a few worthless tramps. All are consumers. The producers of the city are the consumers of the farm. The producers of the farm are the consumers of the city. I trust the Senator from Ohio will even further emphasize the philosophy, the true underlying philosophy, of an American protective-tariff system, for once let us become dependent upon a foreign country that foreign country then is the master of us, fixes the price only limited by our ability to pay.

I wish to build up New York City. It is the greatest city in our country and the greatest manufacturing city in the United States. Why do I wish to do that? First, because it is a great and splendid and patriotic American city, made up of my countrymen, whom I would have prosperous. But if I could be guided by a local motive, I wish to make New York prosperous because that great city is a profitable market for the products of California. I am very sure my learned friend from New York [Mr. COPELAND] will join in the same thought, that he would seek to make prosperous and develop the industries of California, because we in turn will be the market for the products of the industry of his great city and State. I wish to consider this tariff problem as an American problem—not as a New York problem, not as a Florida problem, not as a Washington problem, not as a Georgia problem, not as a California problem, but as an American problem.

I apologize to the Senator from Ohio for taking so much of his time.

Mr. FESS. Not in the least. I am glad I am making such a good speech. I am making this speech, and the Senator from California has amplified it in a manner that adds very materially to it. I say that honestly, because it is true. I am making a good speech when the Senator from California talks in my time.

We were at the moment discussing the labor problem, which, as I said, is rather a difficult one in the consideration of this particular occupation. However, I have always noted that wherever a producer has demanded labor from time to time the inventive genius of America has supplied that labor. If it could not be done by the individual, it would be done by machinery.

That is true a thousand times in our industrial life. The time was when the planting of potatoes was limited to a garden product. No one thought about engaging in the industry of potato culture except for the individual home table. But in the development of new sections where potato culture was possible, as the production of potatoes increased, soon machinery was invented not only for the purpose of cultivating the potato but even for planting and harvesting the potato; so that, through the use of machinery, what was once a back-breaking burden of labor has come now to be rather an easy task. That is an

indication of the manner in which the inventive genius of our people solves labor problems. In the same way, without a doubt, it will solve in time the problem of labor in the beet fields. That has not as yet been accomplished, but it will, without doubt, be accomplished by the invention of labor-saving machinery.

I was riding along the highway last summer with a great motor magnate. As we passed a farm house he noticed the farmer carrying a bucket of water from the well, which was at the house, to the barn, which was quite a distance away, for the purpose of watering his livestock at the barn. The motor magnate immediately seized upon that single instance and said:

That man probably is earning about 25 cents an hour; he will never earn more than that in the way he is now working; but if he should exercise his ingenuity by substituting a gasoline motor for man power he could without difficulty convey for a long distance sufficient water for a hundred times greater number of cattle and hogs than the few head he is now watering. Then his labor would be worth \$5 an hour.

That represents the difference between hand labor, which is drudgery, and mental labor, which lifts itself above the plane of drudgery. That is the impulse which is operating in the industrial world, and which has made us industrially what we are. I do not think it would be correct to say that if a machine of the kind I have indicated should be invented and generally used many people would be thrown out of employment who otherwise would be employed. On the other hand, the effect would be just the opposite. So I am not fearful that the labor problem is going to be an obstacle to increasing the production of domestic sugar.

Again, if it can not be proved that the increase in the duty will be reflected in an increase of wages, yet I suggest that it is not always an increase of wages that brings the most benefit to a given community. Of course, if a community is employing labor because of an established industry, the wage earners thus employed are much better off than they would be if the industry were killed and there should be no employment for them; but take the beet fields in any State, surrounding any town where there is located an industry engaged in the manufacture of sugar beets.

Not only are the men who own mills and the farmers who are raising the beets benefited but everybody in the community is advantaged by the fact that there is an industry established there which is employing labor, because the benefit is reflected in the profits of almost every business carried on in the town. That probably is the reason why in sections where beet fields are being cultivated there is so much interest in the tariff rate on sugar and why I have received so many letters urging that the industry shall not be destroyed. They come from people who have no financial investment in the sugar industry at all, but who have investments in various communities and who are interested in the good of those communities. So the mere wage that is paid is not the most important consideration, but it is whether any wages are going to be paid in that particular community.

There is another consideration involved—I do not know how strong it may be, but it does have some influence with me—and that is wherever sugar beets may be produced wheat also may be produced. If we are producing 200,000,000 bushels of wheat more than we consume, and a portion of the land which is used for the production of wheat could be profitably utilized for the cultivation of sugar beets, it would appear to me as being an economically sound argument that to substitute the growing of beets in place of the growing of wheat would be highly advantageous to our farmers.

One of our big problems is to find a method for the disposition of our surplus, and it is a problem with which we have to deal with here. It is one of the most difficult questions we have before us. We are anxious to hold our production within the demands of consumption, and yet it would not do to say, considering the uncertainty of the elements over which we have no control, that farmers must not raise more than a fixed number of bushels of any one commodity, because that would not be safe. However, as a general principle, if we consume 600,000,000 bushels of wheat annually and we produce 800,000,000 bushels, there is an enormous surplus which represents one-third of our consumption. It is a sound contention that if we could reduce that surplus by the substitution of a product that is of universal consumption, and thus reduce the surplus crop, it would be of great benefit to the farmers of the country. I think that is an incontrovertible statement.

Mr. BROOKHART. Mr. President—

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

Mr. FESS. I yield to the Senator.

Mr. BROOKHART. I should like to ask the Senator if he does not think it would be a better policy not to reduce that surplus, but, if we can finance it properly, to hold it back and get the best price for it in the world market.

Mr. FESS. I do not know exactly what the Senator means when he says "finance it properly."

Mr. BROOKHART. I mean to finance it in such a way that it may be held for a while.

Mr. FESS. If he means to finance it so that the world's market will not beat down the price of the domestic product—

Mr. BROOKHART. I mean to hold it until the world demand appears.

Mr. FESS. That is another field that we are in just now.

Mr. BROOKHART. That is a field we have been trying to get in, and I am sure we will get into it.

Mr. FESS. I think we are in it. As the Senator knows, I am not dogmatic as to these questions. I recognize that there is bound to be a surplus of agricultural products, or there is danger ahead.

Mr. BROOKHART. I am glad the Senator recognizes that fact. Is it not also true that an agricultural surplus is the most desirable surplus to have, and is it not more certain that we can sell such a surplus in the world market than we can a surplus of industrial products?

Mr. FESS. Yes; perhaps an agricultural surplus can be better disposed of than a surplus of industrial products, but I do not think that is true in equal degree as to all agricultural products. Take wheat, for example; I doubt whether that principle applies with more certainty to wheat than it does to sugar beets.

Mr. BROOKHART. Sugar is on a different basis; we are not producing all the sugar we use.

Mr. FESS. That is true. I am assuming now that under proper encouragement we can increase the production of sugar. If not, then the problem, from my viewpoint, becomes a different one.

Mr. BROOKHART. Does the Senator think we can do that by increasing the tariff rate on sugar and then leaving sugar to come in free from the Philippine Islands?

Mr. FESS. I discussed that question before the Senator came in. It involves a difficult problem. I think we are justified in limiting the amount of sugar coming into this country from the Philippines.

Mr. BROOKHART. What does the Senator think of the suggestion made by the Senator from Michigan [Mr. VANDENBERG], who said that we should impose tariff rates against the Philippines and give them autonomy and allow them to impose tariff rates against our products?

Mr. FESS. That is a splendid suggestion for consideration, as I see it.

Mr. BROOKHART. It has two advantages, as I view it.

Mr. FESS. So far as I have considered that suggestion, I do not resist it, but I should like to look into it more fully.

Mr. BROOKHART. It has two advantages; one is we could protect the sugar situation with a tariff rate in that event and the other is that it would give the Philippines, who want their independence, a chance to try their wings and see whether they can fly.

Mr. FESS. Before the Senator from Iowa came in, I said that the Senator from Idaho [Mr. BORAH] had presented an argument that was quite convincing about our anomalous situation with respect to sugar, in that we give a preferential rate to the greatest sugar-producing country of the world, and then we have free trade with the Philippines. That does bring about an anomalous situation, which does not exist, perhaps, as to any other commodity produced in the United States.

Mr. BROOKHART. Let me make one other suggestion to the Senator. How would it do to control the sugar situation by a bounty paid to the Farm Board and let them work out the details?

Mr. FESS. I am not in favor of a bounty. The Senator knows my position as to that. I have not stated all my views with respect to it, however. We tried it back in 1890, as will be recalled, and abandoned it as a bad policy. If we should adopt the principle of the bounty with respect to one commodity, of course, we should have to do it with respect to all other commodities, and I think it would be a very unsafe procedure.

Mr. BROOKHART. The Senator knows that the bounty was a part of the original protective tariff idea?

Mr. FESS. Yes.

Mr. BROOKHART. There is no question about that. I am suggesting that in this instance we pay the bounty to the Farm Board, which we have created for the purpose of taking care of existing inequalities and relieving agriculture.

Mr. FESS. I could not go along with the idea of paying out of the Treasury a bounty on any commodity simply to stimulate its production or to prevent its production ceasing in the United States. I understand the argument. Here is an industry, which, unless it is protected, can not continue to operate in competition with foreign production, and protection on it, if continued, might result in penalizing the great consuming public. Therefore let us take off the protection and save the industry by paying a bounty. I do not think I could go along with that idea.

Mr. BROOKHART. Referring to the suggestion as to a bounty being taken out of the Treasury, the money in the Treasury, of course, comes out of the pockets of the people.

Mr. FESS. Yes.

Mr. BROOKHART. A bounty, of course indirectly, is paid out of the pockets of the people; but we take money out of the pockets of the farmers all the time because of the higher prices they must pay for industrial products by reason of the tariff. I can not see any difference in principle between doing that and taking it from the Treasury to equalize unequal conditions which exist.

Mr. FESS. Oh, yes, there is. In one case the protection afforded is simply in behalf of industries whose product comes in open competition in a market where everybody is on his own feet; and in the other, the Government is singling out an industry and granting specific aid to it. I think that is dangerous.

Mr. BROOKHART. But the competition ceases as soon as we put on a tariff rate.

Mr. FESS. It does not among ourselves, although it does between us and Europe.

Mr. BROOKHART. Among ourselves we get into a big combination, and then it ceases to operate even among ourselves.

Mr. FESS. Mr. President, that goes directly to the question of whether we should abandon the protective tariff system. We have absolute free trade here among 120,000,000 people, affording the largest market in any part of the globe. There can be no restraint of trade among them. They will consume probably 95 per cent of all we produce in sum total. I do not mean as to any specific article, such as cotton; of course not; but I mean in the sum total. It seems to me the home market is the biggest thing that America has and we must preserve it. I am uncompromisingly a protectionist. There are others in this body who are just as uncompromisingly for the freest trade that is possible. Of course, we do not agree as to the policy which should be pursued; but I think it is sound doctrine that wherever under proper stimulation we can produce within the limits of the United States the needs of consumption, no matter what the commodity may be, that we ought to do it. I think we could do it in the case of sugar if the sugar industry were given proper stimulation, and it was made plain that we were not going to destroy the industry.

I voted against the duty to protect manganese only because I thought there was no possibility of increasing the production of that commodity. There were others who strongly argued that it was possible to increase production. If they are correct, their argument for protection is sound. I believe not alone in the protection of capital which is already invested, but I believe in protection if it can increase the possibility of investment in any given industry and the possibility of that industry supplying the needs of consumption at least in part of the American people, so that we may not be left totally dependent upon a foreign country, in which event we would have to pay any price that such country might demand of us. Such a condition is unsound.

I think we are at the parting of the ways here. We are either going to protect this industry, the possibilities of which under proper conditions are great, or else we are going to abandon it and subject ourselves to price fixing by outside forces. So, so far as I am concerned, I am going to resolve the doubt in favor of the American sugar industry and vote against the amendment offered by the Senator from Mississippi.

Mr. VANDENBERG. Mr. President, before the Senator takes his seat I desire to ask him a question. He speaks of leaving us at the mercy of possible dictation. Have we not had a little experience in the sugar field as to what that exposure costs? Is it not a fact that in 1920, in the face of a sugar shortage, sugar prices in the United States went as high as 30 cents a pound? Is not that a demonstration of the measure of exposure which we shall confront if we permit a domestic sugar industry to die?

In other words, instead of all this magnified arithmetic that we hear as to what the sugar tariff is going to cost, is not the crux of the question what the sugar tariff saves us in the ultimate exposure that we might confront in a supermagnification of our sugar bill if we did not have the competitive factor here at home?

Mr. FESS. I think the Senator's position is entirely sound. I will state to him that about that time I sat at a table in the city of Chicago where this particular element of food, sugar, was being discussed, and I was shocked when I heard it stated there that sugar would go to 26 cents a pound. It not only went there, but it went to 30 cents a pound; and these men in the city of Chicago seemed to know that it was going to that point in spite of everything that could be done. In other words, we were absolutely helpless, and I do not want to be put in such a position as that.

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	Gillett	La Follette	Shortridge
Barkley	Gienn	McCulloch	Simmons
Bingham	Goff	McKellar	Smith
Black	Goldsborough	McMaster	Smoot
Blaine	Gould	McNary	Steck
Blease	Greene	Metcalf	Steiwer
Borah	Grundy	Moses	Sullivan
Bratton	Hale	Norbeck	Thomas, Idaho
Brookhart	Harris	Norris	Thomas, Okla.
Broussard	Harrison	Nye	Townsend
Caraway	Hatfield	Oddie	Trammell
Connally	Hawes	Overman	Tydings
Copeland	Hayden	Patterson	Vandenberg
Couzens	Hebert	Phipps	Walcott
Dale	Heflin	Pine	Walsh, Mass.
Deneen	Howell	Pittman	Waterman
Dill	Johnson	Ransdell	Watson
Fess	Jones	Robinson, Ind.	Wheeler
Fletcher	Kendrick	Robison, Ky.	
Frazier	Keyes	Schall	
George	King	Sheppard	

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

Mr. NORRIS. Mr. President, I do not believe the Congress is justified in increasing the tariff on sugar. We have been continually increasing the tariff—speaking now of Cuban sugar—until it has reached \$1.76 per hundred pounds. The Committee on Finance have proposed and recommended an amendment making a still greater increase. The pending amendment is to substitute for the rate provided in the committee proposal the present law, so that if the amendment prevails the effect of it will be to reenact the present rate.

As I look at it, from the point of view of a man who believes in the theory of protection, it seems to me that on this item, as well as some others in this bill, we have gone away beyond any reason or any logic that would justify us in increasing the present rate. It is conceded, I think, that a tariff on sugar will be 100 per cent effective; that the effect of it will be to increase the price of sugar to the consumers of the United States by the amount of the tariff. The Tariff Commission, after very exhaustive hearings a year or two ago, reached the conclusion that the present tariff was too high; and, while they did not agree as to just what the reduction should be, as I understand, their judgment was unanimous that the tariff should be reduced to at least \$1.50 a hundred pounds. So that it seems to me the beet-sugar man ought to be well satisfied to accept the law as it stands now, and consider himself very well cared for if no attempt is made to reduce the existing rate.

Nobody has spoken of the men and the women and the children who will have to pay this additional burden. They seem to be unrepresented here on the floor of the Senate. The arguments made in favor of this increased tariff are all on the theory that the manufacturer of beets and the man who produces the beets ought to have additional compensation. The burden is placed upon the homes in the United States. The benefits, it is conceded, will not go entirely to the farmers or to the manufacturers in continental United States.

I believe the computations show that if this increase proposed by the Senate committee is agreed to, it will increase the sugar bill of the American people by \$54,000,000. Fifty-four million dollars will be added to the cost of living through this one item, and we should remember that the American family is already quite heavily burdened by the payment of the present tariff upon sugar. It is proposed by the committee to increase the burden \$54,000,000.

Sugar is a little bit different from any other commodity, as I think one can easily ascertain by a very short examination. Our sugar is produced from beets and cane in continental United States, and importations come from Hawaii, from Porto Rico, and from the Philippine Islands. All of that brought in is duty free. The tariff applies to no sugar coming in from the Philippine Islands, from Porto Rico, or from Hawaii. So that whatever additional tariff we levy and place upon the overburdened shoulders of the American public is going to accrue to the benefit of those who produce and manufacture beets in the United States, to the Hawaiian producer, to the Philippine producer, and to the Porto Rican producer. In other words,

this is a tariff, if we levy it, that will bring more of benefit to the people of Hawaii, of the Philippine Islands, and of Porto Rico than to the citizens in continental United States.

It has been carefully computed, it can be ascertained almost to a mathematical certainty, that—assuming that the amount of sugar consumed would be the same after this tariff is added as it is now—there will be paid by the consumers of sugar in the United States an additional amount of money per year, in the aggregate, \$54,000,000.

The benefit will be divided up as follows: Eighty thousand dollars will go to the producers of sugar in the Virgin Islands, \$5,900,000 will go to the producers of sugar in the Philippine Islands, \$6,500,000 will go to producers of sugar in Porto Rico, \$7,600,000 will go to the producers of sugar in the Hawaiian Islands, \$24,000,000 will go into the Treasury of the United States, and \$10,600,000 will remain in continental United States. In other words, of the \$54,000,000 paid by the American people only \$10,600,000 will be for the benefit of anybody in continental United States.

That will be divided between those who produce beets and cane and those who manufacture the product, and when we undertake to find out how much goes to the beet producer and how much goes to the manufacturer, we are treading on ground where there is a dispute. So far, I think there is no dispute as to what I have said.

Mr. VANDENBERG. Mr. President—

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

Mr. NORRIS. I yield.

Mr. VANDENBERG. I know the Senator's disposition to be fair in his arithmetic. When he reaches this figure of \$54,000,000, I assume he is proceeding on the theory that all of the sugar tariff is added to the price of all of the sugar consumption. Is that correct?

Mr. NORRIS. I am assuming that the additional tariff will all be added.

Mr. VANDENBERG. The Senator is familiar with the brief submitted by one of the chief objectors to the tariff, the American Bottlers of Carbonated Beverages Association, called the "pop lobby" by the Senator from Utah. Their flat contention is that they can not add the tariff to their price.

Mr. NORRIS. It is possible, Mr. President, that those who use sugar in the manufacture of candies and sirups and things of that kind may not add all the tariff. I am assuming, however, for the purpose of my argument, that it is all added.

Mr. VANDENBERG. Is it not a fact that with the retail price of sugar varying, being 5 cents, 6 cents, 7 cents, 8 cents a pound, as it does vary back and forth, the prices of these processed products remain standard and do not fluctuate in reflection of the fluctuation in the price of sugar?

Mr. NORRIS. I think that is true. The price of sugar varies, of course, as everybody knows, and the prices of some of these other things do not vary so much. If we wanted to be really technical, and get down to the last penny, we would probably have to analyze that, but I think for practical purposes the statements I have made stand uncontradicted.

Mr. BORAH. Mr. President, if it is true that a part of the tariff is not effective, it would also be true that there would be less protection to those whom we are seeking to protect.

Mr. NORRIS. I think so.

Mr. VANDENBERG. I beg to differ with the Senator. The protection will be effective to the producer, but in this instance it can not be reflected in the ultimate price.

Mr. NORRIS. I do not want the Senator from Michigan to engage in a debate with the Senator from Idaho in my time.

Mr. VANDENBERG. I beg the Senator's pardon.

Mr. NORRIS. Mr. President, the figures have been given over and over again, but I have given the lowest figure. This morning the Senator from Kentucky put the figure higher than \$54,000,000. I take it that it is merely a mathematical calculation. The computation as to the \$54,000,000 item was made by my colleague [Mr. HOWELL], and everybody who knows him knows his ability to analyze figures, and that he is very careful and very conservative in getting them correct. I think there is practically no dispute about that figure. Even the Senator from Michigan will not contend, I take it, that if we increase this tariff the Americans who eat sugar will not have to pay more for their sugar than though we did not increase it.

Mr. VANDENBERG. Mr. President, may I interrupt the Senator?

Mr. NORRIS. Yes.

Mr. VANDENBERG. The contention of the Senator from Michigan is that the Department of Agriculture demonstrates that the per capita consumption of sugar as such on the dinner

tables of the country is 30 pounds per annum, and, therefore, that the effect of the sugar tariff, so far as the consumer of sugar as such is concerned, is no such figure as \$54,000,000 at all but is a far smaller figure. I think there is a fair basis for that argument. In other words, I am simply stating that it is hardly fair to say that the larger figures stand without challenge and without controversy.

Mr. NORRIS. Mr. President, I do not have the figures here before me, but I read last night the figures of the tariff on aluminum. In a former bill we increased the tariff on aluminum 3 cents a pound, and within three months after the bill became a law aluminum went up exactly 3 cents. It will vary, it may go down some, it may go up some, and that is the case with sugar. I have no doubt of that. But it seems to me that it is fair, and I did not suppose anybody was disputing it, to say that where we levy a tariff on something, where we do not produce enough for home consumption in this country for practical purposes the tariff will be 100 per cent effective. If we levy a tariff on wheat we will not get any benefit from it where we have a continual surplus year after year, but everybody concedes that when we levy a tariff on something as to which a part of our wants must be supplied by importation, the tariff is effective.

I had gotten down to where it was shown we had the benefit of \$10,600,000 coming to the people in the United States. How much of that will the farmer get? Now, I come to where I have to estimate. I have asked various Senators and others how much of that would really go to the farmer. I have been proceeding on the theory that the producer of beets would get half. Most of those who have expressed opinions to me have put it at about a third. Let us assume that the producer of beets gets one-half of that, in round numbers, gets \$5,000,000; then the American consumers of sugar pay \$54,000,000 in order that he may get \$5,000,000. I submit, and I submit it to the men in my State producing beets who are asking and demanding that I vote for this increased tariff, is it right that a representative here in the Senate should vote for a tax upon the consumers of the country—and it will fall upon the poor heavier than upon anybody else—of \$54,000,000, in order that some of his constituents may get a part of \$5,000,000? That is unjust, that can not be defended on any ground of logic or justice.

We ought to think of the people who pay the bill. This burden we are voting upon our own people. We are adding the burden to every table, to every fireside, to every hamlet in the United States. It is said it is only a small amount for each one. That is true, and that is true as to every other item in this bill. That is true as to some other items to which I may refer. But in the aggregate all those items put together make up the cost of living of the American people.

We are going to add \$54,000,000 to the cost of living in the United States if we enact the committee proposal into law, and the benefits which will come from it are going in the main and in large part to the producers and manufacturers of sugar in Porto Rico, Hawaii, and the Philippines. What is the object of a protective measure? It is to protect the American laborers and manufacturers from the low cost of labor, the low cost of living, and the low cost of manufacture in the tropical countries of the world. That is our justification for adopting a protective measure. How can we justify our action when down near the equator the tropical countries are going to get the benefit of the tariff which we levy and which we call upon our people to pay? It is just the reverse of the ordinary condition of things.

As has been said by several others, we are mixing up with our civilization a people who belong entirely to a different world and a different civilization. We should not mix them. They ought not to be mixed. We ought not to levy tribute upon the American farmer and upon the American household in order to make more profitable the production of cane sugar in the Philippine Islands where labor is cheap. Under ordinary circumstances any broad protective tariff that has ever been enacted was said to have been justified because it would prevent the incoming of the products of those very countries which we are now going to build up by this bill. There is no escape from it. There is no way to get away from it.

The various organizations which are perfectly organized for the purpose of increasing the tariff on sugar have forgotten the people who pay the bill. They have forgotten the children upon whose backs they are going to add the additional burden. They have forgotten the firesides and the homes of the poor who have to work to pay this bill. The additional cost of sugar is not coming out of the rich alone. It takes about as much sugar to supply a poor man as it does to supply a millionaire. We are not going to pay this tax increase in proportion to the money or the income we have, but we are going to pay it upon every

spoonful of sugar that we and our children eat. It is an unjust burden, the proceeds of which are going to be turned over to some one else. Five-sixths of the proceeds will never reach the pockets of the American farmers. Most of the proceeds will go to foreign lands. Most of it will go to pay for labor and machinery where the cost of living and civilization are away below what we are trying to keep up here by a protective tariff.

How can it be justified, Senators? How can Senators look into the faces of 100,000,000 people and say that we are going to tax them \$54,000,000 in order that a few people may get \$5,000,000? As was so well said this morning by the Senator from Kentucky [Mr. BARKLEY], the farmers of America are going to pay \$8 or \$10 out of their pockets for every dollar that any farmer gets into his pocket on account of this tariff if we make it effective. As an agricultural proposition it will benefit, if it benefits agriculture at all, the producer of beets. It will give him, perhaps, a very small amount of the larger sum which the American people must pay. But comparing the amount the farmer will get with the amount the other farmers must pay, the amount received by the beet-sugar men sinks into insignificance. The farming public of the United States is going to pay out many dollars. The men who produce wheat and corn and tobacco and cotton—and they are not in as good financial condition as the men who produce beets—are going to be taxed millions of dollars in their deplorable condition, a very small part of which is going to be turned over to other farmers who are not in such bad financial circumstances.

Mr. President, the Senator from Colorado [Mr. WATERMAN] the other day, in a very able speech in favor of the increased tariff on sugar, gave some comparisons. I want to go into some of the things he offered as evidence why we should vote this additional tax upon the American people. The Senator was very fair in his argument and very courteous in answering questions. He offered a table showing the tariff levied in the pending bill upon other articles, which, he said, if they were justified, would justify the levying of an additional tariff on sugar. He was meeting an objection that some one had offered that the number of people benefited was comparatively small, and so he put into the RECORD a table which shows, for instance, that the manufacturers of soap have a high tariff on their product and that there are only 272 plants in the United States manufacturing soap; that the number of officials and proprietors and employees and wage earners in that business is only 20,102.

Likewise he referred to pottery. There are 309 plants in the pottery business in this country. There are employees and officials in that business to the number of 39,934. Some of the tariffs on china and porcelain are: Undecorated, 60 per cent ad valorem, decorated, 70 per cent; cups and saucers and plates valued at not more than 50 cents per dozen, 10 cents per dozen additional, and so on, showing an enormous tariff.

To my mind the table only shows that in this tariff bill we have gone protection crazy. Instead of furnishing an excuse, as the Senator from Colorado used it, to add a tariff on something else, it is only another argument that in the method of making tariffs we are adopting the logrolling process. One little industry in which only a comparatively few people are interested gets a tariff. They say to another, "You have scratched my back, now I will scratch yours." So the argument of the Senator from Colorado was that we have levied a tariff upon china, upon the dishes of the poor, of 70 per cent ad valorem—unjust, unjustified, indefensible—but because we have done it we are justified in doing another thing just as bad, and to levy \$54,000,000 upon the farmers of the United States in order that a few people engaged in the production of sugar beets may get \$5,000,000.

It seemed to me, Mr. President, it ought to direct the attention of the American public to the fact that this unknown person called the consumer, who on this floor is undefended and unrepresented, who has no one here to speak for him, ought to rise up in his might and say that this method of tariff making can not continue. Especially is that true where we levy a tariff on something like sugar, which goes into the everyday living expenses of every person in the United States. No one can escape paying his share of that tariff, and he has to pay the same amount whether he be rich or whether he be poor. Whether he has a big income or whether he is a pauper, the same levy is made upon him. He knows when he pays it, and we know when we levy it that we are making him pay ten times the amount that the man we want to benefit is going to get. We can not justify ourselves in such conduct. We can not defend an increased tariff where such must be the inevitable outcome.

The Senator from Colorado mentioned clocks. There are only 45 plants in the United States, employing 9,106 persons, and where the clock is valued at less than \$1 we levy a duty of 55 cents and 65 per cent ad valorem. That makes a fine showing

of an enormous tariff for the benefit of a very few people, and the Senator from Colorado said, "Because you have done this to the clock people, you must do likewise to the sugar people. Because we have robbed you people over on our left, we must rob all the people for the benefit of a few other people over on our right."

I wish Senators would examine the list placed in the RECORD by the Senator from Colorado. It ought to open their eyes, it seems to me, to what we are about to do in levying this increased tariff upon the food products of all the people, and it should awaken them to the fact that in the bill we have adopted unconscionable rates and unconscionable schedules that can not be defended anywhere, all resulting in taxes which must be borne by the consuming public of the United States.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll.

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

Ashurst	George	King	Sheppard
Baird	Gillett	La Follette	Shortridge
Barkley	Glenn	McCulloch	Simmons
Bingham	Goff	McKellar	Smith
Black	Goldsborough	McMaster	Smoot
Blaine	Gould	McNary	Steck
Blease	Greene	Metcalf	Steiwer
Borah	Grundy	Moses	Sullivan
Bratton	Hale	Norbeck	Thomas, Idaho
Brookhart	Harris	Norris	Thomas, Okla.
Broussard	Harrison	Nye	Townsend
Caraway	Hatfield	Oddie	Trammell
Connally	Hawes	Overman	Tydings
Copeland	Hayden	Patterson	Vandenberg
Couzens	Hebert	Phipps	Walcott
Dale	Heflin	Pine	Walsh, Mass.
Deneen	Howell	Pittman	Waterman
Dill	Johnson	Ransdell	Watson
Fess	Jones	Robinson, Ind.	Wheeler
Fletcher	Kendrick	Robison, Ky.	
Frazier	Keyes	Schall	

Mr. SCHALL. I wish to announce that my colleague [Mr. SHIPSTEAD] is unavoidably absent.

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

Mr. BLAINE. Mr. President, I think it is entirely appropriate to call attention to the labor conditions that exist in the beet fields of America, especially in Colorado and Utah, and also to call attention to the character of labor which is employed in the Hawaiian Islands in the production of sugar, and the wage that is paid to the Filipinos who work on the sugar plantations in the Philippine Islands. I presume those Senators who have visited the beet fields in their respective States have observed the labor that is employed in the weeding, the thinning, and the topping of beets. The laborers so employed are often women and children, and the women and children who are employed in the beet fields, like all other laborers in the beet fields, must get down on their hands and knees in order to perform the labor. In the weeding and thinning of a few acres of beets they must literally crawl miles upon miles, sometimes in a soil that is damp, that is giving off moisture, oftentimes to such an extent that many of those women, bearing children, are attacked by what they call "rheumatism."

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

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. Little children have their hands and limbs warped. I know what I am talking about, notwithstanding the smile on the face of the Senator from Utah, who is alleged to be interested in a financial way.

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

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. BLAINE. I yield.

Mr. SMOOT. Did the Senator ever know of a woman working in the beet fields, thinning beets?

Mr. BLAINE. Ah, yes; I have seen them. I have an official report of an investigation made by the industrial commission of my own State—

Mr. SMOOT. That may be.

Mr. BLAINE. The investigation was made in the year 1926, when I had the honor to be governor of my State. I know it personally. I know it officially, and I can produce the testimony.

Mr. SMOOT. Mr. President, I want to say to the Senator that I know that women do not work in the beet fields in Utah, and I know it because it has been charged before and disproven. I know they do not do it.

So far as my financial interest in the sugar business is concerned, I have 440 shares. Two hundred and ninety of those shares came from my father's estate and the rest I bought and paid \$1,500 for. They are shares in a plant that went to Idaho and failed in Idaho. If the Senator wants to know what

that stock is worth to-day, if he will look at the paper he will see that it is offered for 90 cents a share. That is the financial interest I have.

Mr. BLAINE. Oh, I am not interested in that view of this matter taken by the Senator from Utah.

Mr. SMOOT. But the Senator made the charge that I was financially interested.

Mr. BLAINE. I made no charge that the Senator employed women upon his beet plantation.

Mr. SMOOT. The Senator raised the question as to financial interest.

Mr. BLAINE. I made the charge, and I repeat it, that women—Mexican women, some Polish women, some Russian women—are employed in beet fields. I make the charge, and I know the Senator can not dispute it, that little children are employed in those beet fields wherever they exist in any portion of our country. I make the charge, and the Senator knows it is true, that those little children must crawl on their hands and knees literally miles upon miles in the damp soil of the beet fields. I know, and the Senator knows, that the fingers and the limbs of those little children are warped because of their labor in the beet fields.

Mr. SMOOT. The Senator from Utah does not know any such thing, and the Senator from Wisconsin does not know it, because it is not the fact. I know that the Senator can not find a single, solitary child with warped fingers because of picking out one little, thin beet sprout.

Mr. BLAINE. The Senator from Wisconsin knows that, when a Senator is financially interested, he is not willing to accept his testimony upon a question in which his pocketbook is involved.

Mr. SMOOT. Does the Senator think that because I have an investment of \$400 in sugar factories, that will warp my judgment? Does the Senator think so?

Mr. BLAINE. I had assumed that the Senator from Utah, having an interest in sugar beets, would take exactly the attitude taken by the junior Senator from Pennsylvania [Mr. GRUNDY], and decline to vote upon a proposition where he was financially interested, in the shelter of protection. That is what I assumed.

Mr. SMOOT. Is not the Senator from Wisconsin financially interested in some of the items in this bill?

Mr. BLAINE. I have no personal or financial interest in any item. I am not asking to be sheltered by any protective duty.

Mr. SMOOT. Not any item in this bill?

Mr. BLAINE. Any interest that I may have in any item is the interest of a consumer.

Mr. SMOOT. Of course, I have the same interest as a consumer that the Senator from Wisconsin has.

Mr. BLAINE. Certainly.

Mr. SMOOT. But I want to say now that I can not understand the Senator's opinion of a man having \$400 in an institution in which millions and hundreds of millions are invested if he thinks that that would warp his judgment. It is perfectly unthinkable.

Mr. BLEASE. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from South Carolina?

Mr. BLAINE. I yield.

Mr. BLEASE. If the Senator from Wisconsin will permit me, I will state that one of the reasons given before the Committee on Immigration for preventing Mexican labor from coming into this country is the very reason he has stated—that it is impossible to get American people to do the work. Those who bring that Mexican labor into this country refuse to be responsible for seeing that they are returned; and the hardest fight that is being carried on in the Immigration Committee by those of us who are in favor of keeping out this foreign labor is because of the fact that the people across the line who want to use these Mexicans do use them because American women and children will not do the work that the Senator from Wisconsin has described.

Mr. SMOOT. Mr. President, if the Senator from Wisconsin will yield, I want to say that the Senator from South Carolina was not in the Chamber when the Senator from Georgia brought up the question. I want to say to the Senator from South Carolina that I would not allow one of those Mexicans to come into this country for a month or two months to work in the sugar fields unless the company itself gave a bond that they would be returned to Mexico.

Mr. BLEASE. That is what I tried to get before the Immigration Committee.

Mr. SMOOT. That is what I am in favor of, and I will support any legislation to that effect. They come in here because it is impossible to get the labor otherwise, because the work of

getting the beets out of the ground has to be done within a couple of weeks. If they are not taken out of the ground within that time, along comes a frost, the same as it did in Colorado this year, and thousands of acres of beets are frozen in the ground and perfectly useless.

That is the only reason why these Mexicans are brought in here. I will support the Senator from South Carolina or any other Senator in compelling the institution that requires Mexican help for that particular work of digging the beets out of the ground to give bond that every one of them shall be returned to Mexico within a given time.

Mr. BLEASE. Mr. President, if the Senator from Wisconsin will allow me to make one further observation, that is the position I have taken before the Committee on Immigration—that when these people bring Mexicans over here they should say how many they want, how long they expect to use them, and they should give a bond to carry them back across the border.

Mr. SMOOT. Absolutely.

Mr. BLEASE. I do not want the Senator from Utah to think for a moment that I am impugning his motives. I do not believe that for any personal interest, either pecuniary or political, he would betray his constituents; but I want to put the position of the Senator from Wisconsin before the Senate, because I happen to know that that is correct.

Mr. BLAINE. Mr. President, I repeat that it will be found, in any study that has been made of the labor conditions in the beet fields, that women have been employed; that those women take their little children only a few weeks old and leave them in the care of a mere infant sister while the mother literally crawls in the hot, blistering sun upon her knees in the weeding and the thinning and the topping of beets—

Why, Mr. President, I repeat, in my own State we have endeavored to go far enough with labor legislation so that this sort of thing can not be generally engaged in. That is not true in other States. Colorado employs children. In fact, women and children are employed quite generally in the beet regions of the West. We do find the wives and children of American citizens employed in a beet field, but the number is rapidly declining. The growing of beets on a large scale is done by some women and children or by immigrants who are not citizens of the United States. That is true in continental America; it is true in Hawaii; and, Mr. President, when we are taxing the breakfast table of the American people, as proposed by the Finance Committee's increase, we are not taxing the American people for the benefit of American labor. We are taxing the American people largely for the benefit of aliens within our own Nation, and the inhabitants of the Philippine and Hawaiian Islands and Porto Rico.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from California?

Mr. BLAINE. I yield.

Mr. SHORTRIDGE. Would the Senator have us abandon the cultivation of sugar beets in America, abandon what I may call the American sugar industry, for the reasons stated, or for other reasons?

Mr. BLAINE. When the American people, the men and women who constitute the very cream of our Nation upon our farms, refuse to work in the beet fields, I am opposed to any industry that compels the survival of that industry only through the employment of unfortunate little children and women or aliens. I do not believe that America stands for that sort of thing, sugar-beet industry or no sugar-beet industry. I believe that there is a way by which the beet industry can be promoted without the exploitation of women and children and without the exploitation of the Philippine worker, the Japanese worker, or the Mexican worker. It is as unjustifiable to exploit those alien people as it is to exploit women and children.

Mr. SHORTRIDGE. Assuming the facts to be as indicated by the Senator, what are we to do? Are we to abandon the American industry, or seek to cure the conditions referred to?

Personally, if the Senator will permit me to add a word, if conditions are as indicated—and they would be deplorable—can they be cured? I wish to maintain the American industry, fearing that if we abandon the American industry and become utterly dependent upon the foreign, then we shall pay more for our sugar and will have put out of employment perhaps hundreds and thousands of our own people. What would the Senator do? I am curious to have his mature judgment, assuming the facts to be as indicated.

Mr. BLAINE. I would suggest to the Senator that we are not going to cure the situation by increased taxation on the American people. We have not before us any proposition along the lines I favor. Therefore I do not propose to engage in a

mere academic discussion of something that is not presently before us.

Mr. SHORTRIDGE. May I add to the Senator, we are dealing with something presently here—that is, whether the present rate shall be increased or not. That is the practical proposition, is it not? I understand the Senator's philosophy to be rather in favor of reducing the rate than increasing it. That is the practical proposition that I propose to discuss, or which I know is under consideration. I do not wish to divert the Senator from his argument.

Mr. BLAINE. Mr. President, if my voice and my vote were to control, I would vote for a sugar rate recommended by the Tariff Commission in their report to the President, and that rate would be as effective, so far as American labor is concerned, as is the present proposal of the Finance Committee.

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

Mr. BLAINE. I yield.

Mr. GEORGE. Will the Senator permit me to call his attention to the fact that the President yesterday designated Mr. Brossard as chairman of the Tariff Commission, and Mr. Brossard, as the Senator will recall, was one of those members of the commission who favored a higher duty on sugar?

Mr. BLAINE. I noticed the news release that the President had nominated Mr. Brossard as chairman of the Tariff Commission. I also recall that it was Mr. Brossard who wrote the minority report. I also recall that in a debate in this Chamber my colleague [Mr. LA FOLLETTE] exposed what, in my opinion, was a most scandalous condition and procedure in connection with that report, and the withholding of action upon that report. It was sugar that got its influence into the operation and machinery of the Tariff Commission. It was a sordid interest, and it is the same sordidness that is back of this fight for higher sugar duty.

Mr. GEORGE. Mr. President, if the Senator will pardon me, I may suggest to him also that Brossard was, of course, indorsed by the distinguished Senator from Utah [Mr. SMOOR], but in his testimony, which was discussed in the Chamber by the Senator's colleague, as I recall it, Mr. Brossard said that Mr. Hoover, then the Secretary of Commerce, had also indorsed him for a position on the commission, as he understood. The act of the President in nominating him as chairman of the commission, in view of his attitude on sugar and on the sugar rate, certainly lends some color at least to the supposition that Mr. Brossard's understanding was correct; that is to say, that the President had favored Mr. Brossard. I think that the Senator will agree that Mr. Brossard's designation or nomination as chairman of the commission certainly indicates that, if there be any definite attitude on the part of the White House, it is favorable, not to a decrease, not even to the present rate in the sugar schedule, but to an increase in the rate of duty on sugar.

Mr. BLAINE. Mr. President, I thank the Senator for offering these suggestions at this time. I want to proceed, however, with a discussion of the labor conditions in the beet fields.

As has been shown in the debate, there are a number of States that produce some sugar beets. The labor conditions are not the same in all those States. Take, for instance, the State of Michigan. I understand that a large portion of labor employed in the beet fields in that State is Mexican labor, and with some 100 prisoners who are leased by the State to the sugar planters. I understand that the Mexican labor costs about \$23 an acre in that State. The State leases a hundred prisoners to the planters at the same rate; that is, on a basis of \$23 an acre.

In the western portion of our country Mexico is a large source of labor supply. In Michigan there was some difficulty with Mexican labor. The sugar company that processes the sugar beets procures these laborers, not the man who grows the beets, who owns the farm, but the sugar company. The sugar company provides practically all the labor. In the State of Michigan the sugar company had some difficulty with Mexican labor, because before they could get the Mexican labor to the beet fields, on the way to the beet fields and then after they arrived at the beet fields, there were too many desertions. Therefore difficulties have arisen in the beet fields of Michigan on account of labor conditions.

In my own State there is practically no Mexican labor problem involved, for I understand there are no Mexican families in the beet fields in my State. But in the West there is much Mexican labor.

As I recall a newspaper or press report sometime ago, some one at the head of a great national social organization made the statement that there were about 2,000,000 Mexicans in the United States who had never become American citizens.

The Mexican is to-day creating in the United States a great labor problem. Congress excludes from the United States, to a very large degree, those great races of people, the Germans, the Scandinavians, the Irish, but literally hordes of Mexicans are

brought into the United States annually to increase the profits of the Great Western Sugar Co. and other sugar interests. Some of those Mexicans go upon the railroads, it is true, and many of them into the iron and steel mills of Pennsylvania, but wherever they go, they become a menace to American labor, a menace, whether in the mills or in the beet fields.

I will not go into a discussion of the reasons why they are a menace, a menace from the social standpoint, and from the health standpoint, and they are a great menace from the economic standpoint.

In order to continue the exploitation of these alien people, it is proposed here to tax the American people, not only to tax the American people for the exploitation of those aliens here in continental United States but as well to tax the American people so that the planters of Hawaii might continue to fill their pockets with enormous profits out of the sweat and toil of Americans, and out of the exploitation of weaker people brought to those islands.

I am going to quote from the testimony of Mr. Mead, who was before the Committee on Lobbying, to show what labor we are going to protect by the increase in the duty on sugar. Of course, it has been repeated time and time again that Cuba produces a little more than one-half of the entire American consumption of sugar; that continental America and her three possessions, if they may be called possessions, produce the balance of American consumption, and the three island possessions produce the major part of that balance of sugar consumed. Let us turn now to Hawaii. I am taking the testimony of Royal D. Mead, whose residence is Honolulu, Hawaii. It will be found in the hearings of the lobby investigating committee for the day of November 14, 1929. Mr. Mead stated:

Mr. MEAD. I am a lawyer. I am vice president of the Hawaiian Sugar Planters' Association of Hawaii, and its attorney in Washington. I am also treasurer of the Domestic Sugar Producers' Association of Washington.

Senator CARAWAY. The Domestic Sugar Producers' Association?

Mr. MEAD. Domestic Sugar Producers' Association of Washington.

Senator CARAWAY. How long have you been in Washington, Mr. Mead?

Mr. MEAD. I have been here on and off since the early part of 1921.

Senator CARAWAY. The occasion for your coming to Washington was to engage in publicity work of some kind for the sugar producers?

Mr. MEAD. No.

Senator CARAWAY. What brought you to Washington?

Mr. MEAD. I was secretary-treasurer of the Hawaiian Sugar Planters' Association in 1920—

Senator CARAWAY. That wasn't what I asked you.

Mr. MEAD. I was trying to tell you what I came for. I was sent on to Porto Rico in connection with matters with relation to immigration, and came to Washington and remained here for some time in connection with immigration matters.

Senator CARAWAY. What connection did you have with immigration matters?

Mr. MEAD. Oh, a great deal. We conduct immigration of Filipinos to Hawaii.

Senator CARAWAY. You do what?

Mr. MEAD. We conduct immigration of Filipinos from the Philippine Islands to Hawaii.

Senator CARAWAY. You promote it?

Mr. MEAD. We promote it and conduct it; yes, sir.

Senator CARAWAY. What do you mean, "We promote it and conduct it"?

Mr. MEAD. The Hawaiian Sugar Planters' Association recruits labor in the Philippine Islands and brings them to Hawaii for the Hawaiian plantations. We have also taken Porto Ricans from Porto Rico for a labor supply.

Senator CARAWAY. You were just a labor agent in that, getting the labor?

Mr. MEAD. Yes. I don't know whether you would call me a labor agent or not. We had our own agents employed. I was secretary-treasurer of the Hawaiian Sugar Planters' Association and was supervising their activities.

That I have quoted from the stenographer's typewritten transcript at pages 2755, 2756, and 2757. From page 2763 I quote further from the testimony. The Senator from Montana [Mr. WALSH] was examining Mr. Mead as to laborers:

Mr. MEAD. The latter movement from Porto Rico, I think, was in the vicinity of a thousand. Previous to that time I think we took in 3,000.

Senator WALSH of Montana. About how many all together have you—

Mr. MEAD. I think altogether there have been about 4,000 Porto Ricans come out; the total movement.

Senator WALSH of Montana. When did you last introduce any?

Mr. MEAD. The latter part of—well, either the middle or the end of 1921, somewhere in there. I don't know just when.

Senator WALSH of Montana. Did you introduce any white labor? Do you introduce any white labor to Hawaii now?

Mr. MEAD. We have no immigration of white labor now; no. We have tried to get Portuguese and Spaniards; but, as I say, the laws are opposed to paying their passage, and they will not come unless the passage is paid.

Senator WALSH of Montana. Well, they are restricted by the quota law, too, are they not?

Mr. MEAD. Yes, the quota law, more recently.

Senator WALSH of Montana. About what proportion of the labor in the sugar plantations in Hawaii is white labor?

Mr. MEAD. I should say there are about 55,000 laborers on the plantations. I am just thinking out loud, if you will pardon me. About 55,000 laborers; 34,000, I think, are Filipinos, about 8,500 to 9,000 Japanese. I should say about 2,000 Americans, maybe 1,000 or 1,500 or 2,000 Portuguese and Hawaiians. That is about my recollection of it, sir. I could tell you that directly from my labor statements. I have copies of the labor statements in the office which I have not here.

Senator WALSH of Montana. Are there any Chinese?

Mr. MEAD. Very few now. The Chinese are very negligible.

Senator WALSH of Montana. What proportion of your population is Japanese origin?

Mr. MEAD. Approximately 40 per cent, 40 or 45 per cent of the population of Hawaii is Japanese.

The Hawaiian sugar interests are engaged in the occupation of transporting Japanese to Hawaii until to-day almost one-half of the population of that island is Japanese.

They are not all aliens, as you understand. There are a great many citizens there of Japanese parentage.

Senator WALSH of Montana. Born in the islands?

Mr. MEAD. Born in the islands and therefore citizens.

Senator WALSH of Montana. But I am speaking of their origin. About 40 per cent are Japanese?

Mr. MEAD. Forty to forty-five per cent are Japanese.

There are a great many citizens there from Japan, and as the years go by and as the Hawaiian sugar interests continue, the Japanese children will be born in Hawaii and at the rate at which they have been coming to Hawaii and there propagating, it will not be long until the Hawaiian Islands will be entirely or practically entirely populated by the Japanese. There is no other escape from that situation. By the proposed increase in the tariff the day is being hastened when we shall have a larger population of Japanese in the Hawaiian Islands to be protected under the increased sugar schedule at the expense of the American taxpayer. That is what is being done. Is that protecting American labor or protecting American industry? The question answers itself.

Remember Hawaiian sugar enters America free of duty.

Continuing further with the testimony of Mr. Mead, I read from the stenographer's minutes where the Senator from Indiana [Mr. ROBINSON] was inquiring:

Senator ROBINSON of Indiana. Now, how much money, forgetting for the moment about the surgical treatment and the houses and all that sort of thing, but what average wage do you pay there? How much money do they receive in cash?

Mr. MEAD. Well, I should say that the average cash that the plantation laborers receive is in the vicinity of about \$2.25 a day, cash money, but the other stuff is just as much money for them as the money that they receive.

The "other stuff" is simply the shacks for the plantation laborers and the very small plot of ground immediately surrounding the shacks. It is true that the planters have a sort of benevolent autocracy, so far as the sugarcane fields are concerned, and they furnish the medical treatment, not out of a desire to benefit the general health conditions of the island but to keep the laborers fit to work on the plantations and in the sugarcane fields. That is the "other stuff" to which Mr. Mead referred. I, myself, then proceeded to question Mr. Mead, as follows:

Senator BLAINE. Do I understand that no native Hawaiians are employed on the plantation?

Mr. MEAD. Oh, yes. There are some native Hawaiians, but you understand that the pure-blood Hawaiian is decreasing. The mixed blood, of course, is increasing, and there are quite a considerable number of Hawaiians on the plantations.

Senator BLAINE. You gave the total number as 55,000.

Mr. MEAD. All together.

Senator BLAINE. Thirty-five thousand Filipinos, 9,000 Japanese.

Mr. MEAD. I do not think I said 9,000 Japanese. I said between eight and nine thousand, did I not?

As I have already read his testimony, he said from 8,500 to 9,000 Japanese.

Senator BLAINE. Between eight and nine thousand?

Mr. MEAD. Yes.

Senator BLAINE. And 2,000 Americans.

Mr. MEAD. Yes.

Senator BLAINE. Are those superintendents?

Mr. MEAD. Superintendents and engineers and mill men.

Senator BLAINE. The Americans who are there do not perform common labor?

Mr. MEAD. No.

Senator BLAINE. Fifteen hundred to two thousand Portuguese. They perform common labor?

Mr. MEAD. Not to any great extent. They are in the better positions—semiskilled positions—engine drivers, teamsters, and things like that.

Senator BLAINE. For how long a period are those laborers employed?

Mr. MEAD. Three hundred and sixty-five days a year.

Senator BLAINE. How many years?

Mr. MEAD. As long as they wish to stay.

Senator BLAINE. Under contract?

Mr. MEAD. No; not in the sense that there is a contract of service, but in the sense that work is done under contract, just as you would enter into a contract to build yourself a house.

That is the type of laborer which the Senator from Utah [Mr. SMOOT] proposes to protect. Thirty-five thousand from the Philippine Islands and 9,000 Japanese are the only ones who work in the beet fields of Hawaii. Men are engaged in the business of going to Japan and the Philippine Islands and there obtaining the natives of those countries exactly as the slave traders did in Africa in the early history of our country. They are brought to the Hawaiian Islands in shiploads literally under conditions hardly permissible for the transportation of hogs and cattle. Those natives transported to the Hawaiian Islands become the objects of exploitation by the Hawaiian sugar planters.

The Finance Committee bill proposes to grant them a reward and increased profits on their sugar under the increased sugar rate, at the expense of the American breakfast table.

Protect American labor! What American labor? Here and there a family of Americans may be engaged in this work, but the laborers are largely of an alien race, of whom a large number are women and children. Protect American labor! The alien labor that is a menace to American labor is the only labor in America that can expect to derive any benefit out of this proposed increased sugar duty.

Protect Hawaiian labor! Why, the Hawaiian does not labor in the beet fields of his native land. Protect the alien race from the Philippine Islands and from Japan! Ah, no; they will receive no benefit from this increase in the tariff duty; the benefit will flow into the pockets of the sugar planters and the sugar refiners, and the Japanese and the Filipinos will still continue to be the objects of exploitation in that far-off land. They are taken to the Hawaiian Islands without their families, wherever they can be obtained. It is true the planters must return the Filipino and pay his transportation after he has served them for a term of three years upon their plantations in Hawaii; but if, perchance, he should desire to return to his native home before the expiration of the three years, he must do so at his own cost. It is a system of indentured labor, which the world is endeavoring to outlaw at this time.

Is that protection for the American laborer? Is that upholding American ideals? Ah, it is a selfish interest that demands this increased taxation of the American public for the benefit of a few who have the opportunity to exploit alien races and weaker peoples; yes, even under our own flag Mr. Mead was asked:

What do you do with the Japanese?

Mr. MEAD. Oh, there is no such agreement with the Japanese.

That is, there is no agreement to return them to their homes; there is no agreement to take them back to their native land. Those Japanese become objects of prey; those Japanese constitute the source of Japanese immigration into the United States by way of Mexico and Canada under a system by which they may be smuggled into America by the steamship companies.

Mr. Mead says:

We have an agreement with the Filipinos that they will be returned to their homes after they have worked for us three years.

That is the term of servitude of the native of the Philippine Islands who goes to the Hawaiian Islands, there to work in the sugarcane fields of the planters in that island.

Question, How does the wage that the Filipino receives in the Hawaiian Islands compare with that he receives in the Philippine Islands?

Mr. MEAD. I think about four times as much.

In the Hawaiian Islands the Japanese and the natives of the Philippine Islands employed there receive \$2.25 a day cash for work upon the plantations, but they do not work 365 days in the year; they do not work on an average of 20 days a month, according to former testimony of Mr. Mead.

The natives of the Philippine Islands working in the cane fields of the Philippine Islands, according to Mr. Mead, receive only one-fourth as much as the Filipino receives who works in the cane fields of the Hawaiian Islands. One-fourth of \$2.25 a day is 56¼ cents a day. Is that the labor it is proposed to protect under this increase in the tariff rate on sugar? Remember, Mr. President, that this increase in the tariff on sugar does not affect the Hawaiian production or the Porto Rican production or the Philippine production, the total of which exceeds the production of continental United States; yet every cent of increase per pound on sugar means additional protection for those three islands; it means protection for the industry in the Philippine Islands, which pays only 56¼ cents a day for the labor in the sugarcane fields of those islands.

Mr. President, it is proposed to tax the American people under this increased rate on sugar for the benefit of alien people who are not asking for the protection. No benefit will flow to the Japanese or to the Filipino who works in the sugarcane fields of Hawaii for \$2.25 a day. Not one penny of this increased tax will go to the natives of the Philippine Islands who are employed in the sugarcane fields of these islands for 56¼ cents a day.

It is becoming demonstrated daily that Americans are declining to work in the beet fields of America. I am not surprised that the American farmer refuses to impress his wife and his children into the beet fields, where they must crawl for miles upon their hands and knees, weeding and thinning and topping the beets. An industry that must live upon the wreckage of the health of American women and children ought not to live at all. And, Mr. President, you can not bring to life, or if alive, you can not restore to any degree of strength an industry that must live upon the wreckage of women and children of any race or nationality. Do you suppose that by increasing this tariff, even if it were to be fully effective to the beet grower, you are going to bribe the intelligent American farmer to impress his wife and his family, or the wives and children of other men, into the beet fields of America? I think not.

If I know the temper of the American farmer, I know it can not be done. Nor, Mr. President, will the American people continue much longer to tolerate the influx of 50,000 to 75,000 Mexicans annually when we are denying the proper rate of immigration to the people of northern Europe, of Germany, and of the Scandinavian countries, and of Ireland. The Mexican immigration must halt, and halt soon; else the American Congress has played the part of a hypocrite in enacting the national origins law.

No, Mr. President; the American farmer no longer submits to the seductiveness of the lightning-rod agent; and you will not be able to fool the American farmer into the belief that he is going to receive any benefits from this proposed sugar increase. Whatever benefits are going to come to the sugar industry from this increase will go to the large planters who can employ Mexican labor; some will go to the large producers who may be able to inveigle some recent immigrant family into employment in their beet fields; but the benefits will go largely to the sugar-beet factory.

So, Mr. President, I am opposed to the increase promoted by the Finance Committee. I think America would be far better off even if the present duty were reduced to the rate recommended by the Tariff Commission not long ago. I am not going into a discussion of that matter at this time, because it would be futile to offer an amendment making that reduction.

I was discussing the labor conditions in Colorado and the West; and I want to assert now that a great portion of the labor in the beet fields of Colorado and the West beet-sugar territory is imported into that territory. Its way was paid.

It is true that the labor shipments to the Great Western Sugar Co. come high. I hold in my hand a report made by Paul S. Taylor on "Mexican Labor in the United States, Valley of the South Platte, Colo." It is a University of California publication, by the University of California Press, Berkeley, Calif. I have not had time to examine this long report; but, turning casually to one page, I find it stated that there are labor agencies in existence at Fort Worth, at El Paso, at San Antonio, and at other places along the border, recruiting Mexican laborers for these beet fields.

Then, quoting a paragraph from this report, it says:

Whole trainloads of beet laborers moved northward from the Southwestern labor markets in the spring. * * * These laborers were often fresh from Mexico, clad in the sombreros, light cotton clothing, and even sandals of the Mexican peon. The details of handling this dramatic movement of Mexicans into a new country, a new climate, and new form of agriculture are described by the labor commissioner as follows.

Mr. FLETCHER. Mr. President, may I interrupt the Senator?

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

Mr. BLAINE. I yield.

Mr. FLETCHER. Does that importation of labor occur at the season when they are gathering the beets, or does it include the whole time of cultivating and growing the beets?

Mr. BLAINE. The report speaks of the movements "northward from the Southwestern labor markets in the spring." I assume that is after the beets have been planted and the weeding and thinning begins.

The labor commissioner's report says:

In moving a train of Mexican laborers a thousand miles, several operations are required besides paying the railroad company for the tickets. One or two company agents were placed in charge of these trains as conductors. At each railway division point they check up the number of passengers with the new railroad conductor, and on the basis of their count, payment is made for transportation.

That is a system of simply herding these Mexicans upon a train. They are not shipped as passengers in American travel north or south. They are herded into the box cars and other cars and a count is made, and transportation paid for on the bloc system.

Lunches of bread, meat, cheese, fruit, and coffee are furnished en route.

They are thoughtful enough to give them some food while they are being transported.

Before the train leaves the shipping point a full supply of food is put on to last through to Denver. * * *

The first duty of the company conductor naturally is to deliver all the labor he starts with. Whether that is an arduous task or not depends largely on whether labor has been selected on the other end that wants to go through and go to work in good faith. The loss last season between shipping points and Denver was 2 per cent of the number shipped.

I assume that 2 per cent were the desertions. When they ship them to the beet fields of Michigan there is a much larger percentage of desertions—such a large part that the beet companies that process the sugar beets have found it quite difficult to make the business pay.

This report is filled with an exposé of the labor conditions that exist in the beet fields. By glancing through the pages of this report it will be observed that this type of labor is becoming a sort of a vagabond type, transported back and forth from one section of the country to another—men, women, and children, as far as they can keep families together—to work in some of these undertakings. There is little opportunity for these children to attend school. We have no census of these migratory people. I have not any doubt but that they run into the astounding figure of nearly 2,000,000, as stated by the head of a national social service organization of this country, 2,000,000 Mexicans who will never become American citizens.

I am not speaking of those in the beet fields alone, but I am speaking of this system of developing migratory laborers, with no fixed abode, with no homes, with no attachments. Sometimes their families are dispersed, but they manage as best they can, if they do come by families, to keep their little flocks together for a while.

In Colorado the beet-sugar employees are becoming efficient. Henry Ford has been a great blessing to them. They take a Ford chassis and build upon that chassis a shack, sometimes of one room, sometimes of two rooms, and in that shack upon the Ford chassis live these Mexican families. That is accomplishing efficiency to a very high degree, because these Ford trucks can be easily transported from beet field to beet field, and so some of these Mexican families literally live on wheels or crawl on their hands and knees in the beet fields, live on wheels while they rest their weary bones in the shack constructed on a Ford chassis or crawl in the dampness of the beet fields literally miles in the blistering sun during the day.

Mr. President, this is not overdrawing the picture. It is undercoloring the actual facts. Survey after survey by responsible persons has been made, and they all picture the same or worse conditions. So here in the United States we are creating a nomadic, rambling, vagabond people running into the

thousands upon thousands, transported from place to place to labor, not as farmers owning their own farms, not as individuals hired by the individual farmer, but gathered together in great blocks so that it takes trains to transport them from place to place.

As the sugar interests become more efficient, there comes a greater demand for the Ford chassis, more shacks will be built upon them in which these families may live, a wife, a husband, and 2, 3, 4, 5, or 6 children.

Mr. President, this is the ugly thing I have described for which it is proposed to tax the American breakfast table that the large planters and the processors of sugar beets may continue to coin more gold out of the privation and the destitution and the broken health and the broken families of alien people.

There has been a movement on, but it has not succeeded very well, to encourage the colonization of these workers. Business men in some of these beet-growing areas feel that these perambulating, nomadic, vagabond workers leave no money at home, because they have no home, and they have endeavored to create conditions that would stimulate colonization. But it has not succeeded, and it has not succeeded for a great many reasons. It can not succeed, there can be no colonization of this type of people in the American climate under American conditions.

I have intended no reflection on the people to the south of us, the great Mexican race. They are not responsible for the conditions I have described. They are victims of an economic system, to be pitied rather than condemned, but it is unthinkable to attempt to colonize the Mexicans in the United States. Even if it were possible, it would be unfair to the Mexican people. They are people of different habits and different customs and different standards. They have their own customs and their own standards. They live their own lives. They have a climate quite different from the prevailing climate in the United States. In other words, they do not fit into our system. So any scheme of colonization can not be a success.

Moreover, in my opinion it would be an unwise policy for the United States to attempt to make the colonization of those people possible here. We have sufficient labor problems to solve on our hands to-day. The economic condition of the worker is such that we can not afford to drag down the American worker to the wage standard of the Mexican people. I am speaking about their economic standard, their wage standard.

It is my notion at least that the time is not far distant when there will be restrictive legislation respecting Mexican immigration. When that time comes and Congress shall enact a law that will give to the Mexicans the right to come to this country only on the terms of restricted immigration, there will be little immigration of Mexican workers to the United States.

Whence, therefore, will come the workers for the beet fields? There is only one other source of the labor supply, and that source will be the women and the children who, because of the economic depression of the head of the family, will find it necessary to go in large numbers into the beet fields, and upon their hands and knees eke out a miserable life to supplement the income of the family. As a matter of national policy that sort of thing must not happen.

Mr. President, all this talk about protecting the American farmer or the American beet grower as an individual farmer comes to this in the main, that the Americans who live in the beet regions of the United States in increasing numbers refuse to get down on their hands and knees and literally crawl to weed and thin the beets.

As the years go by the fewer are the families who will submit to that sort of thing. The individual farmer growing his few acres of beets will find himself in the unhappy position of paying a greater tribute than the reward which he may receive under the proposed tariff increase on sugar.

Mr. SMOOT. Mr. President, I do not know that I ought to take the time of the Senate to try to enlighten Senators about some of the statements which have been made by the Senator from Wisconsin, as there are only a few Senators in the Chamber at this time to listen.

Mr. BLAINE. Mr. President, if the Senator will yield I will suggest the absence of a quorum.

Mr. SMOOT. No; that would take too much time. Other Senators have not spoken and perhaps it is out of place for me to speak now and take the time, because I do not want to cut off the Senator from Georgia [Mr. GEORGE] and the Senator from Texas [Mr. CONNALLY], who I understand desire to speak, and there is only a short time remaining in which they may do so.

Who are Senators to believe, the farmer who raises the beets or the Senator from Wisconsin in his statements to-day? I think the farmers of Utah know more about the conditions of

raising beets in Utah than does the Senator from Wisconsin. There is not a farm organization in any State in the Union that is interested in the raising of beets which has not sent petition after petition and letter after letter to Senators asking for the increase in the duty.

The Senator from Wisconsin has referred to men, women, and children having to creep miles and miles to top beets and to dig beets. Oh, how unreasonable! Beets are plowed up. A man takes a hook and puts the hook in the beet and raises it up and cuts the top off with a cutting knife. That is the process of topping beets. Yet the Senator from Wisconsin says that children are walking and crawling miles and miles to top beets!

Mr. NORRIS. Mr. President, in the interest of fairness, I think it ought to be said that I heard what the Senator from Wisconsin said. The same thought occurred to me that probably occurred to the Senator from Utah. The Senator from Wisconsin used the term "topping beets," but he also used the term "thinning beets," and, of course, it is that to which he had reference.

Mr. SMOOT. I will come to the thinning of the beets.

Mr. NORRIS. I think the word "topping" was probably a slip of the tongue, but what the Senator from Wisconsin was talking about was the thinning of the beets.

Mr. SMOOT. Oh, no; he made the statement not only once, but he made it two or three times.

Mr. NORRIS. Perhaps he did, but I, at least, thought it was probably a slip of the tongue.

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

Mr. SMOOT. Oh, yes; and I will yield to the Senator with a great deal more grace than the Senator yielded to me.

Mr. BLAINE. If the Senator will read the stenographic report of my remarks, he will find that I always said "in the beet fields in the weeding, thinning, and topping of beets." There are three processes.

Mr. SMOOT. But the Senator was talking about women and children.

Mr. BLAINE. Yes; and in the weeding and thinning and topping of beets they crawl literally miles and miles.

Mr. SMOOT. There is not a child who touches a weed in the beet field.

Mr. BLAINE. In the weeding and thinning of the beets?

Mr. SMOOT. There is not a child who touches a weed in the raising of beets; not one. Not only that, but I challenge the Senator to go into Idaho or Utah and point out little children creeping on their hands and knees miles and miles to thin beets. That is a kind of an argument which is not going to get very far.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I yield.

Mr. HARRISON. I was just reading the testimony of the man who wrote the minority report in favor of the increased duty on sugar, and in his testimony before the committee he said that little boys work in the sugar-beet fields.

Mr. SMOOT. Years ago that was the case. My own little boy used to take a contract to thin beets, and I will say to the Senator that it never hurt him a particle. Not only that, but he has no crippled fingers from pulling out of the ground a little beet sprout not more than an inch long.

Mr. HARRISON. I just understood the Senator to say that there are no children working in the beet fields.

Mr. SMOOT. There are none now.

Mr. HARRISON. When did it stop? Did it stop when they began to import Mexican laborers?

Mr. NORRIS. Oh, they do not work at this time of the year.

Mr. SMOOT. No; nor at any other time of the year. The modern way of thinning beets is entirely different from what it used to be. Advances have been made right along and will continue to be made.

There is not a farmer organization in my State nor in any other State in which sugar beets are being produced but what by resolution has indorsed not only the rate reported to the Senate by the Finance Committee but higher rates. The only condemnation I have had from them has been that I did not stand by the House provision and hold to that rate.

The Senator from Wisconsin has referred to Mexican laborers. There is not a Mexican who works on a beet farm until after the ground is plowed, cultivated, planted, and the first shoot of life comes through the ground. Why do the beets have to be thinned? We have tried many times in many years, and it has been tried in every country which grows beets, to find a seed that will surely give forth a stalk. It has been impossible to do it. The beet farmer does not dare plant one little seed in the ground and depend upon getting a complete stand.

Therefore he puts in two, or sometimes three, seeds. Sometimes none of them grow. Sometimes only one grows. Sometimes two of them, and sometimes all three of them grow. If there are two, one must be taken out. If there are three, two must be taken out. That constitutes the thinning of beets.

There are very few Mexicans who come into the United States to thin beets. What work do the Mexicans perform? They are here for the purpose of digging the beets. Thinning the beets is not done in slush, nor is the weeding done in that way, by crawling through slush. Every one of the furrows is dry. In order to get the beets out of the ground they sometimes have to put water upon them. The ground is usually as dry as a bone.

I never in all my life saw a woman crawling in a beet field. I know that there was one occasion when some person was sent out there against the beet interests and against the sugar interests, and hired some women in Colorado to go there, and photographs were taken showing them crawling in a beet field.

When the matter first came out it was demonstrated on the floor of the Senate in 1922 that the thing was absolutely preposterous and false; and yet now we have it rehearsed and rebashed here again.

I want to say to the Senator from Wisconsin that I am in favor of a provision of law that no Mexican laborer shall come into the United States unless a bond is given for his return and the sugar company importing him is held responsible for his return.

Why are Mexican laborers brought in here at all? The question has been asked. Why not get American laborers? The necessity for the additional labor comes within two or three weeks' time. The beets must be gotten out of the ground within that length of time. When they are ripened and ready to be ground at the sugar mill oftentimes a delay of two weeks will bring them into frost time, and never more than three weeks' delay has occurred that did not encounter a frost. For the first time in the history of Colorado this year there are hundreds and thousands of acres of beets that have been frozen in the ground because they did not have help to get them out before the frost came.

How long do these Mexicans stay in Utah? I do not think there is a State in all the Union that has as few Mexicans living within its borders as has the State of Utah. Of course, we do not use them as much in Utah as they are used in Idaho and some of the other States where there are more beets grown and in larger patches. So far as my State is concerned, there are no great patches of beets. They are grown only in small patches.

There is no other commodity that I know of that could be produced as well as sugar beets in the West. If we did not grow beets, if the industry is to be destroyed, what are we to raise? More wheat? The idea at the bottom of the establishment of the sugar industry in the beginning was to get a commodity in a form as condensed as possible so that it could be readily shipped to the central market where the demand for the product existed. We could raise hay upon every acre of land upon which we now raise sugar beets. What should we do with it? The freight rates are such that we could not move it to California; we could not move it to Nebraska; we could not move it east.

Mr. VANDENBERG. Mr. President, will the Senator from Utah yield to me?

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

Mr. SMOOT. Yes.

Mr. VANDENBERG. And is it not fundamentally and inevitably true that if the domestic industry disappeared the retail price of sugar in the United States would go up and up?

Mr. SMOOT. I was coming to that. The Senator from Michigan made a statement here the other day that was just as true as any word that was ever spoken. If we should put the American people at the mercy of Cuba or at the mercy of any other foreign country for the entire amount of sugar consumed by them, they would not only pay dearly for it but scarcely a year would pass when the increased price would cost the people of the United States more than it cost to erect all the sugar factories in the United States combined. We have had one experience of that kind already.

I wish to call the attention of the Senate to the fact that sugar is the cheapest commodity which is sold in America. There is no other commodity other than sugar which is handled practically without any profit whatever, and that is a condition which has not existed only of late. It seems to be the practice of the merchants of the United States almost entirely to demand little or no profit on sugar. I know when I was superintendent of the second largest institution in Utah—I was a mere boy at

the time—I never thought of making more than 25 cents a hundred pounds on sugar, and out of that 25 cents there was paid the expense of hauling the sugar from the railway station to the store and delivering it from the store to the consumer. The margin of profit is no greater to-day. By visiting any store in the city of Washington and asking what is the price of sugar, one will find that it is the cheapest commodity that goes on the breakfast table or the dinner table of the American people. I do not know why the practice as to sugar has been as it has. I have often tried to trace it back, and I have often wondered why sugar should be treated differently from all other merchandise. However, that practice started over 30 years ago, within my knowledge, and it has never ceased. So the ultimate consumer of sugar is not taxed for the profits that may have been made from it.

When I consider the rate on sugar and compare it with other rates, and then compare it with the world prices and the long process from the planting of the sugar-beet seed to the sugar in the bag, I sometimes wonder why the rate asked for is so low. On cattle farm organizations have requested a duty of 4 cents a pound; on fresh beef, 8 cents a pound; on oleo oil, 3.7 cents per pound; on fresh mutton, 5 cents a pound; on lamb, fresh, 8 cents a pound; on pork, 5 cents a pound; on bacon, 6 cents a pound; lard, 4.6 cents a pound; on meat extracts, 30 cents a pound; on milk, fresh, 8 cents a gallon; on cream, 60 cents a gallon; on butter, 15 cents a pound. Mr. President, I could go through the entire list of duties on agricultural commodities requested by farm organizations or proposed to be levied in this bill and show that the rate of 2½ cents a pound on sugar is relatively the lowest rate levied on any commodity in which the farmers of the United States are interested.

Mr. VANDENBERG. Or the consumers, either.

Mr. SMOOT. Yes; and the consumer gets sugar almost at cost. Is there any comparison, I will ask the Senate, between the proposed rate on sugar and that on peanuts, which is almost twice as much as the rate on sugar. All that is necessary to do in the case of peanuts is to plow the ground, put them in the ground, let them grow, pull the weeds up, and when the crop is harvested the peanut is ready for market, and that is all there is to it. Think of the labor involved in connection with the sugar beet from the time of its planting and of the processes involved before the sugar obtained from the beet can be placed upon the table.

Mr. President, the recommendations of the Tariff Commission in connection with the rate on sugar have been referred to so frequently that I wish to call attention to them. I will read an—

ANALYSIS OF THE 1922-1924 REPORT OF THE UNITED STATES TARIFF COMMISSION TO THE PRESIDENT OF THE UNITED STATES ON THE COST OF THE PRODUCTION OF SUGAR

A careful examination of the investigation conducted by the United States Tariff Commission November 16, 1922, to November 17, 1924, indicates that it has relatively little value as a guide for the purposes of the present tariff revision of rates as they pertain to sugar, for the following reasons:

1. That investigation gave practically no consideration to the costs of producing sugarcane and sugar beets—

Remember that statement is a fact—

it was a study of manufacturing or refining costs in which the price paid by the refineries for cane or beets was accepted as cost of raw material, and no attempt was made to ascertain whether these prices paid to the producers for cane and beets were adequate, or whether they covered cost of producing the cane or beets, or the difference in cost of producing cane in Cuba and in Louisiana or Porto Rico or Hawaii, or beets in continental United States. In contrast the present tariff revision has in mind to equalize the cost of producing cane in Cuba and other foreign countries and the cost of producing cane and beets in continental United States, as well as to equalize manufacturing costs in those areas.

2. While the investigation in 1922-1924 covered only the two crop years, 1921-22 and 1922-23, the report which indicated difference in cost of producing sugar (not difference in cost of producing cane or beets) at only 1.2307 cents per pound of sugar testing 96° by the polariscope as between the United States and Cuba was based on a tabulation of unofficial data covering a period of six years (1917-1922) which included the war years and the years of inflation, 1917, 1918, 1919, 1920, which makes the report absolutely useless for present-day use, or for reliable cost comparison at any time. Thus, the Cuban cost for 1920 was given as 8.0446 cents per pound and for 1922 it was 2.9328 cents per pound. Not only was the 6-year period superlatively abnormal but the data for the war period were unofficial statistical tabulations rather than certified costs ascertained by accountants. It must be noted that the application for the investigation had in mind a possible reduction in tariff

and the idea of including data for 1917 to 1920 was never broached until after March, 1924, when it appeared that the study of 1921-1923 would probably result in an increase in rates.

3. In making the comparisons between costs in Cuba and in the United States, the costs of producing cane sugar in Porto Rico and Hawaii were included with the costs of producing cane sugar in Louisiana and beet sugar in the United States. In fact, if the costs of producing cane sugar in Cuba had been compared with the average cost of producing sugar in Louisiana and beet sugar in the States for the crop years 1921-22 and 1922-23 the comparison would have been very different. It should be noted that this figure accepted the price paid to growers of cane and beets as cost of raw material and did not purport to measure the differences in cost of producing cane and beets.

Mr. President, I ask at this time that the remainder of the analysis, together with a summary of the report of the Tariff Commission on sugar, may be printed in the RECORD without further reading, as the time is passing.

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

The matter referred to is as follows:

The above three reasons are sufficient to indicate why the investigation made in 1922-1924 can not be used as a basis for tariff adjustments at this time when protection to cane and beet growers in continental United States is paramount. Many secondary reasons could be cited. The figure (1.2307 cents per pound) often quoted as the difference in cost of producing sugar in Cuba and in the United States (including Hawaii and Porto Rico), over the war period and postwar period of inflation of six years (using data which would not be accepted in any other official action), in which prices paid for cane and beets are accepted as costs of raw materials and in which no effort was made to secure the differences in cost of producing cane and beets, clearly can not have any bearing upon the present situation.

The net cost of producing Cuban raw sugar at the mill during the years 1921-22 and 1922-23, according to the sugar report approved by three commissioners (Messrs. Culbertson, Lewis, and Costigan) amounted to an average of 3.18 cents per pound, while the same report shows the cost of producing beet sugar, raw basis at the mill, to have been for those two years 5.04 cents per pound. Therefore, eliminating the data for the four years (1917-18 to 1920-21) prior to those selected for the sugar investigation as worthless for purposes of cost determination and using only the two years for which verified cost data were obtained, the report which has been quoted as showing a difference in cost of 1.23 cents between Cuban and United States sugars (based on six years) shows an actual difference in cost of 1.86 cents per pound between the cost of producing Cuban raw sugar and beet sugar on a raw basis when the two official years are used. Likewise, the differences shown by the supplemental report submitted by Commissioners Marvin and Burgess indicated a difference of from 1.80 to 1.85 cents. Therefore the data prepared and approved by the five commissioners participating in this investigation showed a difference in costs at the mill between Cuban raw sugar and beet sugar on a raw basis of from 1.80 to 1.86 cents per pound for the 2-year period officially under investigation.

The cost of the production of sugar in Cuba, according to the sugar report signed by the three commissioners covering the 6-year period 1917 to 1922 amounted to 4.499 cents per pound and for the 2-year period (1921-22, 1922-23) 3.18 cents per pound. In contrast with these costs it may be noted that Cuban sugar has been selling on the New York market, including handling and freight charges, during the past four years (1925 to 1928) at an average price for the four years of 2.66 cents per pound, or an annual average price of 2.56 cents for the year 1925, 2.59 cents for 1926, 3.04 cents for 1927, and 2.45 cents for 1928. These average annual prices of Cuban sugar (with freight and handling costs added) varied from 1.45 cents to 2.04 cents per pound, an average for the 4-year period 1925 to 1928 of 1.84 cents per pound below the reported cost of production shown by the sugar report covering the 6-year period 1917-18 to 1922-23. In fact, the average sales price, which includes freight, etc., for the four years, has been 0.52 cent below the average cost for 1921-22 and 1922-23.

It is evident that this 6-year average cost of producing raw sugar at the mills in Cuba, shown by the Tariff Commission's report to the President, is far in excess of the actual production costs, since it would not have been possible for raw-sugar producers in any country to dispose of their sugar over the period of four years 1925 to 1928 at a price varying from 1.45 to 2.04 cents below the actual cost of production and still remain in the business of producing sugar.

SUGAR—INVESTIGATION NO. 12—SUMMARY OF REPORT TO PRESIDENT

I. COMMISSIONERS PARTICIPATING IN REPORT

Thomas O. Marvin, chairman; William S. Culbertson, vice chairman; David J. Lewis; Edward P. Costigan; William Burgess.
Henry H. Glassie not participating.

II. RATES OF DUTY

Title I, tariff act of 1923

PAR. 501. Full rate for 96° raw sugar, 2.206 cents per pound. Rate on Cuban sugars (20 per cent preference under reciprocity treaty of 1903), 1.7648 cents per pound.

III. CHRONOLOGY

Application No. 73, requesting an investigation for the purposes of section 315, received from the United States Sugar Association, November 16, 1922.

Expert's preliminary report and advisory board report submitted to commission, December 12, 1922.

Advisory board requested to prepare plans of investigation, with estimated cost, of 19 articles, including sugar, January 2, 1923.

Investigation No. 12 for purposes of section 315 instituted, March 27, 1923.

Plan of investigation submitted to commission by chief investigator, June 28, 1923.

Louisiana cane-sugar plans submitted to commission by advisory board, August 4, 1923.

Field work in connection with foreign-cost data, March to September, 1923.

Domestic field work conducted, June to November, 1923.

Public notice of hearing issued, October 16, 1923.

Preliminary statement of information issued, December 1, 1923.

Public hearings held, January 15-18, inclusive, 21-24, inclusive.

Second preliminary statement of information issued, February 27, 1924.

Further hearings held, March 27, 28, 1924.

Briefs received, February 18, 19, 20; March 27, 28; April 10, 19, 1924.

Report of sugar division submitted to commission, May 15, 1924.

Commission voted to meet for consideration of sugar report Mondays, Wednesdays, and Saturdays until its completion, May 25, 1924.

Consideration of report by commission, May 28 to July 25, 1924.

Final report and findings sent to President by Commissioners Culbertson, Lewis, and Costigan, July 31, 1924.

Final report and findings sent to President by Commissioners Marvin and Burgess, August 1, 1924.

Request of President for supplemental information, September 27, 1924.

Request of President for further supplemental information, October 8, 1924.

Supplemental data sent President by Commissioners Marvin and Burgess, November 14, 1924.

Supplemental data sent President by Commissioners Culbertson, Lewis, and Costigan, November 17, 1924.

Public statement of President, June 15, 1925.

IV. SUMMARY OF FACTS

1. Production and imports

From 1917 to 1923 United States sugar consumption ranged from approximately 3,500,000 to 5,000,000 tons annually. Of the total annual consumption from 1917 to 1923 the cane sugar of Louisiana and Texas averaged, in round figures, 5 per cent; domestic beet sugar, 18 per cent; sugar from Hawaii, 11 per cent; from Porto Rico and the Philippines, 11 per cent; and from Cuba, 51 per cent.

2. Principal competing country

Cuba is the principal competing country; about 95 per cent of the duty paid importations of sugar during the period 1917-1923 came from Cuba.

3. Costs of production

a. Areas covered: Cost data were obtained in 4 domestic areas, Hawaii, Porto Rico, Louisiana, and the 16 beet-sugar States, and 1 foreign area, Cuba.

b. Period covered by cost data: Cost data were obtained on detailed cost schedules by the commission's agents for the crop years 1921-22 and 1922-23 for all of the regions studied and for earlier years for some of the regions. The commission also had in its files some cost data for the years 1914-1920 obtained annually through questionnaires sent to the trade.

Cost data were obtained for cane-sugar refineries in the United States for the years 1921-22 and 1922-23. Cost data for some refineries were also available for the years 1914-1920.

c. Method of obtaining cost and other data in the investigation: In Cuba and in the four domestic centers detailed cost schedules were used by the commission's representatives who visited each of the areas and obtained cost data from the books of the companies by personal inspection. The schedules cover the prices or costs of raw material, cane or beets—prices paid where they were purchased or the cost of growing where the companies produced their own cane or beets—and the cost of operating mill, including labor, material, fuel, and other items, which enter into the cost of making sugar and preparing it for market. In marketing costs there were included costs of containers, handling charges

at the port of shipment and the port of entry, transportation costs, advertising, and other expenses.

(During the years 1914-1920 questionnaires were sent annually to raw-sugar producers in all the domestic centers and in Cuba, upon which were shown production, costs of agricultural operations, factory costs—including labor, fuel, containers, administration, etc.—marketing expenses, wages, and other items. These data, however, were not in the detail of the schedules employed in the commission's investigation for the purpose of sec. 315.)

d. Weighted average costs of production: Weighted average costs for the various years for the domestic regions and Cuba on both the crop and calendar year basis were as follows:

Weighted average costs of sugar production, including marketing and interest on investment

(Raw sugar, crop-year basis, cents per pound)

	1917-18	1918-19	1919-20	1920-21	1921-22	1922-23
United States:						
Hawaii.....	4.9103	5.4659	9.2616	5.6476	5.1280	5.7874
Porto Rico.....	5.139	6.243	9.0807	5.7435	4.6420	6.0696
Louisiana.....	6.0777	8.0291	12.3359	8.3334	4.4374	5.3982
Beet.....	5.4225	7.0257	7.7940	8.2732	5.6314	6.2515
Cuba.....	4.3656	4.8685	8.6073	4.7037	2.7352	4.1211

¹ Data obtained through questionnaires; balance of data obtained from detailed schedules.

Weighted average costs of sugar production, including marketing and interest on investment

(Raw sugar, calendar-year basis, cents per pound)

	1917	1918	1919	1920	1921	1922
United States:						
Hawaii.....	3.136	4.035	4.549	8.229	5.017	4.657
Porto Rico.....	3.7314	4.696	5.899	8.8337	5.4436	4.3860
Louisiana.....	5.0998	7.3747	9.8714	8.7238	5.0096	4.9830
Beet.....	3.7346	5.4903	6.8069	7.3256	6.7418	4.8724
United States as a whole.....	3.7230	5.0405	6.4462	8.1291	5.8977	4.7454
Cuba.....	2.6346	3.8760	4.3906	8.0446	4.7190	2.9328

e. Treatment of interest and transportation charges: All cost data when tabulated were shown with and without interest on investment and with and without marketing charges. When transportation charges were included, the cost of transporting the Cuban sugar from port of shipment in Cuba to New York and domestic sugars from points of production to points of consumption was considered.

f. Advantages and disadvantages of competition: Certain competitive advantages and disadvantages were considered for each of the sugar regions by Commissioners Culbertson, Lewis, and Costigan. Advantages and disadvantages not included in cost of production are not shown in the cost comparisons submitted by Commissioners Marvin and Burgess.

The "advantages and disadvantages in competition" considered by Commissioners Culbertson, Lewis, and Costigan, were:

- (1) The Cuban reciprocity preference of 20 per cent.
- (2) Transportation and marketing.
- (3) The tariff in cost.
- (4) Other advantages and disadvantages.

Besides the differences in refining costs the following other advantages and disadvantages are noted:

- (a) The differential against beet sugar in favor of refined cane sugar.
- (b) The advantages to the beet-sugar producers because of location of factories for marketing product in certain areas.
- (c) Hawaiian "contract deduction."
- (d) The effect of the "drawback" in creating a preferential market for Cuban sugars.

V. APPLICATION OF FACTS

The commissioners as a whole did not concur in a final report, and, therefore, two separate final reports were submitted to the President, one signed by Commissioners Culbertson, Lewis, and Costigan, and the other signed by Commissioners Marvin and Burgess.

The printed report included:

(1) A report on the differences in the costs of production of sugar, certified to for the commission by the secretary, Mr. John F. Bethune, and a report of the findings of facts and recommendations signed by Commissioners Culbertson, Lewis, and Costigan; both submitted to the President on July 31, 1924;

(2) A report in respect to data secured by the Tariff Commission, by Commissioners Marvin and Burgess, submitted to the President August 1, 1924; and

(3) The two supplemental reports submitted in response to a request by the President: (a) one by Commissioners Marvin and Burgess on November 14, 1924, and (b) the other by Commissioners Culbertson, Lewis, and Costigan on November 17, 1924.

The reports submitted by Commissioners Culbertson, Lewis, and Costigan on July 31 and by Commissioners Marvin and Burgess on August 1 discussed in considerable detail six considerations, namely:

1. The use for the purposes of section 315 of the data available in the commission's files obtained annually by brief questionnaires.

2. The period of cost comparison.

3. Agricultural costs.

4. The use of crop year versus calendar year methods of comparison.

5. Statistical basis of comparison of Cuban and domestic costs.

6. Advantages and disadvantages of competition.

1. The use for the purposes of section 315 of the data available in the commission's files obtained annually by brief questionnaires: Commissioners Culbertson, Lewis, and Costigan were of the opinion that various tests applied to these earlier data show: "These data sufficiently comprehensive to ascertain weighted average costs for each region * * * and to be reliable for statistical use when a number of consecutive years are taken as a basis of cost comparison."

Commissioners Marvin and Burgess were of the opinion that the data obtained prior to the investigation conducted for the purposes of section 315 were based on a differently constructed schedule and were unverified, incomplete, and inadequate for the purpose of cost comparison with data obtained by the aid of comprehensive schedules used in the cost of the investigation.

2. The period of cost comparison: Commissioners Culbertson, Lewis, and Costigan based their conclusions upon the use of a 6-year period covering the calendar years 1917-1922.

Commissioners Marvin and Burgess were of the opinion that findings of fact should be based upon the two crop years 1921-22 and 1922-23.

3. Agricultural costs: Where factories grew company cane or beets the actual expenses incurred in producing the cane or beets were ascertained. Where cane or beets were purchased the amounts actually paid for them were used as the raw-material cost.

Commissioners Culbertson, Lewis, and Costigan were of the opinion that the costs should be equalized for the industry as actually organized and that "the costs found by the commission represented the actual expenditures of the industry," and that "it is these costs only which determine the competing power in the market of the producers of both the imported and domestic sugar."

Commissioners Marvin and Burgess expressed the opinion that the "prices paid the farmers by the mills are not the same as the actual costs of producing the raw material" and that "the incompleteness of the commission's data in respect to agricultural costs renders the cost data in the possession of the commission inadequate to determine what increase, if any, is necessary to equalize differences in the cost of producing sugar in the United States and in the principal competing country."

4. The use of crop year versus calendar year methods of comparison: Commissioners Culbertson, Lewis, and Costigan were of the opinion that in establishing a composite for purposes of cost comparison calendar-year data should be employed; that is, the cost of production of the sugar coming into the United States market during the calendar years 1917-1922, respectively.

Commissioners Marvin and Burgess were of the opinion that concurrent costs for the crop years 1921-22 and 1922-23 should be employed.

5. Statistical basis of comparison of Cuban and domestic costs: Weighted averages were employed as the basis of cost comparison in the sugar investigation. Different views were expressed by commissioners as to the average costs for the United States. Commissioners Marvin and Burgess were of the opinion that the weighted average cost of producing beet sugar in the United States should be compared with the cost of producing Cuban cane sugar. Commissioners Culbertson, Lewis, and Costigan were of the opinion that the weighted average cost of producing sugar in continental United States, Porto Rico, and Hawaii should be compared with the cost of producing sugar in Cuba.

6. Advantages and disadvantages of competition: With respect to the advantages and disadvantages enumerated on page 5, Commissioners Culbertson, Lewis, and Costigan found an advantage in favor of the United States of 0.115 cent per pound but concluded that "upon the whole record in which all factors of advantages and disadvantages have been analyzed and studied, the sound conclusion is that, with the exception of the 20 per cent Cuban preferential, the advantages and disadvantages between the United States consolidated and Cuba practically offset each other."

Commissioners Marvin and Burgess were of the opinion that "no satisfactory method has been found for measuring accurately the 'other advantages or disadvantages in competition' that exist in the sugar industry but are not included or reflected in the costs of production of sugar."

Equalizing rates of duty

Commissioners Marvin and Burgess were of the opinion that "the differences in the costs of producing sugar in the United States and in the principal competing country—Cuba—are slightly in excess of the rates of duty provided in the tariff act of 1922. The equalization of such ascertained differences in costs of production for the purposes of section 315, therefore, would not require a decrease in said rates of duty."

"The incompleteness of the commission's data in respect to agricultural costs renders the cost data in the possession of the commission

inadequate to determine what increase, if any, is necessary to equalize the differences in the costs of producing sugar in the United States and in the principal competing country."

Commissioners Culbertson, Lewis, and Costigan were of the opinion that "the cost of production including the result of a consideration of all advantages and disadvantages in competition (other than the 20 per cent Cuban preferential) of sugar testing 96° by the polariscope is 1.2307 cents per pound higher in the United States than in the Republic of Cuba."

They recommended "that the full duty rate on sugars testing 96° by the polariscope be reduced by proclamation pursuant to the provisions of section 315 of the tariff act of 1922 from the present rate of 2.206 cents per pound to 1.54 cents per pound."

VI. SUPPLEMENTARY REPORTS IN RESPONSE TO LETTERS FROM PRESIDENT

On September 28, 1924, the commission received a request from the President for information supplemental to that previously submitted. The information required may be briefly stated by extracts from the President's letter.

"Inquiry No. 1: I should, therefore, be greatly obliged if the commission would furnish me with tables showing the difference in production costs between Cuban production and United States production over averages of various recent periods, say 1921-22, and, if data is complete, also over 1921-1923.

"Inquiry No. 2: I would, therefore, be glad if you would furnish me with tables exhibiting the differences in production costs of the beet-sugar industry alone as compared with Cuba over a 6-year period and over various recent periods.

"Inquiry No. 3: It is my understanding that the commission, jointly with the Department of Agriculture, undertook an investigation into the farmer's cost of producing beets. As I presume that the tables I have mentioned above will be formulated on the basis of prices paid to the farmer by the beet manufacturers, I would be glad to know what the results of the above investigation into farmer's costs showed as to the same periods as are formulated above. In other words, what did the investigation show as to the farmer's loss or profit interpreted into per pound of beet sugar, including his necessary capital charges, tabulated into the average periods above mentioned?

"Inquiry No. 4: I should be glad to know what proportions, and therefore tonnages, of the Hawaiian, Louisianian, Porto Rican, and beet production separately for different years would show a cost more than 1.23 cents above Cuban sugar.

"Inquiry No. 5: I should like to have this data also prepared as to different States in the Union in respect to beet sugar.

"Inquiry No. 6: In order that I may have the entire picture of the relationship of the beet industry to the problem, I would be glad to know what the effect of the factors mentioned in paragraph (c), section 315, are as to the beet industry alone in comparison with Cuba, both with and without the transportation costs."

Pages 139 to 214 of the printed report contain reports by Commissioners Culbertson, Lewis, and Costigan, on the one hand, and by Commissioners Marvin and Burgess on the other, with respect to these inquiries.

VII. PUBLIC STATEMENT BY PRESIDENT

On June 15, 1925, the President issued a statement postponing "confirmative action" upon the sugar report.

Mr. SMOOT. Mr. President, God forbid that ever the labor in the beet fields of America should reach the degradation of the labor in Cuba, and it never will; but inasmuch as a great deal has been said about labor employed in the beet fields, I have here correspondence between His Majesty's Government of Great Britain and the Cuban Government respecting the ill treatment of British West Indian laborers in Cuba in 1924. The correspondence is official, and I ask that it may be incorporated in the RECORD without reading.

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

The matter referred to is as follows:

[Correspondence between His Majesty's Government (Great Britain) and the Cuban Government respecting the ill treatment of British West Indian laborers in Cuba, 1924. Official correspondence]

M. G. Haggard to the Cuban Secretary of State for Foreign Affairs, January 3, 1924 (p. 4):

"Consequent on a Cuban Government decree of the 24th of November, 1922, large numbers of colored immigrants were required to be detained in the quarantine station at Santiago. The awful conditions to which those persons were subjected on arrival were at once the subject of representations by this legation, and the Cuban Department of Health admitted to me in writing that the arrangements were inadequate.

"In fact, there were neither beds, sanitary accommodations, nor water. The immigrants slept, without distinction of sexes, on the cement floor. This situation, despite my complaints, continued without redress for months, if it does not still exist in its main features.

"In addition, these persons are the object of exploitation by the reason of the difficulty and sometimes the impossibility of their reclaim-

ing from the quarantine authorities that portion due them as refund of the deposits collected from them on arrival.

"I am finally to refer to the inadequate protection of the colored West Indians contracted for work on the sugar estates. Perhaps the most significant example of this is the free use by estate owners of Cuban Government guards to drive their workmen off the plantations rather than pay them wages. For instance, 200 were so turned off the Candelaria estate in August, 1921.

"These men, who were thus rendered homeless and starving, have never been paid.

"All over Cuba they were provided by their employers with 'vouchers,' which, legal opinion showed, were worthless; and to this day there are many thousands of dollars owing by the estate to the laborers in wages which they have no hope of recovering.

"Such instances are, unhappily, typical of the conditions affecting West Indian laborers, with which this legation, in conjunction with your excellency's department, has been dealing during the past few years with the lack of result and the effect on our mutual relations which I know your excellency must deplore as much as my Government do" (p. 5).

Mr. SMOOT. Mr. President, I also have a statement of William Jett Lauck, economist, following a special investigation of Cuban labor conditions, which I ask may be printed in the RECORD, without reading, as a part of my remarks.

The PRESIDING OFFICER. Without objection, the statement will be printed in the RECORD without reading.

The matter referred to is as follows:

[Statement of William Jett Lauck, economist, following special investigation of Cuban labor conditions]

BENEFACTIC AMERICAN POLICIES DO NOT BENEFIT CUBAN PEOPLE

The American sugar industry in Cuba is divorced from any direct contact with the people. It is not interested directly in them or in their housing and living conditions, standards of living, schools, political conditions, etc. It is, as it were, a detached and indifferent industry.

This is one of the most significant phases of the sugar mills in Cuba, in the total of which the American control extends to 76 per cent.

Any tariff concessions by us will not help the great mass of people. It would be absorbed by the bills and the colonos and tend to increase the prosperity of those in whose hands the wealth of the country is now concentrated. Some part of additional prosperity would undoubtedly be paid in the form of higher wages, but this would be only a small proportion. The great bulk of additional prosperity would not help the Cuban people.

Over one-half of the sugar crop is produced in Camaguey and Oriente. In these Provinces are the large colonos and landholdings (principally by Americans) and the cultivation and harvesting the crop by casual labor—Haitians and Jamaicans. These workers are brought over under contract and are housed like cattle. Their standards of living are of the lowest, and they are a social and economic evil to the people of the country.

These new laborers really are used to prevent the Cuban workers from raising their standards of living. As a scarcity of labor has developed since the expansion of the sugar industry, new classes of undesirable workers have been imported. All social and human considerations have been cast aside. Labor has been treated as a commodity and imported just as sugar bagging or machinery has been brought into the country.

To accomplish this, political pressure has been exerted to break down the sound immigration policy established during American occupation, which prohibited the entrance of undesirable aliens. The law has been so amended as to permit the sugar mills, by a decree of the President, to import Haitians and Jamaicans whenever the claim is made that scarcity of labor is threatened. Great numbers were brought in during the Monocal administration, and the same policy is being followed by Zayas. In 1922 about 25,000 were brought over to the country by the sugar mills through labor agents.

The colonos, while opposed in principle to the importation of undesirable classes of labor, have practically agreed to the policy because of their own self-interest.

The Haitians and Jamaicans have displaced the Cubans in the cane fields. Only 10 per cent of the cutters in the eastern Provinces are Cubans. All field occupations are practically absorbed by the aliens except the driving of oxcarts to the mills.

Aside from the economic phase of the situation, this casual labor supply is a social and political menace. They bring crime and disease and do not amalgamate with the Cuban people. Any concessions to or expansion of the Cuban sugar industry will mean the further development of these unfavorable and distressing economic and social conditions.

The Haitians and Jamaicans are the most ignorant types and unaccustomed to anything but the lowest standards of living in their own country. During the harvest season (December to May) they are brought over by the thousands. They are housed in barracks, sleeping in crude hammocks made of bags. There is a saying in Cuba that "the

Haitian is an animal most nearly resembling man." Many women are brought with them who act as cooks and prostitutes.

There is also a considerable influx of Haitians and Jamaicans who enter of their own initiative. The immigration law requires that they possess \$30 each as a condition of entrance. Am informed, however, that by payment of \$2 to \$3 to the customs and quarantine officers this "provision" is waived.

Opponents of an increase in the sugar tariff have, for the most part, shown a strong sympathy for Cuba and the Cuban sugar industry. In their criticism of labor and living conditions in the beet fields of the United States these opponents have said nothing about working conditions in Cuba. Conditions in Cuba are disgraceful—far worse than on the American sugar-beet farms. No American farmer would tolerate Cuban labor and Cuban working or living conditions on his farm. The opponents of the sugar schedule evidently prefer these disgraceful Cuban conditions to the very superior conditions of the sugar-beet farmers. These opponents have had much to say about beet-field workers but evidently prefer to get their sugar from laborers infinitely worse off. The same advocates of a low tariff on sugar, which would destroy the domestic sugar industry of the United States, are in favor of a strongly restrictive immigration policy of the United States. But evidently they do not object to the entry of the product of cheap, low-grade foreign labor to compete with the output of American farms.

Mr. SMOOT. Mr. President, I ask Senators, if they have any doubt about this matter, to read the statements contained in the documents which I have inserted in the RECORD and which set forth the horrible conditions surrounding labor in Cuba. That is what the American sugar producers are up against.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. I yield for a question.

Mr. HARRISON. Does the Senator ask for the increase in the rate on Cuban sugar from 1.76 cents to 2.20 cents in order to protect American labor, in order to raise revenue, or in order to increase the cost of sugar to the American consumers?

Mr. SMOOT. In the first place, I will say that undoubtedly the increase in the rate will be of the greatest advantage to the farmer who is engaged in the production of sugar beets or sugar cane. If the rate on sugar is increased, the farmer will get half of that increase; there is no question about that.

As to the cost of sugar, I say now that if Cuba had taken the 20 per cent preferential during the last four or five years the industry in the United States would not be in such a condition as it is now. But, Mr. President, instead of producing 3,000,000 tons of sugar, what did Cuba do? I will not say "Cuba," but what did the National City Bank do, for that bank controls the production there? They produced over 5,000,000 tons of sugar in Cuba, which is within a million tons of the amount consumed in the United States. With this overproduction of sugar, we find they are now selling sugar against Java and selling it under the Java price, although the cheapest sugar produced in all the world is produced in Java. Yet Cuba is selling her overproduction to-day in England, and England is refining that sugar and sending it to the United States. England claimed, of course, that that was Cuban sugar, and therefore England wanted the 20 per cent differential. After it had been shipped into England and after it had been refined in England, however, it was not longer Cuban sugar, and it had to pay the full duty and did pay the full duty, and no doubt will pay the full duty at the price at which Cuba sold her sugar.

Mr. President, I recognize the fact that that condition has lowered the price of sugar in the United States. Take the period over which we have been suffering in the United States. If Cuba had taken her preferential she would come to Congress to-day with cleaner hands, asking for no increase in the duty on sugar, but she has not done it. Of course, if she is going to continue to produce 5,000,000 tons of sugar a year, and perhaps increase that, she never will. In my opinion, the only way to deal with this matter is to give this increase to the local people; and if it costs a little more I want to say to you that it is a thousand times cheaper than to destroy the industry and rely upon Cuba or the rest of the world to furnish the sugar for the United States; for, if we do, just as surely as the sun will rise in the morning the American consumer will pay for it, and pay dearly.

Senators are very prone—we hear it almost every day—to ask how much this is going to cost the consumer. Figuring upon the same basis, I want to call attention now to what these rates will mean to the ultimate consumer; and, piled mountain high as they are, I do not believe there is a single soul in the Senate who, after studying the matter, will claim that the rates will have this effect.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Yes; I yield to the Senator.

Mr. HARRISON. The Senator holds the Actuary of the Treasury, Mr. McCoy, in the same high regard in point of ability and veracity that I do. Would not the Senator accept Mr. McCoy's figures on that matter?

Mr. SMOOT. Theoretically, yes.

Mr. HARRISON. What does the Senator mean by "theoretically"?

Mr. SMOOT. I will tell the Senator what I mean by "theoretically." If it were carried out theoretically, the increase would be so much a pound; but it does not work that way. It never has since the first tariff bill went into effect. Not only that, but it does not work out exactly that way with the other commodities; and that is what I am going to show the Senator.

Mr. HARRISON. The Senator is not going to take the position that an increased tariff does not find its way into an increased cost of sugar in the United States, is he?

Mr. SMOOT. I certainly hope that part of it will find its way into that. There is not any doubt about it.

Mr. HARRISON. That is why the Senator wants the increased tariff—to increase the cost, so that the sugar-beet interests can get so much more for their sugar?

Mr. SMOOT. There is not any doubt about it.

Mr. HARRISON. That is a very clear statement.

Mr. SMOOT. Unless they do, they can not maintain themselves.

Taking the whole amount of sugar used, it is said that the increase is going to cost the American people so much. It will not cost the American people a cent for all the sugar that goes into pop. It will not increase by a cent the cost to the American people who buy candy at retail. It will not cost the people a cent for the great bulk of the sugar that goes into goods put up in cans. In some cases it will, and in some cases it will not.

Mr. HARRISON. If the Senator will permit me, suppose that here is an American manufacturer of candy, and in order to produce his usual supply of candy he requires a certain amount of sugar, and he buys it in this country. Does it not cost that particular purchaser of sugar just that much more the higher the tariff is?

Mr. SMOOT. Yes; and he can sell it for that much more; and when it gets to the retailer it may be 2 cents over and above the present cost of 40 cents, making it 42 cents; but that retailer will not retail the candy for \$1.02 a pound instead of \$1 a pound. I am talking about the ultimate consumer. It never will make a particle of difference as to the candy that is eaten by the American people.

Mr. HARRISON. Does the Senator contend that if a manufacturer of candy needs a certain amount of sugar for his requirements, and he is now selling his candy, say, at 40 cents a pound, and he has to pay for sugar three times what he formerly paid, it will not have its effect in the retail price of the manufacturer's candy?

Mr. SMOOT. The Senator says "three times the former amount." Competition takes care of that. With the 44 cents increase, and the losses up to the time it reached the candy, it would not be more than a 25 per cent increase. That would be 55 cents, or half a cent a pound; and that never would reach the ultimate consumer.

Mr. HARRISON. Even though this candy manufacturer has to pay three times what he formerly paid for sugar, the increase would not find its way into an increased price of candy? I think the Senator's argument is illogical.

Mr. SMOOT. Why put a hypothetical question? There is no such thing as the price of sugar being three times what it is to-day unless we destroy the local industry. When Cuba can control the price she will make us pay 30 cents a pound for sugar, as she did in the war under certain conditions; but I do not think those conditions will ever happen except in case of war.

Mr. President, under the same method of figuring our beef will increase in cost \$162,856,000.

Our veal will increase to the consumer \$22,834,680.

Our pork will increase to the ultimate consumer \$160,573,254.

Our peanuts will increase to the consumer \$17,949,000.

Our onions will increase \$22,028,000.

Our figs will increase \$1,307,000.

Our butter will increase \$40,977,000.

Our milk will increase \$274,093.

Our cheese will cost the American people \$13,875,000 more.

Why, Mr. President, I could go all through the list, and if the theoretical figures were correct we would pile up here a cost not merely of hundreds of millions but of billions of dollars to the United States consumer. It is all right to talk about theory, but let us get down to practice and how it affects

the ultimate consumer. I say to the Senator without a moment's hesitation, and I repeat, that with an increase of 44 cents a hundred pounds on sugar chewing gum would not cost any more; candy would not cost any more; a bottle of pop would not cost any more; Hershey's chocolate bars would not cost any more to the man that buys them.

When sugar was 8 cents a pound those very things were selling at exactly the same price that they are now. We do not expect sugar to go to 8 or 9 cents a pound, and it will not. Therefore it seems to me it is beyond a question of doubt that all we are asking here is that the industry be given sufficient increase of duty to enable it to live. If they can not live with the present rate, I say frankly to the Senator that I think we ought to find some other way than the tariff to deal with the matter, if we intend that they shall live, or, if not, I think they would have to give up the idea of producing in the United States enough sugar to feed the American people.

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Mississippi?

Mr. SMOOT. Yes.

Mr. HARRISON. Did not the Senator make that very argument when the proposition was before us to put a tariff duty of 1.60 cents against Cuban sugar?

Mr. SMOOT. No.

Mr. HARRISON. And did he not make it again in 1922, when the proposal was to make it 1.76 cents?

Mr. SMOOT. I have never before gone as far as I have to-day.

Mr. HARRISON. The Senator has always gone far on sugar.

Mr. SMOOT. No; I have not. I know what I have said. I know just how far I have gone. Even if the rate were higher than this, however, even if it were as high as the House provision, I say to you that it would be far better for the American consumer and the American people and the industry itself than to let it perish. That is my position on this subject.

I do not believe that I am asking anything unreasonable. I think that if this increase is granted to the industry it will result in these dying companies that are now on the rocks of bankruptcy at least living; and not only that, but it will prevent the wiping out, for instance, of the company in Michigan that has been mentioned, where letters were sent from the bank in New York stating that it would not be safe to advance any money to the company. Letters were sent to the bank that furnished the advance to buy the beets of that particular company, and then this octopus here sent out letters to the banks that had advanced the money in the past, advising them not to let the company have any more credit! That is the way to kill an American business.

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

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from South Carolina?

Mr. SMOOT. I do.

Mr. SMITH. Of course the real profits in the beet-sugar business will be reflected in the profits of the manufacturers of this product. Has the Senator any official figures showing the returns by the beet-sugar manufacturers as to the profits they have made under schedule of the present tariff?

Mr. SMOOT. Oh, yes; the Senator can find that information in the income-tax returns.

Mr. SMITH. I have not had an opportunity to look up the figures; but I heard some statements here to-day to the effect that the dividend on the preferred stock was something like 7 per cent.

Mr. SMOOT. That is the preferred stock of the Great Western Sugar Co. That is one company.

Mr. SMITH. The profits of one company ought to be indicative of the profits of another. If a company in America under the present schedule can, by virtue of its organization or what not, declare a dividend of 7 per cent on its preferred stock, and something like 30 per cent, as I understood—

Mr. SMOOT. That is covering a number of years, Mr. President. The average is very much less than the dividend on the preferred stock—I mean, taking the whole number of years into consideration.

Mr. SMITH. What have been the dividends declared in the past two or three years?

Mr. SMOOT. Has the Senator the list there? It is in the RECORD. I do not want to say offhand without referring to the RECORD.

Mr. VANDENBERG. Mr. President, will the Senator yield? The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. Yes; I will yield to the Senator if he has the figures there.

Mr. VANDENBERG. I have these figures, which might interest the Senator—a verified report on the earnings of 18 companies, exclusive of the Great Western, which showed earnings in 1929 of 0.4 of 1 per cent net on the invested capital.

Mr. SMITH. What about the Great Western Co.? What did they earn?

Mr. VANDENBERG. I have not that.

Mr. SMOOT. I do not want to say offhand, because I do not remember the amount; but if the Senator will look at the statement made by the Senator from Colorado [Mr. WATERMAN], he will find each year just what the increase consisted of, how it was made, and so forth.

Mr. SMITH. The Senator recognizes, of course, that as in the case of all modern industry, the smaller plants, with obsolete equipment, or at least crude, inefficient equipment, and overhead out of proportion to their profit, might not make a reasonable or a very large dividend. But I want information regarding a modern, up-to-date, well-equipped plant, ready to carry on for the benefit of the public, for that is what we are working for. I wanted to know what the most efficient plants producing sugar are making.

Mr. SMOOT. Just as soon as I leave the floor I will get the exact figures and show them to the Senator.

Mr. SMITH. In a body like ours, where we are trying to ascertain the facts and to legislate on the basis of facts, we should not allow just any kind of a statement as to earnings to go. It is not becoming in us to do any such thing as that.

Mr. SMOOT. I agree with the Senator. Take, for instance, the plants in Utah. There is not a more up-to-date plant than those to be found at many places in Utah. They have the Steffins process, the latest thing there is for the extraction of the greatest percentage of sugar out of the beet. Not an improvement has been made that is not found in the factories out there.

Mr. NORRIS. Mr. President, will the Senator permit me to answer the question of the Senator from South Carolina?

Mr. SMOOT. If the Senator has the figures.

Mr. NORRIS. I take the figures from the RECORD, figures put into the RECORD by the Senator from Colorado [Mr. WATERMAN]. The Senator from South Carolina was asking particularly about the Great Western Co.

Mr. SMITH. Just before the Senator reads that, will he state whether the Senator from Colorado was advocating this duty?

Mr. NORRIS. Yes; he was. Taking the last three years only into account, the average earnings of the Great Western Sugar Co. were only 7.48 per cent on net assets. Its official annual report shows for the fiscal year ending February 28, 1927, net assets, \$66,517,056; net income, \$3,365,713; net income as per cent of net assets, 5.06 per cent.

For the fiscal year ending February 29, 1928, net assets, \$64,077,624; net income, \$3,530,568; net income as per cent of net assets, 5.51 per cent.

For the fiscal year ending February 28, 1929, net assets, \$65,773,324; net income, \$7,785,700; net income as per cent of net assets, 11.84 per cent.

Average for the three years, net assets, \$65,456,000; net income, \$4,893,994; average net income as per cent of net assets, 7.48 per cent.

I think I ought to say that in a colloquy between the Senator from Colorado and myself shortly after he gave these figures this fact was brought out: That these net assets, averaging for those three years something over \$65,000,000, represented an actual investment in cash of about \$22,000,000, so that this percentage of profit on the net assets, the value of their property now, is a premium upon a lot of stock dividends during the years, which have been declared and added.

I asked the Senator from Colorado this question:

Mr. NORRIS. The Senator says "\$15,000,000 of preferred stock." Am I right in saying that at the same time they had \$15,000,000 of common stock?

Mr. WATERMAN. Not outstanding.

Mr. NORRIS. At the time they issued this stock for the property that was turned over to them, as I understand, they issued common and preferred stock of the Great Western Co. to the several corporations that they took over, in amount equal to the investment originally made by the stockholders in those several corporations. Is that a correct statement?

Mr. WATERMAN. That is pretty nearly correct.

Then further down:

Mr. NORRIS. Would it follow, then, that the \$15,000,000 of preferred stock and \$7,000,000 of common stock, making a total of \$22,000,000 of stock, represents the original investment in the Great Western Sugar Co.?

Mr. WATERMAN. That depends upon how the Senator uses the word "original." If he means the word "original" as of the time when they took over these factories in 1905, no. If it represents those and also the ones that the Great Western built as original ventures, then it would be different.

Mr. NORRIS. What I am trying to get at is, How much actual cash was put into this business, whether before or after the organization of the Great Western, that has finally resulted in a value of the property now owned by the corporation of between \$60,000,000 and \$70,000,000?

Mr. WATERMAN. That is a difficult question to answer because the Great Western issued stock instead of money; but I should say \$22,000,000 or \$23,000,000. This is an estimate coming out of my knowledge about the situation. I know something about it, if I have not forgotten it. No; that would not be accurate. I should say that about \$20,000,000 of preferred stock and common stock—that is, \$15,000,000 of preferred and \$5,000,000 of common—represent investments actually paid in cash by somebody at some time. Then comes in a 42 per cent dividend on the common stock.

Mr. SMITH. Now, let us get that.

Mr. NORRIS. That is a stock dividend.

Mr. SMITH. That means that instead of declaring a dividend in cash they declared it in stock.

Mr. SMOOT. Yes.

Mr. NORRIS. The Senator from Colorado continued:

Then comes in a 42 per cent dividend on the common stock, which, of course, was a capitalization of surplus, and the stockholders did not put it in except as they shifted it.

They have been declaring dividends in the meantime on the preferred stock. The preferred stock drew 7 per cent interest. As I understand it, that was a provision of their charter.

Originally, as I understand it, the Great Western was organized by the combining together of several sugar factories; that is, when they issued capital stock of about \$15,000,000 preferred and \$7,000,000 common, and they issued the stock, as I understand it, to represent not the value of the property they took over but the money the owners of the property put into it. That is my understanding of it, and that is what the Senator from Colorado said yesterday was correct. There may be some variation, but it was agreed, at least the Senator from Colorado agreed, that for practical purposes approximately the only money ever invested in the Great Western's property amounted to between twenty and twenty-three million dollars. It is now worth, I think conceded to be worth, between sixty-five and seventy million dollars.

Mr. SMITH. According to the statements made here, they are now declaring dividends upon an accrued value of about \$64,000,000.

Mr. NORRIS. Yes.

Mr. SMITH. But thirty-five or forty millions of that is the result of the earnings of the plants which have been converted into stock dividends.

Mr. NORRIS. Part of the earnings.

Mr. SMITH. Part of the earnings. The balance has been paid out in cash dividends.

Mr. SMOOT. They built railroads. They have railroads to all their plants.

Mr. NORRIS. That does not make any difference.

Mr. SMITH. Did they build the railroads out of the earnings of the company or out of the original investment?

Mr. NORRIS. They built the railroads, and bought and developed this property, which now amounts to between sixty and seventy million dollars in value, with an original investment of not to exceed \$22,000,000.

Mr. SMOOT. If they had paid it out in cash dividends, they would have had to put up money to make the improvements.

Mr. NORRIS. They might have paid it out in dividends, but they would have been enormous. I have figures somewhere, I do not happen to have them here, showing that on the actual investment, taking the dividends actually paid, and the stock dividends actually declared, the profits in the business have been something almost beyond imagination.

Mr. SMITH. In other words, they have taken the earnings on this original investment of twenty-two or twenty-three million dollars and have invested in railroads and other things which, if they were to liquidate now, would represent actual money made out of the business, which is their property, and which amounts to the same thing as if they had it in the bank.

Mr. NORRIS. Of course.

Mr. SMITH. The point I want to get at is this, if under the present rate of duty they have been able to declare a cash dividend of something like 7 per cent over that number of years, which the Senator from Nebraska has indicated, and, in addition to that, in previous years, or in those three years, they raised the value of their physical property from \$22,000,000 to something like \$64,000,000, that is a pretty prosperous business.

Mr. SMOOT. That has not been done in three years.

Mr. SMITH. It does not make a particle of difference.

Mr. SMOOT. There has been no change in the last three years.

Mr. SMITH. The Senator from Utah must understand that I am trying to get at the actual facts. It was in 1905, I believe, that the Great Western bought these properties, was it not? What year was it?

Mr. SMOOT. It was around that year, 1903 or 1904.

Mr. SMITH. Let us say 1905. In 25 years they have not only been a going concern, but they raised the value of their physical property, by virtue of their earnings, from \$23,000,000 to \$64,000,000, and in the last three years—the only ones about which any statement has been made—they have earned and paid 7 per cent on a stock increased in value from \$22,000,000 to \$64,000,000. If they had been content with the \$22,000,000, and had declared cash dividends, what would they have made?

Mr. SMOOT. They would not have had the property with which to make the money they have made if they had done that.

Mr. SMITH. Precisely; but they made the property out of the original investment.

Mr. SMOOT. But if they had paid the earnings out in dividends, they would have had only the three little mills right along, and would not have made that amount, but they have railroads, and they have new mills, I do not know how many of them.

Mr. SMITH. The Senator from Utah must understand that one of the difficulties we have had in the Interstate Commerce Commission was in insisting that the railroads should not mulct the public by taking the profits that they earned in tariffs and investing that in property, but that they must go out and get original capital. If they can make so much that they can take their earnings and invest in new roads, in new equipment, and in capital stock, we forbid that by law.

Mr. SMOOT. This is a private road. They use this railroad for the hauling of their beets.

Mr. SMITH. I am talking about the principle that we recognize in relation to the railroads serving the public. Here is a great corporation that is serving the American people in refining sugar. In their stock-dividend procedure they are practicing exactly what we have forbidden by law in the transportation business, and the Senator thinks it is all right for them to take thirty-five or forty million dollars that they have earned on the original investment, reinvest it in facilities, and over and above the profits they have earned, sufficiently large to increase their plants to a physical value of \$64,000,000, and earn 7 per cent on that.

Mr. SMOOT. Mr. President, may I ask the Senator from Texas [Mr. CONNALLY] if he desires to proceed to-night?

Mr. CONNALLY. Not if it may be understood that I shall have the floor in the morning when we convene.

The PRESIDING OFFICER. The Senator from Texas will be entitled to the floor.

Mr. CONNALLY. Then I yield to the Senator from Utah, who I understand desires to move a recess at this time.

RECESS

Mr. SMOOT. I move that the Senate take a recess, the recess being under the order, until to-morrow morning at 11 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock p. m.), under the order previously entered, took a recess until to-morrow, Thursday, January 16, 1930, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate January 15 (legislative day of January 6), 1930

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

John Motley Morehead, of New York, to be envoy extraordinary and minister plenipotentiary of the United States of America to Sweden.

COLLECTOR OF CUSTOMS

William B. Hamilton, of San Francisco, Calif., to be collector of customs for customs collection district No. 28, with headquarters at San Francisco, Calif. (Reappointment.)

HOUSE OF REPRESENTATIVES

WEDNESDAY, January 15, 1930

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Be Thou exalted, O God. While our fears and hopes have struggled together, Thou hast dealt with us wondrously. We, therefore, witness to Thy goodness. Knowing how feeble we are in things high and how strong we are in things prone to the world, we do not desire to stand in Thy way. Draw us into life deeper, sweeter, and more full of knowledge; lift us to the realm of the grace of God. Turn our affections steadfastly toward Thee; and O Thou blessed Saviour of love, sympathy, and patience, be the bread of life to our hunger and all in all to the sanctity of human life. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries.

RESIGNATION FROM A COMMITTEE

The SPEAKER. The Chair lays before the House the following communication:

WASHINGTON, D. C., January 14, 1930.

Hon. NICHOLAS LONGWORTH,

Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the Mines and Mining Committee of the House of Representatives, to take effect immediately.

Very sincerely yours,

DON B. COLTON.

The SPEAKER. Without objection, accepted. There was no objection.

CENTRALIZATION OF GOVERNMENT

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by incorporating an article written by myself on the centralization of government and printed in the New York Times last Sunday.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the RECORD by printing an article written by himself. Is there objection?

There was no objection.

The article follows:

In the opinion of many thoughtful persons who have pondered on the rise and fall of governments, the overshadowing menace in American public life to-day is the rush toward centralization, the flowering of bureaucracy, the complaisant willingness of individuals and States to "let Washington do it." This, as I conceive it, is our greatest danger signal.

The saddest story in American Government is the weakening of one part of the dual system of Federal and local control and the excessive strengthening of the other part. The most dangerous movement in our national life is the centripetal movement, the movement that throws all power toward the center, which is Washington. And the most sorrowful chapter in this sad story is the willingness, I might say the eagerness, of citizens of the local subdivisions to surrender their inheritance of self-government into the hands of Washington, when they ought to be standing up and fighting to defend their birthright.

SEEKS REMEDY THROUGH BOARD

Convinced that the time is at hand when steps should be taken to check the sweeping tide of centralization, I have this week introduced in the Congress of the United States a resolution which provides for the appointment of a commission on centralization, to be composed of 3 Members of the House of Representatives, 3 Members of the Senate, and 3 outstanding authorities on constitutional law to be chosen by the President of the United States upon recommendation of the American Bar Association. The commission shall serve without pay and its life shall terminate when it makes its report to Congress.

According to my resolution, "The duty of said commission shall be to consider the subject of centralization of government in all of its aspects and to report to the Speaker of the House and the President of the Senate not later than the opening of the regular session of Congress in December, 1931 (1) whether in its opinion the Government has departed from the concept of the founding fathers who wrote the Constitution of the United States and, if so, in what direction or directions; (2) what steps, if any, should be taken to restore the Government to its original purposes and sphere of activity as contemplated by the forefathers whose lives and sacrifices established a free and inde-

pendent Nation; and (3) whether or not it would be advisable to hold another constitutional convention to redistribute the powers of government in such a way as more clearly to delineate the limits of Federal power, counteract centralization, and to make secure to all coming generations the inestimable benefits and blessings of local self-government."

The purpose of my resolution is not only to enlist the competent efforts of a commission composed of great legal experts and publicists in trying to find a solution, but also to throw the subject open for national discussion to the end that the people themselves may be considering whether their Government, after more than seven score of years as a going concern, has veered so far in the direction of centralized control that it would be wise now to undertake to redirect the course of government in a way that will guarantee to all future generations the sort of freedom and popular rule the forefathers envisioned.

WOULD BAR POLITICS

There is absolutely no politics about my resolution. Republicans and Democrats alike concede that the Federal authority is every year growing more supreme; that it is everywhere invading the provinces of the States and the local subdivisions and that the constant enlargement of bureaucratic powers is serious.

I have not sought to attach any strings of a political character to the Speaker, the Vice President, and the President of the United States in choosing the members of the commission. Indeed, I have in my mind's eye outstanding men in both political parties who would bring to the commission a rich background of knowledge and experience that would make their services invaluable.

For instance, where could the President find a more competent trio for this service than former President Calvin Coolidge, John W. Davis, Democratic candidate for President in 1924 and former president of the American Bar Association, and Charles Evans Hughes, former justice of the United States Supreme Court? This is only a suggestion. We have other great national characters who are eminent lawyers and publicists, who have spoken against the engulfing tide of Federal paternalism.

The Vice President of the United States in naming his selections might pick Senator JOSEPH T. ROBINSON of Arkansas, level-headed lawyer and Democrat, who was the candidate of his party for Vice President last year; Senator WILLIAM E. BORAH, of Idaho, who has hit centralization many a hard blow; and Senator SIMEON D. FESS, of Ohio, lawyer, university president, and ripe student of constitutional questions. Or he might name Senator THOMAS J. WALSH of Montana, one of the greatest lawyers in the country; and Senator CLARENCE C. DILL, who has one of the brightest minds in the Senate. If he chose to go outside of the ranks of lawyers, Senator CARTER GLASS, of Virginia, a former Secretary of the Treasury, could render efficient service.

In choosing the House members of the commission Speaker LONGWORTH would find a wealth of timber at hand. A name that instantly comes to mind is Representative JAMES M. BECK, of Pennsylvania, a great lawyer and patriot, who has written a book on the vanishing rights of the States. Then there is Representative WILL R. WOOD, of Indiana, the able chairman of the Appropriations Committee, a zealous defender of constitutional heritage and a consistent foe of bureaucracy and paternalism. On the Democratic side there is a particularly inviting field from which to choose. The Old Dominion has three Members of the House, all of the Jeffersonian mold, who are great lawyers and authorities on the Constitution. They are Representative ROBERT WALTON MOORE, who was president of the Virginia State Bar Association; Representative ANDREW JACKSON MONTAGUE, former Governor of Virginia; and Representative HENRY ST. GEORGE TUCKER, author of works on the Constitution and former president of the American Bar Association. Others well qualified are Representative CHARLES R. CRISP, of Georgia, and Representative CORDELL HULL, of Tennessee.

DRAFTING MR. COOLIDGE

All of these men are keenly alive to the dangers which this country is inviting by unbridled centralization of power in Washington. Most of them have expressed themselves with incisive force; here is an opportunity to render constructive service. We are massaging our mental equipment trying to think of some line of future activity for ex-President Coolidge, and in the exuberance of our imaginations are endowing him with senatorial togas and other honors which he does not covet. Why not press him into service as a member of this proposed commission—perhaps as its chairman?

There is no man better equipped to serve in this capacity. His hard, sound sense, guided by seven years of experience in the Presidency, would make his recommendations worth while. Many of us recall the numerous occasions when he emphatically deplored the trend of the times, as in his Memorial Day address at Arlington in 1925, when he said:

"What we need is not more Federal government but better local government. From every position of consistency with our system, more centralization ought to be avoided. Once the evasion of local responsibilities becomes a habit, there is no knowing how far the consequences may reach. Every step in such a progression will be unfortunate alike for States and Nation."

Chief Justice Marshall, perhaps the greatest exponent of nationalism, said in the case of *McCullough v. Maryland*: "No political dreamer was ever wild enough to think of breaking down the lines which separate the States and of compounding the American people into one common mass."

But exactly what the great Chief Justice deprecated is actually coming to pass. The forefathers intended that all of the functions of Federal government should be transacted through the executive departments, now 10 in number, but there have grown up in Washington more than 40 independent bureaus, boards, and extraconstitutional establishments that have reached out in all directions and usurped governmental functions.

The natural concomitant of the paternalism that grips our Nation is a multiplicity of laws. The American citizen is hedged about with a bewildering maze of "thou shalt" and "thou shalt not." After working many years, a committee of Congress has completed a codification of the United States Statutes. The result is a volume of 50 titles and 2,465 pages. To put it in another way, there are written in statutes for the regulation of the American people by this single body of lawmakers 5,212,416 words, and the whole of the Law and the Gospel was put in the Ten Commandments of Moses, and those commandments could be printed on a single page.

It was Mark Twain who said: "Everybody complains about the weather, but nobody does anything about it." As one Member of Congress, I am not only going to complain about the centralization of government but I am going to do something about it, and that is why I have introduced this resolution for the creation of a commission on centralization. It may be a perfectly fatuous undertaking; it may be that nothing can be done, but if that is so, God save America!

ORDER OF BUSINESS

Mr. OLIVER of New York. Mr. Speaker, the House has extended to me the privilege of speaking for five minutes to-morrow after the reading of the Journal and disposition of business on the Speaker's table. I ask unanimous consent that that time may be extended to 10 minutes.

The SPEAKER. The gentleman from New York asks unanimous consent that the five minutes' time granted him in which to address the House to-morrow be extended to 10 minutes. Is there objection?

There was no objection.

PERMISSION FOR COMMITTEE TO SIT DURING SESSIONS OF THE HOUSE

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Education, when it meets on January 20, shall have the right to sit during the sessions of the House.

The SPEAKER. The gentleman from New York asks unanimous consent that when the Committee on Education meets on January 20 it have permission to sit during the sessions of the House. Is there objection?

Mr. GARNER. Mr. Speaker, I understand that is the request of the Committee on Education?

Mr. REED of New York. That is the request of the committee; yes.

The SPEAKER. Is there objection?

There was no objection.

WITHDRAWAL OF PAPERS FROM THE FILES OF THE HOUSE

Mr. HANCOCK. Mr. Speaker, I ask unanimous consent to withdraw from the permanent files of the House the papers submitted in support of H. R. 9316, Sixty-seventh Congress, second session.

The SPEAKER. The Chair will ask the gentleman whether any adverse report was made on the bill?

Mr. HANCOCK. No adverse report was made.

The SPEAKER. Is there objection?

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, I understand the bill became a law?

Mr. HANCOCK. Yes.

Mr. CHINDBLOM. Mr. Speaker, I doubt whether it has ever occurred—at least within my experience—that papers in connection with a bill that has become a law have been removed from the files.

Mr. HANCOCK. I understand that has happened on several occasions.

The SPEAKER. The Chair does not quite understand the situation.

Mr. HANCOCK. It was a special bill to correct the military record of this soldier. The papers submitted are of great value and interest to the soldier himself. The papers comprise his discharge and certain affidavits and statements made by officers and others who were members of his military organization. I understand this proceeding has been approved in the House on a great many prior occasions. He wants his discharge papers returned.

Mr. TILSON. Mr. Speaker, is it not the rule that if no adverse action has been taken then the papers may be removed

from the files, but in case adverse action has been taken then they can not be removed?

Mr. CHINDBLOM. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. CHINDBLOM. That has been the rule where no action has been taken at all. This is a case where action has been taken and the bill in question has become a law, so that the files are here for the purpose of showing the basis upon which the law was passed. I shall not object, but I think it is a rather unusual procedure.

Mr. GARNER. Mr. Speaker, may I suggest to the Speaker, as well as to the gentleman from New York, that he let the matter go over until to-morrow and then make his request, so that the parliamentary clerk may look up the matter and see what effect this would have as a precedent?

The SPEAKER. The Chair thinks that would be a wise course, because the Chair is not certain about the matter.

Mr. HANCOCK. Mr. Speaker, I withdraw my request.

NATIONAL PARLIAMENT OF ICELAND

Mr. WOOD. Mr. Speaker, I ask unanimous consent for the present consideration of House Joint Resolution 204, making an appropriation for participation by the United States in the celebration of the one thousandth anniversary of the Althing, the National Parliament of Iceland.

The SPEAKER. The gentleman from Indiana asks unanimous consent for the present consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That the sum of \$55,000 is appropriated, out of any money in the Treasury not otherwise appropriated, to continue available until June 30, 1931, for expenses of participation by the United States in the celebration of the one thousandth anniversary of the Althing, the National Parliament of Iceland, as authorized by Public Resolution No. 18, Seventy-first Congress, approved June 21, 1929, including the procurement of a suitable statue or other memorial of Leif Ericsson as a gift of the American people to the people of Iceland, transportation, subsistence or per diem in lieu thereof (notwithstanding the provisions of any other act), contract services without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5), sculptors' fees, and such other expenses as the President shall deem appropriate.

The SPEAKER. Is there objection?

There was no objection.

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

A motion to reconsider the vote by which the joint resolution was passed was laid on the table.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8531) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1931, and for other purposes. Pending that motion, I ask the gentleman from Tennessee whether we can come to an understanding about time?

Mr. BYRNS. I will say to the gentleman that I have a number of requests for time, and I would suggest to the gentleman that if it is entirely agreeable to him, we let general debate run along, dividing the time between us, and then later on we can come to some understanding.

Mr. WOOD. That is entirely agreeable. Mr. Speaker, I ask unanimous consent that the time be equally divided, one-half to be controlled by the gentleman from Tennessee and one-half by myself.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House bill 8531. Pending that motion, the gentleman asks unanimous consent that the time for general debate be equally divided and controlled by himself and the gentleman from Tennessee. Is there objection?

Mr. STAFFORD. Mr. Speaker, may I inquire, for the information of the House, when the members of the subcommittee reporting the bill are going to address the House in explanation of this bill, whether at the beginning or end of general debate?

Mr. WOOD. At the end. I will not make my speech until to-morrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 8531) making appropriations for the Treasury

and Post Office Departments for the fiscal year ending June 30, 1931, and for other purposes, with Mr. SNELL in the chair.

The Clerk read the title of the bill.

Mr. WOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. WOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Iowa [Mr. KOPP].

Mr. KOPP. The history of the American pension system is interesting and inspiring. Our Government has been more generous to its protectors and defenders than any other Government in all the annals of time. Its solicitude for them began at an early date. On June 20, 1776, even before the Declaration of Independence had been adopted, the Continental Congress appointed a committee to—

Consider what provision ought to be made for such as are wounded or disabled in the land or sea service.

This committee made a prompt report, and on August 26, 1776, the first national pension act in America was passed by the Continental Congress. That part of the law fixing the amount was as follows:

That every commissioned officer, noncommissioned officer, and private soldier who shall lose a limb in any engagement, or be so disabled in the service of the United States of America as to render him incapable afterwards of getting a livelihood, shall receive, during his life or the continuance of such disability, the one-half of his monthly pay from and after the time that his pay as an officer or soldier ceases.

The resources of the Continental Congress, however, were very meager, and therefore it asked the States to make payment of the pensions and incorporated the following provision in the law:

That it be recommended to the assemblies or legislative bodies of the several States to cause payment to be made of all such half pay or other allowances as shall be adjudged due to the persons aforementioned on account of the United States.

The Continental Congress also placed the burden of administering the law upon the States. As the States were to make payment of the pensions, it was perhaps only fair that they should have the right to determine who were to receive pensions under the law. The States, however, were also at times in a precarious financial condition, and payments were uncertain and irregular. Many of the pensions were soon far in arrears and remained so.

There were various modifications of the first national pension act. I shall, however, pass these by and proceed to the history of our pension system under our present Federal Government.

After the Constitution had been adopted and the new Government had been organized, it continued for a time the pensions which had been previously granted and assumed their payment. Soon, however, a strong demand arose for a new pension law, and on March 23, 1792, the first pension law passed by the new Government went into effect. The vital part of said law was as follows:

That any commissioned officer, not having received the commutation of half pay, and any noncommissioned officer, soldier, or seaman, disabled in the actual service of the United States, during the late war, by wounds or other known cause, who did not desert from the said service, shall be entitled to be placed on the pension list of the United States, during life or the continuance of such disability, and shall also be allowed such further sum for the arrears of pension, from the time of such disability, not exceeding the rate of the annual allowance, in consequence of his disability, as the circuit court of the district in which they respectively reside, may think just: *Provided*, * * * The circuit court, upon receipt of the proofs aforesaid, shall forthwith proceed to examine into the nature of the wound, or other cause of disability of such applicant, and having ascertained the degree thereof, shall certify the same, and transmit the result of their inquiry, in case, in their opinion, the applicant should be put on the pension list, to the Secretary at War, together with their opinion in writing, what proportion of the monthly pay of such applicant will be equivalent to the degree of disability ascertained in manner aforesaid.

Under this law, as appears by the quoted provision, the United States circuit courts were required to pass on pension applications, and a further provision made the decisions of the circuit courts reviewable by the Secretary of War and by Congress. These provisions met with quick and sharp criticism. The judges insisted that the duties imposed upon them were not of a judicial character, and that if they were, neither Congress nor an officer of the executive department had the power to review the decisions of the courts. Chief Justice Jay was

among those that protested against the act to President Washington.

The Circuit Court of Pennsylvania refused to perform the duties imposed on it by the law. One William Hayburn filed an application for a pension and said court declined to consider it. On April 13, 1792, less than a month after the law went into effect, said Hayburn presented a memorial to Congress setting forth that he had made application to said circuit court to be placed on the pension list, and that said court had refused to take cognizance of his case, and that he was therefore obliged to apply to Congress for relief. It is claimed that the refusal of the Pennsylvania Circuit Court to comply with the law was the first time in the history of our country that a court nullified an act of Congress. This claim is borne out by the following statement in volume 2, page 557, of the Annals of Congress, made in connection with the presentation of Hayburn's memorial:

This being the first instance in which a court of justice had declared a law of Congress to be unconstitutional, the novelty of the case produced a variety of opinions with respect to the measures to be taken on the occasion. At length a committee of five was appointed to inquire into the facts contained in the memorial and to report thereon.

Mr. RAMSEYER. Will the gentleman yield?

Mr. KOPP. Yes.

Mr. RAMSEYER. That case did not go to the Supreme Court of the United States?

Mr. KOPP. It was not decided by the Supreme Court.

Mr. RAMSEYER. Was it the circuit court of appeals?

Mr. KOPP. It was the Circuit Court of Pennsylvania.

Mr. RAMSEYER. The Federal circuit court?

Mr. KOPP. Yes.

The committee reported a few days later, but its report was laid on the table. Then the Attorney General, in order to have the matter finally determined by the Supreme Court of the United States, on behalf of Hayburn made application for a writ of mandamus, but before a decision could be obtained in the case the law was changed and the offending part was repealed.

The pensions to which reference has thus far been made were based upon disabilities incurred in the service and were commonly called invalid pensions. That designation for such pensions has continued through the years. We still speak of pensions granted on account of disabilities of service origin as invalid pensions. Naturally and rightfully those disabled in the service were first given consideration by the Government. It was inevitable, however, that soldiers of the Revolution who could not establish their right to a pension under the invalid pension law would eventually also receive consideration. There were several reasons why this was so. Many soldiers whose disabilities were actually the result of the service could not prove that fact to the satisfaction of the Government. Many were in need as the result of such and other disabilities. A grateful people felt that these veterans were deserving of their country's assistance. In order to include them a new pension law, not based upon disability incurred in the service, had to be passed. A strong sentiment developed in favor of such a law, and, being in sympathy with this sentiment, President Monroe, in his annual message to Congress December 2, 1817, recommended the passage of such a law in the following words:

In contemplating the happy situation of the United States our attention is drawn, with peculiar interest, to the surviving officers and soldiers of our Revolutionary Army who so eminently contributed by their services to lay its foundation. Most of those very meritorious citizens have paid the debt of nature and gone to repose. It is believed that among the survivors there are some not provided for by existing laws who are reduced to indigence and even to real distress. These men have a claim on the gratitude of their country, and it will do honor to their country to provide for them. The lapse of a few years more and the opportunity will be forever lost; indeed, so long already has been the interval that the number to be benefited by any provision which may be made will not be great.

On December 12, 1817, General Bloomfield of the committee to which was referred that part of the President's message relating to officers and soldiers of the Revolution, and who was himself a survivor of the Revolution, reported to the House a bill in harmony with the recommendation of President Monroe. This bill passed the House by a large majority on December 24, the day before Christmas. There was so little opposition that no one even asked for a division. The Senate passed the bill in the same manner, and on March 18, 1818, it was approved by President Monroe. The bill contained the following provision:

That every commissioned officer, noncommissioned officer, musician, and private soldier, and all officers in the hospital department and

medical staff who served in the War of the Revolution until the end thereof, or for the term of nine months or longer, at any period of the war, on the continental establishment; and every commissioned officer, noncommissioned officer, mariner, or marine who served at the same time, and for a like term, in the naval service of the United States, who is yet a resident citizen of the United States, and who is or hereafter, by reason of his reduced circumstances in life, shall be in need of assistance from his country for support and shall have substantiated his claim to a pension in the manner hereinafter directed, shall receive a pension from the United States; if an officer, of \$20 per month during life; if a noncommissioned officer, musician, mariner, marine, or private soldier, of \$8 per month during life.

Thus, the first pension act for the Revolutionary soldiers, not limited to those that could prove their disabilities to be of service origin, was passed 37 years after the surrender of Cornwallis to Washington at Yorktown. This act established a policy that has been applied to the survivors of every war since the Revolution down to and including the Spanish War. As the Revolutionary soldiers grew older and more infirm, the act was broadened and liberalized.

Pensions provided by this act and similar subsequent acts have been called service pensions. So they are still commonly known. I have no desire to substitute any other name for service pensions, but I think it must be conceded that the name is not entirely accurate. The name does not fully and clearly describe the pensions granted to the survivors of said war by the act of March 18, 1818, and by the subsequent acts to which I shall refer. For the sake of convenience, however, I shall accept the classification which has been generally recognized; namely, that pensions for soldiers based upon disabilities of service origin are invalid pensions, and that all other pensions for soldiers are service pensions. As there has never been any real difference of opinion as to invalid pensions, I shall confine my further discussion to service pensions.

The soldiers of the War of 1812 were not granted service pensions as soon after the war as were the soldiers of the Revolution, but there was a reason for that. Just before the time that service pensions would have been granted to the soldiers of the War of 1812, according to the precedent established in 1818 by the act granting service pensions to the soldiers of the Revolution, we became engaged in the war with Mexico, and soon after that war came the angry passions leading up to the Civil War, and then the Civil War itself. Under these circumstances service pensions for the survivors of the War of 1812 were delayed until February 14, 1871. There was no roll call on the bill, but it was evidently passed by a large majority in both Houses, and in due time received the approval of President Grant. In this bill a service of only 60 days was required.

The soldiers of the Mexican War received consideration more promptly than the soldiers of the War of 1812. A service pension bill for the Mexican War soldiers was passed by the House in 1884. The Senate also passed the bill, but added so many amendments that the two Houses could not agree. Three years later, however, on January 29, 1887, a service pension bill, which passed both Houses of Congress by an emphatic majority, was approved by President Cleveland. This was 39 years after the Mexican War. This act required only 60 days' service or participation in a battle. Then came service pensions for the survivors of the Civil War. In connection with the Civil War service pensions were far more important because of the great number involved. The expenditure would naturally be enormous, and the subject, therefore, received very serious consideration.

President Benjamin Harrison, in his annual message to Congress in December, 1889, recommended service pensions for the Civil War veterans in the following language:

The law now provides a pension for every soldier and sailor who was mustered into the service of the United States during the Civil War and is now suffering from wounds or disease having an origin in the service and in the line of duty. Two of the three necessary facts, viz, muster and disability, are usually susceptible of easy proof; but the third, origin in the service, is often difficult, and in many deserving cases impossible to establish. * * * I am not unaware that the pension roll already involves a very large annual expenditure, neither am I deterred by that fact from recommending that Congress grant a pension to such honorably discharged soldiers and sailors of the Civil War as having rendered substantial service during the war are now dependent upon their own labor for a maintenance, and by disease or casualty are incapacitated from earning it. Many of the men who would be included in this form of relief are now dependent upon public aid, and it does not, in my judgment, consist with the national honor that they shall continue to subsist upon the local relief given indiscriminately to paupers instead of upon the special and generous provision of the Nation they served so gallantly and unselfishly.

The rule bringing the service pension bill before the House for consideration was reported by William McKinley, later to be one of our illustrious Presidents, and still beloved throughout the Nation. The debate was long, earnest, and able. The justice of service pensions for the Civil War veterans, however, was so apparent that the bill was passed by more than a two-thirds vote in both the House and the Senate. This was a most remarkable vote, for these veterans had not fought against a foreign enemy, but had been engaged in a war between the States. The bill was approved by President Harrison on June 27, 1890, 25 years after Lee's surrender at Appomattox.

It was during the Sixty-sixth Congress that the first service pension bill for the survivors of the Spanish War became a law. It was passed in the House by a vote of 295 yeas to 19 nays and in the Senate by a vote of 65 yeas to 3 nays, and on June 5, 1920, was approved by President Wilson. This was less than 22 years after the close of hostilities between Spain and the United States. That law also included service pensions for the survivors of the China relief expedition and the Philippine insurrection. It was only 19 years from the termination of the China relief expedition to the approval of the service pension bill by President Wilson on June 5, 1920, and it was only 18 years from the end of the Philippine insurrection to the signing of the said service pension bill.

I have gone over the record to show that after every American war, down to and including the war with Spain, a service pension law was enacted for the benefit of the soldiers of these different wars. A policy so emphatically approved by Congress, the President, and the American people as a whole will never be abandoned. A service pension law will follow the World War. That fact may as well be understood and accepted now as at any other time. It should also be understood that the time between the signing of the armistice, November 11, 1918, and the enactment of a service pension law for the World War veterans will not be longer than was the time between the close of the war with Spain and the enactment of the service pension law for the veterans of the Spanish War. Half of that time has already gone by. Eleven years have passed since the signing of the armistice. Before the end of another 11 years Congress will have passed and the President will have signed a service pension bill for the World War veterans. [Applause.]

Mr. KNUTSON. Will the gentleman yield there?

Mr. KOPP. Yes.

Mr. KNUTSON. The gentleman is probably as well posted on pension matters as any man in the House. Based on past experience, we would enact service pensions for World War veterans in about 15 years?

Mr. KOPP. Less than that; in about 11 years; and there ought to be some service pensions granted now, as I shall show later.

Now I shall point out to you that all the service pensions to which I have called your attention have been granted to disabled veterans. The act of March 18, 1818, provided that a Revolutionary soldier to be entitled to a pension under that act "shall be in need of assistance from his country for support."

In other words, the soldier had to be so broken down that he could no longer support himself by his own efforts. At that time the infirmities of age had overtaken most of the surviving soldiers of the Revolution. Forty-three years had passed since the Revolution began. These surviving soldiers were far advanced in years. Who knew more about them at that time than President Monroe? Again I quote from his message recommending this legislation:

Most of these very meritorious citizens have paid the debt of nature and have gone to repose. * * * The lapse of a few years and the opportunity will be forever lost.

It is true that in the act of February 14, 1871, for the soldiers of the War of 1812 nothing was said about disability, but this act must be interpreted in the light of the existing circumstances. When this act was passed 59 years had gone by since the War of 1812 began, and the average age of the survivors at that time was at least 75 years. Being so advanced, it was self-evident that they were disabled and a requirement in the act to show that fact would have been useless as well as unreasonable. It would have imposed a wholly unnecessary burden upon these old veterans. In the discussion of the bill, these soldiers were referred to as "old and decrepit." Their disability was the moving cause for granting the pension.

The act of January 29, 1887, for the soldiers of the Mexican War, provided as follows:

That every such officer, enlisted man, or widow who is or may become 62 years of age, or who is or may become subject to any disability or dependency equivalent to some cause prescribed or recognized by the

pension laws of the United States as a sufficient reason for the allowance of a pension, shall be entitled to the benefits of this act.

This act arrests our attention for the reason that it was the first pension law which presumed disability of the veteran when he had reached the age of 62 years. This precedent was followed later and is now securely established in our pension laws. It may be asked, Why were the words "disability or dependency" used instead of simply "disability"? The explanation is found in the fact that the law provided pensions not only for the veterans but also for their widows. Widows are often dependent without being disabled.

The act of June 27, 1890, for the soldiers of the Civil War required—

A mental or physical disability of a permanent character * * * which incapacitates them from the performance of manual labor in such a degree as to render them unable to earn a support.

It provided further that pensions should not exceed \$12 a month and should not be less than \$6 a month, "proportioned to the degree of inability to earn a support." This act in express language based the pension upon disability. It did not, however, like the aforesaid act for the soldiers of the Mexican War, fix the age of 62 years as the time when disability would be presumed as a matter of law. Later, however, the celebrated order known as Order 78, by construction virtually incorporated that provision in the act. This order was issued on March 15, 1904, by E. F. Ware, Commissioner of Pensions. It was issued with the approval of President Roosevelt, and, it is generally believed, at his suggestion. This order had a far-reaching effect. On account of the importance of this order in finally and definitely establishing that old age is a disability from 62 years on, and that old-age pensions are in reality disability pensions, I here set out said order in full:

[Order No. 78]

DEPARTMENT OF THE INTERIOR,
BUREAU OF PENSIONS,
March 15, 1904.

Whereas the act of June 27, 1890, as amended, provides that a claimant shall "be entitled to receive a pension not exceeding \$12 per month and not less than \$6 per month, proportioned to the degree of inability to earn a support, and in determining such inability each and every infirmity shall be duly considered, and the aggregate of the disabilities shown be rated;" and

Whereas old age is an infirmity the average nature and extent of which the experience of the Pension Bureau has established with reasonable certainty; and

Whereas by act of Congress in 1887, when 39 years had elapsed after the Mexican War, all soldiers of said war who were over 62 years of age were placed on the pension roll; and

Whereas 39 years will have elapsed on April 13, 1904, since the Civil War, and there are many survivors over 62 years of age: Now, therefore,

Ordered: (1) In the adjudication of pension claims under said act of June 27, 1890, as amended, it shall be taken and considered as an evidential fact, if the contrary does not appear, and if all other legal requirements are properly met, that, when a claimant has passed the age of 62 years he is disabled one-half in ability to perform manual labor and is entitled to be rated at \$6 per month; after 65 years at \$8 per month; after 68 years at \$10 per month; and after 70 years at \$12 per month.

(2) Allowances at higher rate, not exceeding \$12 per month, will continue to be made as heretofore, where disabilities other than age show a condition of inability to perform manual labor.

(3) This order shall take effect April 13, 1904, and shall not be deemed retroactive. The former rules of the office fixing the minimum and maximum at 65 and 75 years, respectively, are hereby modified as above.

E. F. WARE, *Commissioner of Pensions.*

Approved.

E. A. HITCHCOCK, *Secretary.*

The act of June 5, 1920, giving service pensions to the surviving Spanish War veterans, also in express terms based the pensions upon disability. It followed the order of the Roosevelt administration, and presumed, as a matter of law, that a veteran was disabled when he reached 62, and that his disabilities further increased with advancing years. As this act will always be regarded as a sound and important precedent, I quote from it the following language:

That all persons who served 90 days or more in the military or naval service of the United States during the War with Spain, the Philippine insurrection, and the China relief expedition, and who have been honorably discharged therefrom, and who are now or who may hereafter be suffering from any mental or physical disability or disabilities of a permanent character, not the result of their own vicious habits, which so incapacitates them from the performance of manual labor as to render

them unable to earn a support, shall * * * be entitled to receive a pension not exceeding \$30 per month and not less than \$12 per month, proportioned to the degree of inability to earn a support; * * * Provided, That any such person who has reached the age of 62 years shall, upon making proof of such fact, be placed upon the pension roll and entitled to receive a pension of \$12 per month. In case such person has reached the age of 68 years, \$18 per month; in case such person has reached the age of 72 years, \$24 per month; and in case such person has reached the age of 75 years, \$30 per month.

A review of the aforesaid service pension acts makes it absolutely clear that all service pensions for surviving veterans have been granted on account of disability, either proved or presumed. These service pensions have in fact been invalid pensions, although not so classified. All the pensions that have been granted to surviving veterans might properly be classified as follows:

First. Invalid pensions based upon disabilities incurred in the service.

Second. Invalid pensions based upon disabilities generally.

We now come to the World War. When we entered the World War the pension system was abolished as far as that war was concerned. In its place was enacted the compensation law. A grateful Government had bestowed pensions on the survivors of previous wars. Naturally the question arises why, after the Nation had given pensions to the surviving veterans for nearly a century and a half, was compensation substituted for the pension system when we came to the World War? I was not a Member of Congress when the compensation law—which is technically known as article 3 of the war risk insurance act—was passed, and, therefore, can not speak from personal knowledge. I must rely upon the CONGRESSIONAL RECORD. I find that it was stated repeatedly in debate that the purpose of the compensation law was to destroy the pension system. One of the clearest statements made by the supporters of the bill was the following:

We expect when this bill is enacted into law, and when the people who are on the pension roll now have either died or ceased to draw money under the law, we will not have any pension system.

Compensation was provided for those who could prove to the satisfaction of the Veterans' Bureau that their disabilities were incurred in the service. In other words, the compensation law was to take the place of invalid pensions. Unfortunately, however, nothing was provided to take the place of service pensions. For all time to come service pensions were to be denied to veterans of the World War. Compensation to those who could prove that their disabilities were of service origin was to be the end of it. It was, indeed, faintly suggested that insurance was to take the place of service pensions, but how that could be claimed I do not understand, for the veterans are compelled to pay for their insurance. If they do not pay, the insurance will lapse. The Government will not carry it for them. Furthermore, only a small per cent of the total number of ex-service men carry insurance. On December 1, 1929, there were 648,870 ex-service men of the World War who were carrying insurance. On that date more than 4,000,000 veterans of the World War were still living.

Hence, as these figures show, about 16 per cent of the surviving ex-service men were carrying insurance on December 1, 1929. What good did the insurance carried by these 16 per cent do the 84 per cent? It is evident from the debate on the bill that many were doubtful about its sufficiency. It was predicted on the floor that the plan to deny service pensions to the survivors of the World War would ultimately fail. It was, however, a war measure and was therefore permitted to pass without real opposition.

Fortunately, no Congress can bind any future Congress, and when new legislation becomes necessary it can be enacted. I am very certain that in the not distant future Congress will give the World War veterans a service pension. What the American people gave the veterans of the Revolution and the veterans of the War of 1812 and the veterans of the Mexican War and the veterans of the Civil War and the veterans of the Spanish War they will not deny to the veterans of the World War. [Applause.] A refusal to grant them the same relief would be indefensible and incomprehensible. We have established precedents from which we can not now honorably depart. The relief may be given under another name, but in fact it will be a service pension. It has been suggested that because of the large number involved in the World War we can not afford to give the survivors service pensions. To that I reply that the greater the number of the survivors the greater will be the injustice if service pensions are denied them. We are not so poor that we can not pay service pensions to the surviving veterans of the World War. It is true that in the World

War there were twice as many engaged as participated in the Civil War, which was the greatest previous war; but it must also be remembered that from the beginning of the Civil War to the time we entered the World War our population increased from 31,000,000 to 100,000,000 and our estimated national wealth increased from sixteen billion to two hundred billion. If we have been able to pay service pensions to the soldiers of the Civil War, certainly we can pay them to the veterans of the World War.

This Congress still believes in service pensions. Bear in mind that the bill granting service pensions to the survivors of the Spanish War was passed after the compensation law had been enacted and after the World War had terminated. That bill was passed with full knowledge that it was inconsistent with the compensation law, and with full realization that in fairness and justice the World War veterans would be entitled to the same consideration.

Representative Black, of Texas, a very able Member of the House, who on principle was opposed to all service pensions, during the debate on the bill, made this memorable statement:

But let us consider whether or not at this time we want to open up the door of the pension roll to soldiers in these wars which are mentioned in the bill, who can not connect their disability with any injury received or disease contracted in line of duty. If we are going to do this, then why not amend articles 3 of the war risk insurance bill at once, strike out that provision of it which requires that the soldier shall, in order to get compensation benefit, show that he incurred his disability in line of duty. Here is the situation: More than 4,000,000 men served in the World War, and under the ordinary rules of health a certain number of these men will become disabled from accident and disease each and every year. A certain number of them have become disabled and are now disabled since their discharge from the service, but can not connect up their disability with service in the line of duty.

What reason is there in morals or equity for pensioning the men who served in the Spanish-American War or the Philippine Insurrection for disabilities from disease arising or accidents suffered since they left the service and not in any way connected in the line of duty, and refusing the same pension to men who served in the recent World War and who have become disabled in the same way? I can not see one particle of difference.

I warn you that unless you are willing to amend section 3 and strike out that provision which requires the boys who served in the World War to show that their disability was incurred in the line of duty that you ought not to pass this bill, because you can not defend it and refuse them the same relief.

Mr. Black certainly sensed the logic of the situation.

I repeat, this Congress still believes in service pensions. Well do I remember when we passed the last service pension bill for the survivors of the Spanish War. I refer to the bill approved on May 1, 1926. That bill increased the service pensions given to the Spanish War veterans by the act of June 5, 1920. We passed that bill for the Spanish War veterans in the House on April 5, 1926, and the vote stood 368 for the bill and not one against it. In the Senate the bill passed on April 14, 1926, and the vote stood 72 for the bill and not one against it. In view of such a vote, and in view of all the other votes to which I have called attention, can Congress refuse or fail to do for the survivors of the World War what it has done for the survivors of every other war? Most assuredly not. [Applause.]

Mr. KNUTSON. Will the gentleman yield?

Mr. KOPP. Certainly.

Mr. KNUTSON. Has the gentleman given any consideration to the proposition that is before the Committee on Expenditures in Executive Departments to consolidate the Pension Bureau with the Veterans' Bureau, and has the gentleman in the earlier part of his remarks, before I came into the room, touched upon the great difficulty that veterans of the World War have in proving their cases at the Veterans' Bureau as compared with the obstacles that are met in the Pension Bureau?

Mr. KOPP. I have not drawn any comparisons, but I have referred to the great obstacles we have to overcome in proving such cases.

Mr. KNUTSON. Growing out of the World War?

Mr. KOPP. Yes.

Mr. DENISON. Will the gentleman yield?

Mr. KOPP. Yes.

Mr. DENISON. We have already passed legislation providing for hospitalization of veterans of the World War without regard to service origin of their disability.

Mr. KOPP. Yes.

Mr. DENISON. Does the gentleman consider that a form of service pension?

Mr. KOPP. Yes; in a limited way.

Mr. DENISON. It reaches those who are disabled.

Mr. KOPP. Many of them are still disabled when they get back home.

Mr. DENISON. Yes; but that is one step in this direction.

Mr. KOPP. That is one step, I agree with the gentleman.

Mr. KNUTSON. Will the gentleman let me interject a remark there? There is no provision made for the care of their families while they are being hospitalized.

Mr. KOPP. That is true.

The CHAIRMAN (Mr. RAMSEYER). The time of the gentleman from Iowa has expired.

Mr. BACON. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. PALMER. Will the gentleman yield?

Mr. KOPP. Certainly.

Mr. PALMER. I want to ask the gentleman if he does not think the Pension Committee should be more liberal in its rules in the case of dependent children of soldiers?

Mr. KOPP. The gentleman means there should be more liberal provision for them?

Mr. PALMER. Yes; I have had some cases called to my attention where there are dependent children, boys and girls who are practically helpless, and yet under the rule they can only get \$20 a month. They have either got to be taken care of by charity or by some one else.

Mr. KOPP. I agree there is much force in what the gentleman says.

Mr. PALMER. And does not the gentleman think we should be more liberal in granting pensions to the Civil War soldiers and their widows?

Mr. KOPP. I believe in liberal pensions for the old Civil War veterans.

Mr. PALMER. There are very few of them left, and I think we should be more liberal in our treatment of them.

Mr. TILSON. Will the gentleman yield?

Mr. KOPP. Yes.

Mr. TILSON. As I understand, the gentleman favors pensions for the disabled regardless of whether the disability is of service origin or not; in other words, if the veteran is disabled, the gentleman is in favor of a pension for him?

Mr. KOPP. I have been trying to show that that has really been our policy in the past.

Mr. O'CONNOR of Oklahoma. Will the gentleman yield?

Mr. KOPP. Yes.

Mr. O'CONNOR of Oklahoma. The congressional recognition that has been given in the form of hospitalization regardless of service connection is absolutely a recognition of the principle which the gentleman is now contending for, so far as it goes, is it not?

Mr. KOPP. That is unquestionably true.

But in my support of service pensions for the World War veterans I do not rely solely, or even chiefly, on precedents. By no means. Primarily I am in favor of service pensions because they are right. Primarily I am in favor of service pensions because we can not do justice to the World War veterans in any other way. Under the compensation law the claims of 456,559 veterans have been allowed, but the claims of 455,865 veterans have been rejected. Think of it, 455,865 rejected claims! Every Member in this House who has had any experience in looking after the claims of ex-service men knows that in that vast number of rejected claims there are many thousands that are in fact meritorious. In every congressional district in the United States there are many disabled ex-service men whose disabilities actually resulted from the service, but who can not make the necessary proof. Proving service origin of a wound received in battle is generally a very easy thing, but proving that a disease later afflicting an ex-service man resulted from the service is usually a very difficult thing. In many, many cases, even though such be the fact, it is impossible to prove it. Take a man in civil life. He seldom knows what caused his illness, and that is also true even of his physician. The cause of disease is involved in so much doubt and uncertainty that a requirement that ex-service men must prove that the diseases afflicting them resulted from the service, in thousands upon thousands of cases, results in a complete denial of justice. The wrongs that are inevitable under the compensation law can be righted only by a service pension.

I commend the service pension laws that have been enacted in the past, but I am convinced that we should go one step further. These pensions, as we have seen, have been given to the disabled. Even when granted in old age, they have not been given because of old age, but because of the infirmities that come with old age. I ask, may not disability in youth be as unfortunate as disability in old age? May it not be even more unfortunate? Consider for a moment a total permanent disability. When such a disability occurs in old age the veteran

has had time to make some provision for himself and family. He has had a chance to rear and educate his children. On the other hand, when such a disability strikes down a young man he can never accumulate anything. He can never do anything for his wife and children. He and they must depend upon charity. Everywhere there are such cases that make us heart-sick. Everywhere there are such totally and permanently disabled ex-service men who can not secure compensation because they can not prove service origin. Many of these will not live long. Let us do something for them before they die. [Applause.]

We should also include in our consideration those who are permanently and seriously disabled, even if the disability is not total, for they, too, do not have a fair chance in the battle of life.

We can not close our eyes to these hopeless young men. We can not be deaf to their entreaties. We can not escape responsibility. Our duty is clear. They are entitled to relief now—not 10 years hence, not 5 years hence, but now. Let us give them relief, not after they are dead, but while they still live [Applause.]

Mr. BYRNS. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Chairman, ladies and gentlemen of the committee, on December 9 I made some remarks on branch banking. What I said then has been commented upon chiefly in two respects. So far as I know, chain and group banking is generally condemned, and the matter of my remarks—that is, the fundamental principles involved—have been in general, I think, commended.

But the national bankers have said it is not fair that our rights to establish branches shall be curtailed to a greater extent than the rights of the State banks to establish branches.

In addition it has been said if we curtail the right of the national and State banks to establish branches the establishment of general holding companies will be encouraged, which as a matter of fact is a bad thing. In other words, it is said that while my criticisms may be justified, no remedy is offered.

The reason is this: I did not introduce a bill because it is perfectly obvious legislation of this importance has got to come from the majority side of the House. The responsibility for legislation rests with the Republican Party, and it is perfectly right, logical, and proper that the Republican Party should desire to receive credit for whatever legislation of this character is passed. I hoped that some Member of the majority would introduce a bill, and at this point I want to say that after a bill which I am about to discuss was introduced by me in the House, the gentleman from Kansas [Mr. STRONG] also introduced one which I am informed attempts to carry out the same purposes. If it does, I hope his bill and not mine will be considered, because he is a member of the party in power and that proposed legislation will probably receive primary consideration.

As a matter of fact, upon investigation I found that branch banking and chain banking went along together. Take the State of California, the greatest branch-banking and chain-banking State in the Union, I found the objection was not valid.

I also found that in only six States in the Union do State banks have an advantage of national banks in their power to establish branches. But, I believe the consensus of banking opinion and of public opinion is that chain banking is an un-mixed evil, and that branch banking should be stopped where it is now, provided it can be done equitably, so the State banks will not have advantage over the national system.

I have introduced a bill, H. R. 8363, which undertakes, first, to do away with the chain banks, and to stop branch banking, both national and in the States, exactly where it is. Now, in the first place, the bill provides that no corporation can vote the stock of any national bank which it owns. If that provision should become the law, holding companies could not vote the stock of banks. They could not vote the stock, could not control them, which would do away with that system.

It also provides that no corporation can vote the stock of any State bank which is a member of the Federal reserve system. It provides that no State member bank can vote the stock of any other bank. And then there is this provision, which I will read. The constitutionality of the provision I am about to read will be attacked. My principal purpose this morning is to attempt to conclusively show to any lawyer that the provision is constitutional, and therefore meet the attack before it comes. Because unless that is done those who are in favor of an unlimited extension of branch State banking will immediately say that the provisions of this proposal are not constitutional.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. DENISON. Is the bill limited in its effect to corporations holding the stock of other banks?

Mr. GOLDSBOROUGH. Corporations and banks.

Reading now from the bill:

(8) Bank checks: On each check drawn upon any bank, banking association, trust company, or savings bank (a) which establishes any branch after the passage of this act, or (b) more than 25 per cent of the stock of which is owned by any corporation, a tax of 2 cents on each dollar or fractional part thereof of the amount for which such check is drawn.

And then the bill provides a penalty for any person, firm, corporation, or association which draws a check, and a penalty upon any bank which pays a check which is not so stamped.

Mr. MORTON D. HULL. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. MORTON D. HULL. And that is a tax imposed under what condition?

Mr. GOLDSBOROUGH. It is a tax of 2 per cent on any check drawn on any bank which establishes a branch after the passage of this act, or where more than 25 per cent of the stock of such bank is owned by any corporation. That is to affect the holding company. The obvious purpose of that section is to stop branch banking in the State right where it is, and to abolish State group and chain banking.

I have made a very careful examination of the decisions of the Supreme Court bearing upon this question, and am going to cite to the members of the committee four cases which I believe substantially cover the situation, and which conclusively show that that provision is entirely legal, within the purview of the constitutional powers of Congress. In 1865 the Congress passed a law which taxed the notes of State banks issued after the 1st of January, 1866, to the extent of 10 per cent. The purpose of that act was, of course, to stop the circulation of State-bank notes and to establish a national monetary system which should be exclusive. That was the perfectly obvious purpose of the act. The act was attacked by the Veazie Bank upon the theory that while it purported to be an exercise of the taxing power, it was in reality passed for the purpose of stopping the circulation of State-bank notes, and also for the purpose of making the national system more attractive than the State system, so that institutions would give up their State charters and go into the national system. That was the contention made. I read now from page 548 of that decision of the Supreme Court, Eighth Wallace, Veazie Bank against Fenno:

It is insisted, however, that the tax in the case before us is excessive, and so excessive as to indicate a purpose on the part of Congress to destroy the franchise of the bank, and is therefore beyond the constitutional power of Congress.

The first answer to this is that the judicial can not prescribe to the legislative departments of the Government limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts, but to the people by whom its members are elected. So if a particular tax bears heavily upon a corporation, or a class of corporations, it can not, for that reason only, be pronounced contrary to the Constitution.

Then another reason given in the opinion, in support of the constitutionality of the act, is because Congress has the power to say what shall be the circulating medium of the country, and the Supreme Court goes on and says:

Viewed in this light, as well as in the other light of a duty on contracts or property, we can not doubt the constitutionality of the tax under consideration.

Of course, I have not the time to analyze all of these cases minutely, but a careful consideration of this bill in connection with this case indicates clearly that the Supreme Court has got to reverse itself to hold the provision in the bill introduced by me unconstitutional.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. DENISON. Has the gentleman studied carefully the child-labor decision, and can he distinguish that for us?

Mr. GOLDSBOROUGH. I expect to come to that later, if the gentleman will permit. As I said before, unless the Supreme Court has reversed this Veazie case, it must do so in order to hold the provision in this bill unconstitutional.

Mr. BEEDY. Will the gentleman inform us the number of the bill that he is now referring to?

Mr. GOLDSBOROUGH. I am referring to the bill H. R. 8363 which attempts to stop chain banking and to stop any extension of branch banking, either Federal or State.

I refer now to the case of McCray v. United States, reported in 195 United States, page 27. In that case an act of Congress was

construed which imposed a tax of 10 cents a pound on oleomargarine so colored as to make it appear to be butter.

It was contended by those who wanted to manufacture oleomargarine that while this purported to be a tax, the real purpose was not to raise the revenue but to put the oleomargarine people out of business; and, therefore, that it was a subterfuge, and, being a subterfuge, was not a proper exercise of the taxing power of the Federal Government and was, therefore, unconstitutional. Mr. Justice White, who afterwards was Chief Justice, wrote the opinion in that case. The reason I am reading these cases right up to the last decision is because I want, if I can, to show this Veazie case is still recognized by the Supreme Court as being the law. Reading now from page 57:

Yet again, in *Veazie Bank v. Fenno* (8 Wall. 533), where a tax levied by Congress on the circulating notes of State banks was assailed on the ground that the tax was intended to destroy the circulation of such notes, and was, besides, the exercise of a power to tax a subject not conferred upon Congress, it was said, as to the first contention (p. 548):

"It is insisted, however, that the tax in the case before us is excessive, and so excessive as to indicate a purpose on the part of Congress to destroy the franchise of the bank, and is, therefore, beyond the constitutional power of Congress.

"The first answer to this is that the judicial can not prescribe to the legislative departments of the Government limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts but to the people by whom its members are elected. So if a particular tax bears heavily upon a corporation, or a class of corporations, it can not, for that reason only, be pronounced contrary to the Constitution."

True it is, as argued, that the opinion in that case rested the conclusion not alone upon the doctrine just quoted, but also upon the principle that the Congress possessed the power to suppress the circulation of the notes of State banks as an incident to the authority concerning the currency delegated to Congress by the Constitution; but whilst this argument may weaken the authoritative force of the statement made in the case in question as to the want of power in the judiciary to examine into motive, it does not affect the persuasive and inherent force of the reasoning by which that view was sustained.

In *Spencer v. Marchant* (125 U. S. 345-355), speaking through Mr. Justice Gray, it was said:

"In the words of Chief Justice Chase, condensing what had been said long before by Chief Justice Marshall, the judicial department can not prescribe to the legislative department limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons; but the responsibility of the legislature is not to the courts but to the people by whom its members are elected."

And the oleomargarine tax was sustained by the Supreme Court of the United States.

Now, the next is the case of *Flint* against the *Stone-Tracy Co.*, in 230 United States, page 107. In that case Congress passed a law which taxed the franchise of corporations. That was claimed to be unconstitutional on the ground that these corporations which were organized under State laws could thus be destroyed by Federal taxation. The Supreme Court in that case upheld the right to tax the franchise of corporations and said, on page 167:

We must not forget that the right to select the measure and objects of taxation devolves upon the Congress and not upon the courts, and such selections are valid unless constitutional limitations are overstepped. It is no part of the function of a court to inquire into the reasonableness of the excise, either as respects the amount or the property upon which it is imposed. (*Patton v. Brady*, 184 U. S. 608; *McCray v. United States*, 195 U. S. 27, 58, and previous cases in this court there cited.)

In *Veazie Bank v. Fenno* (8 Wall. 533), *supra*, speaking for the court, the Chief Justice said:

It is insisted, however, that the tax in the case before us is excessive, and so excessive as to indicate a purpose on the part of Congress to destroy the franchise of the bank, and is, therefore, beyond the constitutional power of Congress.

The first answer to this is that the judicial can not prescribe the legislative departments of the Government limitations upon the exercise of its acknowledged powers. The power to tax may be exercised oppressively upon persons, but the responsibility of the legislature is not to the courts, but to the people by whom its members are elected. So, if a particular tax bears heavily upon a corporation or a class of corporations, it can not for that reason only be pronounced contrary to the Constitution.

To the same effect, *McCray v. United States* (195 U. S. 27). In the latter case it was said:

* * * No instance is afforded from the foundation of the Government where an act, which was within a power conferred, was declared to be repugnant to the Constitution, because it appeared to

the judicial mind that the particular exertion of constitutional power was either unwise or unjust.

That is quoted from page 168 to page 169 of the opinion. Quoting further from page 169, I read:

The argument, at last, comes to this: That because of possible results, a power lawfully exercised may work disastrously; therefore, the courts must interfere to prevent its exercise because of the consequences feared. No such authority has ever been vested in any court. The remedy for such wrongs, if such in fact exist, is in the ability of the people to choose their own representatives, and not in the exertion of unwarranted powers by courts of justice.

Now, coming to the child labor case, which was referred to on the floor a few minutes ago, that is the case of *Hammer v. Dagenhart* (247 U. S. 251). In that case Congress passed a law which prevented the interstate transportation of goods manufactured by children below the age of 14 and working over 8 hours a day between the ages of 14 and 16, and the constitutionality was attacked.

I want to call the attention of the committee to two facts in this opinion: First, that the interstate commerce clause of the Constitution, which is involved here, is not the taxing clause; and second, that the opinion in the *Veazie Bank* case, which is a taxing case, was not expressly overruled by the decision.

In the child labor case the Supreme Court, by a divided court, voting 5 to 4, decided the act was not constitutional because it undertook to say that material coming from a State which did not employ child labor to another State was not a violation of the act, whereas if exactly the same material came from a State permitting child labor it was a violation of the act. The Supreme Court decided that inasmuch as the material was the same in one case as in the other, the act could not mean anything except a statement of who should and who should not work in a given State, which was beyond the power of Congress.

It was not at all in line with the *Veazie* case. Now, to show that the *Veazie* case was carefully considered in the child-labor case, Justice Holmes in a dissenting opinion uses this language—

Mr. WINGO. Mr. Chairman, will the gentleman yield there? Mr. GOLDSBOROUGH. Yes.

Mr. WINGO. My understanding is that in the bank-note-circulation case the court decided that where the power of Congress was admitted, then the court would not inquire into the motive, the power to tax being conceded. In the child-labor case is it not true that the power of Congress to regulate the commerce between the States is not denied? How does the gentleman differentiate the reasoning of the court in the two cases?

Mr. GOLDSBOROUGH. I will attempt to do it, first—

Mr. WINGO. So the gentleman may know what I am driving at, the gentleman attempts to do it by asserting that the court said the effect of the exercise of the power conceded would be to impose a tax.

Mr. GOLDSBOROUGH. No; I did not say that. Mr. WINGO. The court said you would have brought in the identical goods in the one case as in the other.

Mr. GOLDSBOROUGH. No. The court says that if as to a tax provision it is possible for the tax provision to raise revenue, then, although the raising of revenue is a collateral matter and the real purpose may be something else, we can not undertake to determine congressional motive. But—

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. ARNOLD. Mr. Chairman, I am authorized to yield to the gentleman 15 minutes more.

The CHAIRMAN. The gentleman is recognized for 15 minutes more.

Mr. GOLDSBOROUGH. But in the child labor case the court said there can not be any question of interstate commerce involved, and that the only thing left is the question of intrastate regulation of child labor, of which clearly we have no control. That is the distinction the court makes.

Mr. WINGO. That is the reason why I made the inquiry, because my mind was not clear on it. The gentleman says this is not an attempt to exercise a power which is vested in Congress; that is, the power to regulate commerce between the States. That was their finding.

Mr. GOLDSBOROUGH. That it was not such an attempt? Mr. WINGO. Yes.

Mr. GOLDSBOROUGH. That is correct. Now, going back to the child labor case, in this dissenting opinion, written by Justice Holmes, which was concurred in by Justice McKenna, Justice Brandeis, and Justice Clarke, he states:

The manufacture of oleomargarine is as much a matter of State regulation as the manufacture of cotton cloth. Congress levied a tax upon

the compound when colored so as to resemble butter that was so great as obviously to prohibit the manufacture and sale. In a very elaborate discussion the present Chief Justice excluded any inquiry into the purpose of an act which apart from that purpose was within the power of Congress. (*McCray v. United States*, 195 U. S. 27.) As to foreign commerce, see *Weber v. Freed* (239 U. S. 325, 329); *Brolan v. United States* (236 U. S. 216, 217); *Buttfield v. Stranahan* (192 U. S. 470). Fifty years ago a tax on State banks, the obvious purpose and actual effect of which was to drive them, or at least their circulation, out of existence, was sustained, although the result was one that Congress had no constitutional power to require. The court made short work of the argument as to the purpose of the act. "The judicial can not prescribe to the legislative department of the Government limitations upon the exercise of its acknowledged powers." (*Veazie Bank v. Fenno*, 8 Wall. 533.) So it well might have been argued that the corporation tax was intended under the guise of a revenue measure to secure a control not otherwise belonging to Congress, but the tax was sustained, and the objection so far as noticed was disposed of by citing *McCray v. United States*. (*Flint v. Stone Tracy Co.*, 220 U. S. 107.)

This whole question is very shortly to come up in the Banking and Currency Committee. The distinguished chairman, the gentleman from Pennsylvania, has obtained the right to have hearings during the sessions of Congress, which indicates his opinion, as it is the opinion of other Members, including myself, that these hearings will be very much extended. I believe the membership of the committee is in an entirely judicial frame of mind. As far as I am personally concerned, I am exceedingly anxious to hear everything which can be said against the position I take. My position is based on this conception, that credit control results in a control of every activity, business, social, and political. My conception is that various mergers and chain enterprises have gone away beyond the power of the people to visualize their proper regulation and that the very last stronghold of independent operation is in the banks. Branch banking has already gone a long way toward getting credit control in several States. It is only a few years ago since the action of a Governor of California in sustaining his State banking commissioner so displeased the Bank of Italy that the Bank of Italy defeated him when he came up for reelection. It is generally understood the Bank of Italy controlled that election and defeated a candidate for governor, simply because his perfectly legitimate action of sustaining his banking commissioner was not agreeable to it.

Mr. BRIGGS. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. BRIGGS. I noticed on my desk a day or two ago a pamphlet from the commissioner of banking of the State of Pennsylvania, which indicated that he was not in sympathy with the extension of the branch-banking idea. Is the gentleman familiar with that?

Mr. GOLDSBOROUGH. I do not think I am familiar with that particular pamphlet, but the gentleman from Texas would be utterly surprised if he knew the number of prominent bankers and legislators who are opposed to branch banking and chain banking but who are in such a position at this time that they hesitate to express themselves.

Mr. BRIGGS. Does the gentleman find that more and more there is a process of attrition of the State banks or the banking system into the hands of a few, until probably it will be centered in one great banking group, either under the so-called system of branch banking or under the system employed through holding companies?

Mr. GOLDSBOROUGH. Well, I have attempted to go into all of that to-day.

Mr. BRIGGS. I was asking the gentleman just generally whether it was his conclusion there was much progress along that line.

Mr. GOLDSBOROUGH. My feeling about that is this: The sound sense of the American people will ultimately destroy chain banking and also any sort of branch banking which will achieve credit control. But what we want to do by this legislation is to control the situation and prevent the economic revolution which will have to take place when the people find just what is going on. Take the State of California. I absolutely know what I am talking about when I tell you that the undercurrent of feeling among the people of California is that the Bank of Italy is a public enemy, but that feeling has not become vocal yet; it is just a submerged undercurrent. The situation will work itself out in California in the next five years, and the country will have the benefit of California's lesson, and this danger will be done away for years to come. However, it seems to me now is the time for Congress to restrain this tendency until the people of the country have an opportunity to see the result in individual States, such as the State of California.

Mr. McKEOWN. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. McKEOWN. I am very much interested in the gentleman's thoughts and the speech he made the other day. I want to know if it is contemplated in the hearings before his committee to deal with this holding-company proposition, as mentioned by the gentleman from Texas [Mr. BRIGGS]. In States where they are not permitted to carry on branch banking they are now taking holding companies, buying the stocks of all the various banks they want to and holding them. Is it contemplated that matter will come up before the committee?

Mr. GOLDSBOROUGH. I will say to my distinguished friend from Oklahoma, who probably was not here when the discussion began, that I am discussing to-day a bill which I have introduced that covers the very situation the gentleman speaks of.

While I have twice occupied the attention of the House on this question, I feel I am conservative. Branch banking, as you all know, has already gone a long way, and this proposed legislation will not interfere with any established institution or the branches of any established institution. It is simply for the purpose of stopping the process right where it is.

Mr. MORTON D. HULL. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. MORTON D. HULL. Is this proposed in order to undo some of the chain banking?

Mr. GOLDSBOROUGH. This abolishes chain banking and prevents any extension of branch banking. The deliberate purpose of the bill is to put chain banking out of business.

Mr. MORTON D. HULL. That is to be done by a check upon the right to vote the stock held by any such holding company in banks, is it not?

Mr. GOLDSBOROUGH. Yes; and also particularly, in so far as State banks are concerned, to place this 2 per cent tax on the checks of any corporation holding as much as 25 per cent of the stock of any bank.

Mr. MORTON D. HULL. I will state to the gentleman that I am in sympathy with the gentleman's purpose, but a question arose in my mind as to whether the right to hold stock is a property right and whether you can take away the right to vote that stock.

Mr. GOLDSBOROUGH. As the gentleman knows, the national banks can not now vote stock in other banks.

Mr. MORTON D. HULL. Then, that probably answers the question.

Mr. PERKINS. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. PERKINS. Will the gentleman kindly give us the provision of the bill imposing a 2 per cent tax on checks?

Mr. GOLDSBOROUGH. The gentleman desires me to read the provision?

Mr. PERKINS. Yes.

Mr. GOLDSBOROUGH. The provision is as follows:

(8) Bank checks: On each check drawn upon any bank, banking association, trust company, or savings bank (a) which establishes any branch after the passage of this act, or (b) more than 25 per cent of the stock of which is owned by any corporation, a tax of 2 cents on each dollar or fractional part thereof of the amount for which such check is drawn.

Then the bill provides that anyone drawing a check and not putting on a stamp is subject to a penalty, and any bank which cashes such a check is subject to a penalty.

Mr. PERKINS. I assume that is under the authority of section 8 of Article I of the Constitution, which provides that Congress shall have the power to lay and collect taxes, duties, imposts, excises, and so forth.

Mr. GOLDSBOROUGH. That is correct.

Mr. PERKINS. Does the gentleman think there could be any objection to that because it imposes a tax on checks of a certain class of banks and not on other banks?

Mr. GOLDSBOROUGH. It does not do that. It puts it on any bank and does not discriminate between banks.

Mr. PERKINS. It discriminates between banks that afterwards establish branches and those that do not?

Mr. GOLDSBOROUGH. Yes; it does that.

Mr. PERKINS. Does the gentleman think there is any constitutional objection to that distinction?

Mr. GOLDSBOROUGH. Under the decisions of the Supreme Court I do not.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CLARK of Maryland. What has been the attitude of the States on this subject? Have there been any prohibitory statutes of the States?

Mr. GOLDSBOROUGH. I have not that data here, because I did not intend to speak on that subject, but recently the State of Kansas and, I think, the State of Nebraska passed laws which stopped branch banking absolutely, and certainly the tendency of the States is toward restrictive measures. This is clearly true. I have all that data in my office, but I have not got it here.

Mr. CLARK of Maryland. When there have been only two States out of 48 expressing an attitude against branch banking or chain banking, does the gentleman think it would be reasonable for Congress to take the attitude which is expressed in this bill?

Mr. GOLDSBOROUGH. I did not say that. I said that recently statutes had been passed in two States. In only nine States of the Union—in fact, in only eight States of the Union—is unlimited branch banking permitted now, and in only eight States of the Union do State banks have the right to establish branches beyond that which is conferred on national banks by the Federal act. The gentleman is entirely mistaken in thinking there are only two States. I had reference to recent legislation.

Mr. ARNOLD. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. ARNOLD. Has the gentleman given any serious consideration to the matter of denying these chain banks the use of the mails and the use of interstate methods of transportation in carrying on their business?

Mr. GOLDSBOROUGH. I thought about that quite a little. I was not sure it would be constitutional. The reason my bill is framed as it is is because I am perfectly clear in my own mind that the same purpose will be effectuated, and that it can legally be done.

Mr. ARNOLD. There is no doubt but what a denial of the use of the mails would put an end to chain banking.

Mr. GOLDSBOROUGH. If it can be done legally; yes.

Mr. ARNOLD. Yes; if it can be done legally.

The CHAIRMAN (Mr. SNELL). The time of the gentleman from Maryland has again expired.

Mr. ARNOLD. Mr. Chairman, I am authorized to yield the gentleman five additional minutes.

Mr. DENISON. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. DENISON. I regret I did not hear all the gentleman's discussion; but, as I understand, the bill will levy a tax of 2 cents on the checks of certain banks, including certain State banks?

Mr. GOLDSBOROUGH. And all banks which establish branches after the passage of the act.

Mr. DENISON. The purpose, of course, is to prevent them, through the passage of this act, from establishing branch banks. Does the gentleman have any doubt at all as to the right of the Federal Government to stop State banks from establishing branches?

Mr. GOLDSBOROUGH. They could not do it directly.

Mr. DENISON. Does the gentleman think that Congress can do indirectly what it can not do directly, by use of the taxing power?

Mr. GOLDSBOROUGH. All the decisions I have here say so. Even the child-labor case says that. The child-labor case indicates that if the taxing power in that case had been invoked the motive of Congress in doing it and the result of it could not be questioned by the courts; but in the child-labor case, in which no tax question was involved, the attempt was made by the act to take exactly the same material from two States and say that from one State, where they had child labor, it should not be legal to send it across the line, and from another State, where exactly the same material was made, but where child labor was not used, it should be legal to send that material across the line.

The Supreme Court held there was nothing involved which could be of any benefit to the Federal Government. There was nothing which could constitute a subterfuge. It could not be anything else in that case except an attempt indirectly to control the policy of the States in the matter of child labor, and they had no right to do it.

Mr. DENISON. Of course, this bill would bring no revenue to the United States Government, and would not the situation be exactly the same? It would be clearly an attempt to regulate a State institution.

Mr. GOLDSBOROUGH. I am sorry the gentleman was not here when I discussed that question. I can not go over it again, but believe I am making the distinction the Supreme Court made. In these tax cases the Supreme Court said that even though the provision was not passed by the Congress to raise revenue, that is what they purported to do, and therefore the court could not undertake to question congressional motive. In

the child labor case it was conceded that exactly the same material might be within the inhibition in one case and not in the other, which clearly could not be for any purpose except to control the policy of the States in the matter of child labor.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. GOLDSBOROUGH. I yield.

Mr. CLARK of Maryland. The gentleman, of course, will recognize that there is a distinction between the right of legislation and the wisdom of legislation. I am wondering whether congressional action at this time would be wise, because of a lack of a general showing of sentiment in the States against branch and chain banking.

Mr. GOLDSBOROUGH. There is great sentiment in the States against chain banking, and in all but eight States branch banking is restricted.

Mr. MORTON D. HULL. It is prohibited by law in the State of Illinois, which requires even a referendum to modify the banking law.

Mr. GOLDSBOROUGH. Yes.

Mr. WOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. Mouser].

Mr. MOUSER. Mr. Chairman, ladies and gentlemen of the committee, I quite agree with the distinguished gentleman from Iowa [Mr. Kopp] that the time has arrived when legislation pertaining to the compensation of disabled World War veterans should be liberalized to the point that relief of the veterans should not be barred because of the red tape governing the procedure which causes many of them not to receive what you men in Congress intended that they should receive.

My particular purpose in addressing the committee this afternoon is to speak of certain legislation which has been introduced and referred to the proper committees in both the Senate and the House of Representatives pertaining to the veterans of the Civil War and their dependents and Spanish-American War veterans.

Mr. Chairman, there has been introduced and referred to the proper committees legislation for the purpose of making more pleasant the few remaining days of those who fought to preserve the Union, as well as to increase the pension of those who have shared their burdens and been their helpmates surviving them. If this Congress is to be of service to those whose days may be numbered in a few weeks or months we must act now. They are not asking at our hands anything unreasonable, but only that which will permit those without other means to live in these last few days of their lives in decency and self-respect. Hundreds of thousands of their comrades have passed to the great beyond, thereby relieving the Government and releasing millions of dollars that were once paid them in the form of pensions. I trust that the membership of this House will encourage the members of the Invalid Pensions Committee to report favorably upon a measure designed to permit them to enjoy the comforts of life and to permit tender and loving care in keeping with their great service to the Nation, and that action may be taken by the present Congress before it is too late to give aid and render service to them.

Although it seems but yesterday the sons of these same veterans who were the blue in the Civil War joined with the sons of those who wore the gray—a united country—in protecting the rights and liberties of a weaker nation; yet these same men have reached the turning point of life. These lads of 20, then, are now men of more than 50 years of age. A great many of them live by the toil of their hands and they are no longer able to perform manual labor, and the modern tendency of industry is not to employ even skilled labor at their age. In many communities industries are being refinanced and purchased by outside capital, which results in the turning away of employees who have given the best part of their lives to the industries of their local communities. In these cases of refinancing and mergers, when men drop by the wayside because of the age limit prescribed they vainly seek employment at their trade in other industries and are refused employment because of their age. Included in these men are many of those from both the North and the South who served the country in the Spanish-American War.

Under the present law the average pension received by men who are physically fit to labor is less than \$30 per month. To receive \$30 they must take a physical examination, which indicates disability, which undoubtedly would interfere with their following their vocations. If they receive \$40 per month, they must have a greater disability, and it is necessary that they be practically totally disabled if they receive \$50 per month, and they must be utterly helpless if they receive the maximum of \$72 per month. The passing of the years has shown its effects upon them, and many of them are suffering from disability as a result of dysentery, cholera, typhoid and malaria fever, resulting from their exposure under insanitary conditions.

America has taken the lead in being the benefactor of mankind. She has not only defended the rights of the weaker nations without hope of gain or territorial aggrandizement but she fought for the establishment of governments based upon the principles of freedom, justice, and equality. In the latter stages of the World War, the people of America, actuated by the ennobling purpose of patriotism, loaned their money in order that the cause of the Allies, now linked with hers, might be financed. Recently the Congress passed an act governing the indebtedness due the country from France, which will permit a saving to the French people over a period of 62 years of more than \$4,000,000,000. I voted for this measure and was glad that America would discount the interest obligation of France to this extent, if it would aid in the rehabilitation of France and her people, and for the further reason that I believed it might be impossible to collect the just indebtedness due us from France if such a measure was not passed.

Recently we gladly relieved the American taxpayer of \$160,000,000 of their income taxes for the past current year. We do not want to increase the already heavy burden of tax upon the American people unless the same becomes mandatory for the operation of the Government. I, for one, would not lend my vote or voice to legislation further taxing our people under any circumstances without being convinced that, to the fullest extent, such action was an emergency affecting the welfare of the people of furthering the upholding of our institutions of government. But since we have been so liberal to our allies and the nations abroad, let us not permit to go unheard the appeal of the Spanish-American War veterans and their dependents that they be placed upon a pensionable status in keeping with present conditions and the increased cost of living. Can there be anyone who can conscientiously say that \$30 a month is sufficient for a man, who served his country in time of need, to purchase the bare necessities of life, provided he be out of employment or disabled to the point that he can not follow his vocation in life whether that labor be skilled or common labor?

If this country continues in a practical sense the ideals and traditions which have caused men who loved liberty and its institutions to be willing to face hardships and give life, if need be, for our institutions and the furtherance of the principles of self-government, in order that the world may be more happy and the people permitted to enjoy their God-given rights, we must not, even in a commercial age, forget the sentiments and the epochs in the history of our country which have made these things possible. We must at all times let the principle of humanity be uppermost in our hearts and minds, and we must not let the consideration of the almighty dollar deter us from careful consideration of the appeal of those who have a claim upon us which can not be logically denied.

Thousands of our citizens and taxpayers are joining with the Spanish-American War veterans and the few survivors of the Civil War in asking that Senate bill 477, introduced in the United States Senate on April 23, 1929, by Senator ROBINSON of Indiana, and House bill 2562, introduced on May 6, 1929, by Mr. KNUTSON, chairman of the Committee on Pensions, be acted upon favorably at this session of Congress.

House bill 2562 provides, in substance, that veterans of the Spanish-American War who come within such rules and regulations as the Secretary of the Interior may prescribe be placed upon the list of invalid pensioners of the United States and be paid a pension of \$50 per month, and that those suffering from—

Any mental or physical disabilities of a permanent character, which totally incapacitates them for the performance of manual labor as to render them unable to earn a support, or have reached the age of 62 years, shall, upon making proof of such facts, be placed upon the pension roll and be entitled to receive a pension of \$65 per month.

This provision is extended likewise to women who served their country honorably as nurses. Those who on account of age or physical or mental disability have become helpless or blind and require regular aid and attendance of another person shall be entitled to a maximum of \$90 per month.

In view of the increased costs of living, particularly during and since the World War, and the age of these veterans, who have now passed the turning point in life, many of whom are now incapacitated for further physical labor, the provisions of this act seem only just and reasonable. In no event can the maximum pension be obtained unless the application comes within the rules and regulations of the Secretary of the Interior, which means that adequate proof must be furnished of the physical condition of the applicant. In other words, the question must be answered in the affirmative that the applicant is suffering from disabilities which incapacitate him from carrying on his ordinary pursuits of life within the degree prescribed.

If a man has served his country honorably in time of war for the period prescribed by law, why not give of the riches of this great country in keeping somewhat with the bare necessities of life? As one Member of Congress, and a member of the Pensions Committee, the call of humanity will always be heard above the voice of those who are interested only in the dollar. In this respect I agree with the statement recently made upon the floor of this House by the minority Member from Indianapolis, LOUIS LUDLOW, who, by reason of his newspaper work throughout the years, has given the benefit of his writing to the human side rather than purely mercenary matters. May all of us in considering these matters, regardless of party affiliations, be just and equitable to those and their dependents who have made the establishment and the growth and the prosperity of the greatest Nation, under which man and woman have been privileged to live, possible. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 20 minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY. Mr. Chairman and members of the committee, more than \$835,000,000 are carried in this measure under consideration for the operation of the United States Postal Service during the fiscal year of 1931. In less than five years the Post Office Establishment will be a billion-dollar business.

So universal is the scope of this institution and so smoothly does it carry on its nation-wide activities that the average American regards it as much a matter of course as the sunshine and the rain.

Once a year, however, the Postal Service is given headlines and front-page space in the newspapers and arouses universal comment. That occurs when announcement is made of the deficiency between the receipts and expenditures of the Post Office Department.

It is regrettable that a reported deficit should be the reason for aroused interest, but that may be overlooked if it leads to better understanding of a service upon which our entire economic, social, and political life depends.

I want to take this opportunity to discuss postal finances with a view to helping create a better understanding of this great American service enterprise, which is to-day the biggest distinctive business on the globe.

The Postmaster General's report for 1929 shows a total difference between receipts and all expenditures amounting to \$87,985,841.13. From this is deducted \$31,232,906.52, which represents the cost of certain nonpostal activities performed by the service. The net operating deficit is stated to be \$56,752,934.61.

These figures and their forecast some months ago have led to many conferences of postal officials. Reorganizations have been undertaken and changes in jurisdiction have been made. From countless sources have come suggestions for the elimination of this reported deficit.

Some of the suggestions made show a woeful lack of knowledge as to the reasons for this deficiency. A few of them are about on a par with that published in a New York newspaper in 1869. There was a postal deficit that year also, and the publication made the following comment in explanation:

Postmaster General Randall, who was a bankrupt three years ago, is worth nearly, if not quite, \$200,000. The deficits in the Post Office Department have been unusually large and steadily increasing during the past three years.

Since the subject of postal finances is attracting official and public inquiry I want to devote the time at my command to the so-called deficit, with a view to pointing out some of the vitally important factors involved in it.

First, let us consider the most generally advanced explanations for this reported deficiency of postal revenues to balance postal expenditures.

IS DEFICIT DUE TO POLITICS?

One explanation of the postal deficit is that the Postal Service is the prey of politics. The Chicago Tribune recently stated in an editorial:

The Post Office Department is the principal Federal spoil of the politicians * * *. The taxpayer can charge off most if not all of the substantial deficit this year as maintenance of the well-protected business of politics. A thoroughgoing disclosure of expenditures by the post office will be very instructive, not only from the viewpoint of public administration but also and chiefly as the disclosure of the methods, objects, and resources of professional politics. In short, the problem of waste in the Federal post office, we are confident, will be proved to be not administrative to any great extent, but political.

Mr. Chairman, such a statement shows a complete misapprehension of the facts. It applies to a time which has long

since passed. Once, indeed the post office was the clearing house for the payment of political debts. Every employee was a part of the spoils system. However, more than a generation ago, an aroused public sentiment forced the enactment of the merit system for postal employees. One branch after the other was placed under civil service. Letter carriers, post-office clerks, railway postal clerks, rural free delivery carriers, laborers, auto mechanics, supervisors, inspectors, fourth-class postmasters and others were given permanent tenure, outside the reach of politics.

I believe that all positions in the great Postal Service should be filled through the merit system, with a way open to the top for every postal worker. I have had pending for several years a bill which would give complete civil-service status to those still outside—the first, second, and third class postmasters.

However, in view of the facts as they exist to-day, it is ridiculous to assert that politics is responsible for the deficit. The Postmaster General is a business man of wide experience who served as chairman of the Reorganization Commission of Congress and as Assistant Secretary of the Department of Commerce. The First Assistant Postmaster General is an experienced postmaster who served eight years in the Postal Service before he took up his new duties. The Second Assistant Postmaster General has had eight years' successful experience in the Postal Service in an administrative position. The Third Assistant Postmaster General is a public accountant with an impressive record who was drafted into service on account of his specialized experience. The Fourth Assistant Postmaster General was postmaster at Dallas, Tex., and was promoted to his present place from the service itself. The department employees in Washington are all civil-service workers who passed their examinations and qualified on the merit basis.

There is little basis in these facts for the cry of politics. As to the first, second, and third class postmasters, they number, in all, only 15,683, and of these more than 900 have been promoted in the service from civil-service positions. All the others were rated by the Civil Service Commission as eligible before they were given appointment. In a great organization with 367,000 employees those few individuals who secured their places solely from political considerations can have no appreciable effect on postal finances.

To explain the deficit by branding this tremendous enterprise as a "plum tree for hungry politicians" is an exhibition of ignorance. There is no more politics in the Post Office Department, in proportion to numbers, than in the Department of State or the Department of Commerce. The dominating factor in the Postal Service is not the political personnel but the permanent body of employees who win and maintain their positions on merit and not on politics. We must look further if we are to discover the reason for the so-called deficit.

WHAT OF INEFFICIENT OPERATION?

There is another explanation for the so-called deficit, which has been voiced in certain quarters. It is declared that inefficiency in operation is responsible for the loss shown in the annual balance sheet.

Such a statement is ironically unjust in view of the fact that no business on earth can duplicate the Postal Service in fundamental efficiency. What is efficiency? It is the performance of most work with least lost motion.

The Postal Service handles with marvelous certainty and precision more than 28,000,000,000 articles a year. It has less duplication of effort than any other industrial enterprise. Its function is the dispatch and delivery of mail matter, and all its far-flung activities are organized and concentrated on that one aim. Its aim is to keep the mail bag open to the last possible moment, then to send the mail to its destination by the quickest possible route, and put each separate piece of mail matter in the hands of the addressee in the shortest possible time.

Very few are the nondeliveries and very many are the deliveries of mail matter addressed in such a slovenly fashion as to baffle all but experts in the deciphering art.

It is done so smoothly and so successfully that it is not appreciated. The charge of inefficiency proves that. Yet it is order out of chaos, system out of confusion. In operation it is efficiency personified.

Then, too, the output per worker will throw a light on the efficiency of this service. In 1906, 205,000 postal employees produced \$168,000,000 in revenues.

In 1928, 360,000 employees produced \$694,000,000 in revenues. In other words, the addition of 155,000 workers meant an addition in revenues of \$526,000,000.

In 1906 there was \$810 in revenue for each employee. In 1928 there was \$1,925 in revenue for each employee.

The real comparison comes when it is understood that every additional employee has meant increased revenues of \$3,325, as compared with \$810 per employee in 1906.

There has been steady progress. For instance, the total personnel of the Railway Mail Service is to-day almost exactly the same in numbers as in 1914. In 1914 the average number of pieces handled per clerk was 735,872. To-day the clerk handles approximately 1,100,000 pieces.

One of the greatest tests of efficiency is found in the charge for the product. In that particular the Postal Service defies comparison. In a time of rapidly mounting prices for all service and commodities, the price of the postal product has not increased.

For 2 cents the Postal Service picks up a letter, carries it across the continent, and delivers it to the home. That letter may be carried by rail, by boat, by airplane, on horseback, on foot, on dog sled, and be safely deposited in the hand intended. And if the addressee has departed and "left no address," a few appropriate words on the letter will send it back over the entire route it has traveled, and it will be handed in at the door of the writer—all for 2 cents. Is there any service rendered by any business anywhere at such a price?

We must remember, Mr. Chairman, that this 2-cent rate is the same to-day as it was in 1913. With the prices of commodities and services skyrocketing during the past 16 years, the Postal Service has seen no increase in rates in the aggregate. Increased rates for one class have in reality been matched by decreased rates for another class.

Let us look at that a moment. First-class mail carries exactly the same rates as in 1913.

Second-class rates have had an increase. In 1913 the flat rate for publications sent any distance was 1 cent a pound. To-day there is a flat rate of 1½ cents a pound for reading matter and zone rates for advertising matter as follows: First and second zones, 1½ cents a pound; third zone, 2 cents; fourth zone, 3 cents; fifth zone, 4 cents; sixth zone, 5 cents; seventh zone, 6 cents; and eighth zone, 7 cents.

The average rate paid is about 1.92 cents a pound or an increase of 92 per cent since 1913.

Third-class rates have been increased. In 1913 the rate was 1 cent for two ounces or 8 cents a pound. The present rate is 1½ cents for two ounces or 12 cents a pound, making an increase of 50 per cent.

Fourth-class rates have been decreased since 1913. For instance, the rate in 1913 for the first zone was 5 cents for the first pound and 3 cents for additional pounds. The present rate is 7 cents for the first pound but 1 cent for additional pounds. Since the average weight is about 5 pounds, the average parcel is carried in the first zone for 11 cents against 17 cents in 1913. All the zones show practically the same situation.

Since fourth class or parcel post now shows more than 70 per cent of the total volume carried, it is evident that the decrease in this rate will balance the increases in second and third class.

It has been the efficiency of this organization which makes possible such a service at such rates. Another reason than inefficiency must be found for the so-called postal deficit.

EXTRAVAGANT EXPENDITURES

Another reason is advanced. It is asserted that this deficit shown in the balance sheet is due to extravagance and that economy in expenditures will provide the remedy.

Let us look at that. As a matter of fact no private business in America can be operated on as economical a basis as the Postal Service. There are no immense salaries nor promotion and selling expenses. There are no competitive wastes due to overlapping activities and duplicated efforts. There is simply a great human organization acting as one unit in the service of the public.

Where would these economy shouters find the remedy? There are some places where economies can be effected, among them the readjustment of rural-delivery routes as good roads develop. As a general policy there can be no reduction in working force. Already in every branch there has been speeding up and loading down almost to the breaking point.

The post-office clerk and the railway postal clerk stand for long periods distributing mail at a rate which amazes the beholder. The letter carrier takes out loads which tax all his strength and endurance.

Nor should postal employees be reduced to the level of servitude. The American people will never countenance slave driving under any false guise of economy.

Since there is no way to reduce the working force, would these advocates of economy then curtail service to the public?

Already the department has gone further in that direction than the people desire. A vast amount of mail formerly distributed on trains en route is now being handled in terminals with certain delay in delivery.

No; curtailment of service is not the answer. It is that which puts the "con" in economy. It is possible to have economy which in reality is waste and extravagance.

To save 5 cents' worth of twine may take 10 cents' worth of time. Dr. Charles W. Elliot once said:

In the Post Office Department economy may work serious harm to the American people, harm both material and moral.

No student of the Postal Service could blame the Post Office Department with extravagant expenditures. Many times it has voiced opposition to projects which would admittedly benefit the service because of the cost. Postmaster General New once declared that payment of the actual and necessary expenses for moving the household goods of officers and regular clerks in the Railway Mail Service when arbitrarily transferred from one station to another for permanent duty is wholly justifiable and necessary from a service standpoint, but that he could not recommend it on account of the \$10,000 cost.

The purpose of the Post Office Department is to adequately serve the public. Every economy which will not handicap that service is proper but no other is justifiable.

First Assistant Postmaster General Coleman in a recent address said:

So far as I can find out, I do not think there is any extravagance or wasteful expenditures of funds in the Post Office Department. I never heard an individual patron complain of the expenditures of the post office. The only complaint they make is relative to service and that is what they want.

One thing is certain. Any attempt to charge the so-called postal deficit to extravagance is absurd. We must look further for the explanation.

RAILROAD PAY INCREASE

Mr. Chairman, there is still another reason given for this reported deficit. It is voiced by a Member of the other branch of Congress when he says:

The cause of the deficit is first due to an act of Congress putting it in the power of the Interstate Commerce Commission to raise the rates of mail paid to the railroads. As everyone knows, the Interstate Commerce Commission, as at present organized, is exceedingly generous to the railroads in fixing rates. The Congress made a mistake in granting the power to this commission to regulate postal rates. The service could be better served and more efficiently served if the Postmaster General had the power to make rates by contract with the various railroads carrying the mail.

Now, of course, it is true that the Interstate Commerce Commission did add about \$15,000,000 a year to postal costs when it granted the application of the railroads for increased pay. The Supreme Court of the United States put its seal of approval on that award over the objections of the Post Office Department.

As nearly as I can judge from department estimates of railroad pay for many years, I believe the amount being paid now is excessive. For the fiscal year ending June 30, 1916, the railroads received \$63,530,000 for railway post-office service and the transportation of mails. For the fiscal year of 1929 the amount paid the railroads is approximately \$120,000,000.

Just what increased weight has been carried no one knows. The figure given by the department for 1916 is 5,888,000,000, but it is stated that there were some duplications where the mail was carried on two railroads.

The weight on all mails in 1929 is approximately 6,800,000,000 pounds.

The annual miles of mail service in 1916 was 539,430,834. For 1929 the annual miles of mail service is about 575,000,000.

Neither the weight of the mails nor the miles of service will justify such an addition to the cost of railroad service.

However, in 1916 the railroads were paid on the weight basis and in 1929 on the space basis, which explains a great deal of the difference. It was in 1917 that this change was made by Congress. Since then fourth-class mail has been making up an ever greater fraction of the total volume, and this mail is light but space filling.

It is true that some modified weight basis ought to be adopted by Congress instead of this space basis. But under present conditions this additional cost becomes a fixed expense of the Postal Service. While it does form its due part of the deficit for 1929, it is like all other fixed costs of actual postal operations and can not be segregated. It must be covered by the revenues as long as it remains. It did not enter in deficits of the past, and it should not give rise to deficits of the future.

Mr. BRIGGS. Will the gentleman yield at that point?

Mr. KELLY. Certainly.

Mr. BRIGGS. Does the gentleman think it would be advisable for the Government to make contracts for the mail in the same manner it does under the star-route plan.

Mr. KELLY. I would not favor the star-route plan exactly for the railroads must be utilized to carry the mails in whatever manner is calculated to give the best service, and the rate should not be a matter of haggle and barter but a standard payment fixed by agencies of the Government. I do advocate a modification of the present space system so that weight as well as space shall be a factor in the rates of payment made. I believe that would be fair to the railroads and save the department some millions of dollars.

However, it will not do to say that the postal deficit is explained by pointing to payments to railroads for transportation of the mails.

ARE WAGES TOO HIGH?

Then there are others who say the deficit is due to wage legislation passed by Congress. They cite the salary reclassification act of 1925, the night differential and increased compensation for fourth-class postmasters as explanations of the difference between postal income and expenditures.

Such a statement is without foundation, viewed from any reasonable standpoint. The fact is that there has been no real increase in compensation to postal workers since 1913. The advances authorized have only equalized the increase in the cost of living and restored the balance of that year. Action taken by Congress was only belated recognition of intolerable underpayment.

Government reports show that the dollar of 1913 is worth only 58 cents to-day. The maximum basic pay for city letter carriers and post-office clerks, the largest branches in the service, was \$1,200 in 1913. That amount was equal in purchasing power to \$2,100 to-day. The maximum basic pay is now \$2,100 so that all the clamor about increased wages comes down to the fact that the postal pay envelope of 1929 contains just what it did in purchasing power in 1913.

There is a still more vital fact to be considered. The postal workers, by increased output, have absorbed every penny of the increased wage costs since 1913 and immensely more than that.

The total postal revenues in 1913 were \$266,619,000. For 1928 the revenues were \$693,633,000, an increase of \$427,014,000.

Now let us look at the number of employees. Here is the official statement from the Post Office Department showing the employees by classes both in 1913 and 1928.

Statement showing number of employees in the Postal Service

	June 30, 1928	June 30, 1913
Post Office Department proper.....	1,944	1,444
Post-office inspectors.....	539	405
Clerks at headquarters, post-office inspectors.....	115	80
United States stamped envelope agency.....	11	17
First-class postmasters.....	1,131	454
Second-class postmasters.....	3,417	1,936
Third-class postmasters.....	11,101	6,033
Fourth-class postmasters.....	34,305	49,598
Assistant postmasters.....	2,758	2,862
Clerks at first and second class offices.....	69,825	35,546
Clerks at third-class offices ¹	13,200	10,800
City letter carriers.....	51,291	30,920
Village delivery carriers.....	887	126
Watchmen, messengers, laborers, etc.....	5,207	1,454
Substitute clerks at first and second class offices ¹	11,500	10,000
Substitute letter carriers ¹	10,900	10,000
Special-delivery messengers ¹	3,500	2,500
Officers, Railway Mail Service.....	335	140
Railway postal clerks.....	19,993	17,880
Substitute railway postal clerks ¹	2,197	2,000
Air mail employees.....	19	—
International postal service.....	55	42
Rural carriers.....	44,167	42,685
Motor vehicle service employees.....	3,772	—
Substitute motor vehicle employees ¹	731	—
The following classes or groups are, in most instances, connected with the Postal Service through contractual relationship:		
Mail messengers.....	22,278	7,748
Carriers for offices having special supply.....	281	243
Clerks in charge of contract stations.....	5,678	4,707
Star-route contractors.....	11,571	12,452
Steamboat contractors.....	280	250
Screen wagon contractors.....	203	284
Air mail contractors.....	22	—
Clerks at fourth-class offices ¹	34,305	49,598
Total.....	367,518	301,704

¹ Estimated.

The total number of employees, counting all classifications, was 301,704. The total number in 1928 was 367,518.

That means that an addition to the working force of 65,814 persons meant an addition in revenues of \$427,014,000 in revenue.

Suppose the personnel of 1928 had produced at the rate of 1913. The revenues would have been only \$323,415,000 or \$370,218,000 less than was actually received.

Now, a large number of these employees, such as fourth-class postmasters, their clerks, contract messengers, and others, have received very small additions during this period. If we figure that every employee in the service received an increase of \$900, that given some branches in the service, it will, of course, be an exaggeration. However, counting that every person employed in the service in 1928 had received an increase of \$900 since 1913, the total additional payment would amount to \$263,610,000 in added costs.

But the added revenues received amounted to \$427,014,000. It follows that the workers have absorbed the entire added compensation during the past 16 years and \$163,404,000 per year in addition. The night differential costs \$6,360,000 a year and the fourth-class postmasters' increase costs \$2,790,000 a year. These costs are but a small fraction of the increase already calculated in the figure of \$900 a year for the employees who did not receive it.

Let us view it from a still more convincing angle. If the 1913 personnel in the Postal Service had produced revenues at the actual rate of 1928 the revenues would have been \$580,000,000 instead of the \$267,000,000 actually produced.

What does that mean? Simply that without the addition of a single worker there was an increase of \$313,000,000 in revenue-producing efficiency. The same number of employees brought in this great increase in revenues. They should be given credit for the undeniable fact that their increased efficiency has paid the total cost of all wage increases and much more besides.

It is American economic doctrine that wages come from production and that justice demands that workers have their full share of the product. On such a basis postal workers have not only abundantly earned their increases but a much larger wage than they are now receiving. For anyone to urge that the so-called postal deficit be eliminated by reduction in wages would mean that he urges the destruction of the service. In the Postal Service, especially, compensation should be attractive enough to stabilize the personnel of the department and maintain the morale. The expeditious handling and dispatch of mail matter depends upon experience and intelligence of trained workers. To preach the theory that increased production furnishes the method for securing higher wages and then practice the opposite policy would mean the deserved demoralization of the most vital industry in America—the United States Postal Service.

The Government, through its wage standards and working conditions, should set an inspiring example to private industry instead of lagging far behind. The postal workers have earned the right to still higher compensation. Certainly they have earned the right to be free from the injustice of having their compensation pointed out as the reason for a so-called deficit in the Postal Service.

ARE POSTAGE RATES TOO LOW?

Mr. Chairman, there is still another explanation for the deficit. It is said that postage rates are too low in many instances, and that the remedy is to raise these rates to any theoretical figure necessary to wipe out the deficit.

In the postal salary and postage rate act of 1925 Congress passed a general revision of postage rates, with increases affecting each class of mail matter. It was the intention to produce about \$60,000,000 additional revenues, and the department estimated that the rates as adopted by Congress would have such result.

Experience, however, brought disappointment to such expectations. Some of the rates, instead of increasing revenues, resulted in lowering revenues because the volume of mail dropped off to a large extent.

Dissatisfaction became so general that another revision was undertaken with the approval of the department. The postage rate bill of 1928 went into effect on July 1, 1928, and provided for decreases where it was thought the rates were so high as to lessen the revenues.

This measure was sponsored by Chairman Griest, of the Committee on Post Offices and Post Roads, whose recent death was a distinct loss to the Postal Service and the Nation.

I reported the measure from the committee and in the form it was brought into the House it was heartily approved by the Post Office Department. Some changes were made in the conference committee, among them a reduction in the rates provided for second-class matter.

Now in the Postmaster General's report for 1929 it is stated that the effect of these new rates has been a reduction in revenues of \$21,528,000. The itemized statement is given as follows:

Loss, estimated, due to decrease in rate on post cards.....	\$1,497,000
Loss, actual, due to decrease in rates on second-class matter.....	6,708,896
Loss, estimated in part, due to decreased rate on bulk mailings of third-class matter.....	12,200,000
Loss, estimated, due to decreased rate on fourth-class matter going beyond third zone.....	2,160,000
Total.....	22,565,896
Less:	
Increase, estimated, in revenue from deficient postage on first-class matter.....	\$70,000
Increase, estimated, in revenue from combined mailings of special handling and special delivery matter.....	968,000
	1,038,000

Net loss in revenue, estimated in part, due to changes in postage rates which became effective July 1, 1928..... 21,527,896

Now, certain things must be taken into consideration in calculating the effects of these rates. When we established the 2-cent rate for postal cards, for instance, the department estimated that the result was a loss of \$6,000,000 in revenue. Now, that the rate has been restored to 1 cent, the estimate is a loss of \$1,497,000. Certainly one of these estimates is incorrect.

Everything depends upon the cost of handling the mail. Therefore any estimate of the results of postage rates depends upon the accuracy of the determination of costs.

The Post Office Department does a business of \$800,000,000 annually. So large and intricate a business demands the most complete and scientific system of accounting if the truth is to be ascertained. A mistaken apportionment of certain costs can lead to conclusions entirely erroneous. And finding to the penny the amount of deficit for the year does not help at all in allotting costs or determining proper postage rates.

Since 1923 an effort has been made to ascertain costs in the department. More than a million dollars has been spent with that end in view. Reports have been issued for 1923, 1926, 1927, and 1928. The first one contained the statement:

The report is merely a fact-finding statement and does not make any recommendation with respect to postage rates.

Such an assertion was abundantly justified, since an attempt to fix postage rates on the conclusions of the report would have destroyed the Postal Service.

In order to analyze this report and the methods of cost accounting used, I append herewith the summary from the report of 1928. It is as follows:

Recapitulation of allocations and apportionments of postal revenues and expenditures for the fiscal year 1928 to the classes of mail

Fiscal year 1928	Revenues	Expenditures	Loss	Gain
Classes of mail:				
First class.....	\$355,528,802.22	\$268,350,516.19		\$87,178,286.03
Second class.....	34,597,961.76	119,879,047.12	\$85,281,085.36	
Third class.....	66,122,075.52	72,407,925.61	6,285,850.09	
Fourth class.....	143,633,594.30	150,673,524.70	7,039,930.40	
Foreign.....	18,057,767.51	22,502,552.06	4,444,784.55	
Penalty.....		7,086,033.35	7,086,033.35	
Franked.....		512,182.03	512,182.03	
Free for the blind.....		39,652.13	39,652.13	
Total mail.....	617,940,201.31	641,401,433.19	23,461,231.88	

THE COST ASCERTAINMENT

Mr. Chairman, each time this cost ascertainment report has been sent to Congress I have been reminded of the moment in the marriage ceremony when the clergyman raises the question as to whether anyone present knows of any reason why those about to be joined together should not become man and wife. If no objection is made, all must thereafter "hold their peace." Every year I have objected to the cost ascertainment report on the ground of improper and unjustified apportionment of costs in the Postal Service. I have protested against the union it sought to make between postal revenues and expenditures. I am certain that the system used will be revised to give a more accurate picture of costs in the service.

The serious part of it is that the involved calculations and complicated tables of these reports have never and could never be studied by most Members of Congress. It would require months of continuous effort to do so. But it has been taken for granted that such an elaborate report must be accurate and sound, and that those who issued it must have probed the service to its depths.

It has been my task to study these reports carefully, and I have tried to do so conscientiously with only one aim—the advancement of the Postal Service. That study leads me to state without qualification that these reports give an entirely erroneous picture of costs in the Postal Service. The premises used are wrong and no report based on them can properly show the gain or loss in handling the four classes of mail matter.

This cost ascertainment of 1928, and the previous ones as well, puts the four classes—letters, newspapers, circulars, and parcels—on exactly the same plane. No allowance is made for difference in function, methods of handling, or value of the service given. All are lumped together in one unit.

Suppose a railroad company should move a train of five cars from New York to Chicago. The cars contain pig iron, sand, coal, flour, silk, and automobiles. Now, accountants could determine the cost of operating the entire train and then apportion identical costs against each of the commodities carried. But no one would urge that the same rates be assessed against pig iron and sand as against the silk and automobiles. If pig iron and automobiles are given identical rates no pig iron could be shipped and if it could not be secured by other means, no automobiles could be built.

Yet the summary of gain and loss in the Postal Service is built on that basis. There are many costs in the Postal Service which can not be prorated to the four classes of mail matter on a time, piece, or weight basis. They are costs of the service which would remain about the same if there were no second, third, or fourth class mail at all. There are other costs which can be apportioned on a time, piece, or weight basis, and the problem is to allot these properly.

It is highly gratifying to note the recognition of these facts by those now responsible for the administration of the Post Office Department.

In the Postmaster General's report for 1929 there is a clear-cut statement as to the necessity of a change in the methods of the allotment of costs in order to show the real facts of postal operation and the expenses properly chargeable to each one.

The report states:

The cost ascertainment assumes to arrive at the cost of handling and transporting each class of mail, and performing special services, by allocating to each class, where the classes are handled separately, and to each service, the direct cost for labor and transportation. Where two or more classes are handled jointly, a division of such cost is made by processes of apportionment, based upon ratios established by elaborate tests involving time, number of pieces, weight, volume, and average haul of the mail. The cost ascertainment does not take into account the differing treatment given to the various classes which can not be measured in terms of weight, volume, count, or dollars. Consequently there is no differential introduced to reflect the elements of preferred or deferred treatment.

Because of the reliance which has been placed by many upon the results of the cost ascertainment in prior years in its relation to rates on the various classes of matter, it is pointed out that any cost ascertainment which does not take into account preferred and deferred treatment of mail, or value of service as distinguished from cost of service, has only an incidental value for rate-making purposes. The fixing of postal rates must take into account not only the direct cost of the service but the value of such service in relation to what the traffic will bear.

A survey of the system used in the past will lead anyone to the conclusion that the points raised in this statement of the Postmaster General are well taken.

In the cost ascertainment for 1928 there is an allotment of the compensation for all postmasters—\$50,556,364 in amount—on a time basis. That is, reports were collected from a few hundred postmasters covering a few days' work, which detailed the time occupied in handling the classes of mail matter. Then these few reports were extended to cover some 50,000 postmasters. Of course 80 per cent of these postmasters are storekeepers who conduct a business as well as act as agent for the Postal Service. Some of these men are quick at sorting letters and very slow in writing out money orders. Some have box arrangements for letters and newspapers but no efficient method of handling parcels post.

Still, these showings furnish the ratio for all the postmasters who made no time study. The slightest injustice in the time allotted when multiplied many times, makes an immense difference in the total. I maintain that the principle in this apportionment of \$50,000,000 of costs is absurd. Even if the principle were sound, reports from a few postmasters for a few days would not accurately show the costs for the entire postmaster personnel.

Look at the apportionment of costs for city and village delivery. For 1928 that means a sum of \$118,870,626.

How was this cost handled? By a quaint device called the "stop time." If on one stop a carrier delivered 25 letters, 1 newspaper, 1 circular, and 1 parcel, the cost of that stop was divided 25 per cent against each class of mail. If on the next stop he delivered 1 letter, 5 newspapers, 6 circulars, and 1 parcel, the charge was exactly the same. If he delivered one paper, the charge was 100 per cent against second class. If he

delivered one parcel, the cost was levied 100 per cent against fourth class.

Here again a few carriers made a time study for a few days. The figures thus secured were used to cover all carriers and to allot the tremendous total of more than \$118,000,000.

Such a system is wholly unfair. City and village delivery is based on the desire for frequent delivery of first-class mail. In some business sections of the large cities there are five or more deliveries a day. The carrier would make but one delivery a day if he handled only newspapers, circulars, and parcels. Yet if he delivers one circular along with a bundle of letters, third-class mail gets 50 per cent of the cost allotment.

The Rural Delivery Service shows the same method. Here there is a sum of \$104,921,898 to be allotted.

By this stop-time method I have described, the cost of the Rural Delivery Service is apportioned \$64,183,795 to second, third, and fourth class and only \$38,361,768 to letter mail.

Consider the apportionment of post-office clerical expense. Here is a fund of \$161,757,380 to be allotted as costs.

How is it done? By a time study of clerks in a few offices for a few days. This study develops ratios which are used in figuring the total number of clerks.

I have a clerk's time report taken in Atlanta, Ga., for the 1928 cost ascertainment. It covers every minute of an 8-hour day. Twenty-five minutes were occupied in registry service, 37 minutes in money orders, 2 hours and 29 minutes on stamp sales, and 4 hours and 29 minutes on miscellaneous window service.

How apportion the time spent in selling stamps? Were the stamps used on first, second, third, or fourth class mail?

How divide the miscellaneous-window service? Which classes of mail matter received the charge and how much? Yet the ratio decided upon from that one report might be extended to many clerks, thus determining the allotment of vast sums.

On such bases as these are derived the figures for gains and losses of the several classes of mail matter and special services. Arithmetically the report is correct, but actually it supports unwarranted conclusions and fosters many misconceptions.

Now, notice that the cost ascertainment, through the methods I have outlined, draws the conclusions that first-class mail in 1928 made a profit of \$87,178,000, while second-class mail showed a loss of \$85,281,000.

If that is an accurate statement, why not raise second-class rates by a flat 200 per cent, and thus cover this alleged loss and also almost the entire reported deficit?

I made that suggestion once to the post-office official who presented the cost ascertainment to the Post Office Committee. He replied that such action was inadvisable, because it would drive second class from the mails.

Of course it would. Private distributing systems would have a profitable business in handling all periodicals above an ounce in weight. Even at present rates a very large proportion of the bulkier publications is being sent by freight to distributing points and there handled by private agencies at a profit.

Is it not reasonable that the Postal Service, already organized and with the record of efficient distribution I have already pointed out, can handle this matter as cheaply as any new organization, which would have to duplicate it for this single service?

Then what is wrong? Simply that there is no such profit on first class as shown in the cost ascertainment and no such loss on second class. Of course, there is a considerable loss on free in county second class and on preferential rates to certain exempt second-class publications. These losses are due to deliberate policies of Congress.

On the commercial-zone rate second class there is a loss, due largely to the smaller publications, with many copies to the pound. Fixing a rate which will cover their cost will drive the bulkier publications from the mails, with loss of revenues now received. All we can hope to do is to make paid second class as a whole meet the actual cost of handling, that cost to be ascertained by proper methods of apportionment.

It is certain that a large general increase in second class would not bring in more revenues, but result in a decrease. There would be a gain if by driving second class out entirely we could save the \$119,879,000 which the cost ascertainment gives as the cost. No one believes we could do anything of the kind. The expenses would remain much the same as at present, except for railroad transportation.

Therefore it is evident that a condition and not a theory confronts us.

We have had experience in the recent past to guide us along these lines.

The cost-ascertainment report showed that post cards and private mailing cards cost 1.45 cents each to handle but were being sent through the mail at 1 cent each. Here was a splendid

opportunity to recoup the loss and make a profit. It was estimated that if the rate were made 2 cents each there would be an addition of \$10,000,000 to revenues. The rate was established and the report for the first year's operation under it showed a clear loss of \$6,000,000 over the amount received under the low rate. It was higher than the traffic would bear and the loss resulted.

The whole trend of modern industry is to lower unit cost through increased volume. Higher selling prices decrease the sales and increase costs of production. Reduction of volume in mail matter through excessive rates increases the cost per unit.

In 1815 it cost 37½ cents to send a single sheet letter from Washington to Boston. That year the average American spent 8 cents for postal service. To-day a letter can be sent from Washington to San Francisco for 2 cents, and the average American spends \$6 a year for postage.

Mr. Chairman, I believe there should be further adjustment of postage rates but that can not be justly done until there is a determination of the fundamental policy of the Postal Service. Is the postal establishment to be operated as a money-making institution of a service organization? That question must first be answered. If the prime purpose is to wipe out the total so-called deficit it can not be done by higher rates alone. All losing services and those given free for public-welfare purposes must be eliminated.

No sane American will urge that. Then postage rates must be so adjusted that in the aggregate they will cover the cost of all truly postal operations.

That can be done. First, recognize that first-class mail matter, the transportation of letters and messages, is the prime function of the Postal Service and the reason for its organization. It is a Government monopoly, but any private business may handle circulars, periodicals, and parcels.

An arbitrary differential should be fixed for allotting expense to first-class mail. I have suggested 50 per cent as a fair figure. Then there should be a determination of the cost of the other three classes and the fixing of rates to cover their entire cost on whatever basis Congress believes best.

Of course, the loss on all free and partly free services and the cost of nonpostal operations should be eliminated as postal charges and made a charge against the General Treasury just as is the service rendered by other departments of the Government.

Under present conditions in many cases higher rates would simply increase the deficit. There are some rates which may justly be increased, but that can only be determined by an accurate cost system. The real need is to segregate nonpostal and public-welfare costs and then make sure that rates on paid mail matter and paid special services are such as will encourage the widest possible use of the mails thus reducing the overhead expense per unit to the minimum.

FREE AND PARTLY FREE SERVICES AND SUBSIDIES

Mr. Chairman, for the first time in the history of the Postal Service, the department in its report for 1929 segregates the cost of certain nonpostal items which can not justly be charged against postal revenues.

For the past six years I have urged such action and in order to have it carried out I introduced the measure known as the postal policy bill. This bill directed the Postmaster General to set out the cost of certain specified items and eliminate them from the balance sheet showing expenses of actual postal operations.

This has been done in the report just issued by means of the following table:

	Revenue equivalent	Expense	
Distributable loss.....			\$87,965,841.13
Handling and transportation of second-class matter free in county.....	\$747,115.00	\$8,781,530.83	
Differentials favoring vessels of American registry:			
Under merchant marine act of 1928.....		8,787,843.91	
Other differentials.....		2,437,520.36	
Penalty matter for branches of the Government other than the Post Office Department.....	8,028,170.00	3,296,740.26	
Franked matter.....	957,964.00	637,379.67	
Free mail for the blind.....	56,991.00	54,790.83	
Free registry service for branches of the Government other than the Post Office Department.....	141,000.00	237,100.66	
Total.....		24,232,906.52	
Excess of cost of airplane service over the postage revenue derived from air mail, ascertainment in progress (estimated).....		7,000,000.00	
			31,232,906.52
Net operating deficit exclusive of nonproductive and extraordinary items.....			56,752,934.61

This table is in itself proof that the Post Office Establishment has been built and maintained as a service agency for the welfare of the whole people and not as a profit-making institution. Congress has used this great nation-wide organization for the performance of valuable nonpostal work free of charge and at less than admitted cost in the belief that every American received benefits. It has been used as a governmental agency for the building up of a merchant marine, the commercial aviation industry, and other worthy American projects, without any regard for the balance sheet of the department.

To condemn the Postal Service because these public-welfare projects must be paid for is as unjust as to criticize a public school because it does not turn out automobiles. The Postal Service has been built according to a plan and that plan depended on the purpose intended—service of the public. If money-making had been the purpose desired, it would have been built in entirely different fashion.

The doctrine that postal revenues should cover all extraneous services has never been an American idea. That doctrine was overthrown with the passing of the Royal Mail on this continent. It was one of the benefits accruing from the struggle for American independence.

The first postal systems were organized for the use of kings. They existed solely for the purposes of carrying royal messages. Of course, there was no revenue from such messages; there was no talk of profits from this service in the days of the divine rights of kings.

Then this service was gradually extended to the people, and right there originated the doctrine that the postal service should pay. The purpose was to put the cost upon private persons who used it so that the king's monopoly would prove a revenue producer.

The English monarchs wished the colonial postal service to be a money-making monopoly. Their one desire was to make it pay money into the royal treasury. But the Revolution changed many things in America. Instead of government of the king, for the king, and by the king, we established government of the people, for the people, by the people.

From that time the American doctrine, as established by official action, has been that the Post Office Establishment shall be used for the service of the people, with revenues the incidental, not the primary consideration.

THE HISTORIC POSTAL POLICY

Mr. Chairman, there is a wealth of proof for that statement. James Madison, father of the Constitution, insisted on the Federal post office so that it might diffuse intelligence as extensively and make the institution as useful as possible.

Gideon Granger, Postmaster General in 1810, wrote:

From the nature of our Government it becomes a matter of the highest importance to furnish the citizens with full and correct information and independent of political considerations; the interests of society will be best promoted by extending to it the facilities of this office.

In 1829 President Andrew Jackson said in his message to Congress:

In a political point of view the Post Office Department is chiefly important as affording the means of diffusing knowledge. It is to the body politic what the veins and arteries are to the natural—carrying, conveying rapidly and regularly to the remotest parts of the system correct information of the operations of the Government, and bringing back to it the wishes and feelings of the people.

In the act of March 3, 1851, Congress reduced the rates on half-ounce letters going 3,000 miles from 10 cents to 3 cents. In that legislation Congress declared:

No post office now in existence shall be discontinued nor shall the mail service on any mail route in any of the States or Territories be discontinued or diminished in consequence of any diminution of the revenues that may result from this act; and it shall be the duty of the Postmaster General to establish new post offices and place the mail service on any new mail route established in the same manner as though this act had not been passed.

Could any statement be more conclusive that service is the purpose of the postal establishment and not production of revenues? When that act was passed the post office was a \$5,000,000 business—less than the receipts of the New York City post office in a single month. But those statesmen did not make a bogey of a deficit, and by their faith and works they made possible the cementing of the great West into the American Republic.

In 1889 Postmaster General Wanamaker referred to the reported deficit and pointed out that the free service given cost more than that amount. Then he said:

The Postal Service is not a money-making institution. It is not intended to be.

The Postmaster General's report for 1921 contains the statement:

The department should not be conducted for profit. Its only purpose should be to serve the people fully and efficiently.

The history of the post office is a uniform record that it has been created and maintained to furnish efficient postal service, adequate to the needs of the Government in its own operation, available for the use of every American on equal terms, and as an agency for the promotion of public-welfare projects adapted to its organization.

For 140 years the Post Office Department has been ordered to perform free services because it was equipped to perform them most efficiently and economically. There was no hesitation because of the effect upon postal revenues. The injustice has been that their cost has been saddled upon the Post Office Department and has been falsely termed a "postal deficit." They are no more postal deficits than the expenses of the Pension Bureau. There have been no postal deficits. The total revenues of the Post Office Department since 1789 have been about \$10,814,000,000. The total expenditures charged have been about \$11,367,000,000. That means a difference of about \$600,000,000 during the period of 140 years. The free services performed by the Postal Service have cost twice that amount during those years. Shall such a state of affairs lead to the pointing out of the deficit as a criticism of the Postal Service?

FRANKED AND PENALTY MAIL

Mr. Chairman, at the very inception of the service under the Constitution, the Postal Service was commissioned to transmit official correspondence and documents through the mails free of charge. Busy as it was with problems of organization of a new government, the First Congress found time to pass an act granting certain officials the right to send official correspondence through the mails without contributing anything to postal revenues.

Succeeding Congresses widened the scope of the privilege, until the department was carrying a vast amount of free mail.

In 1873 Congress undertook to take away the franking privilege, but the next Congress was compelled to restore it. Since that time the right to send official mail free of charge under the franking and penalty privilege has been maintained and extended.

Even the Seventieth Congress did its bit, passing an act granting official representatives of Pan-American countries the right to use the United States mails free of charge for carriage of official correspondence. The present law covering the congressional frank is as follows:

The Vice President, Senators, Representatives, and Delegates in Congress, the Secretary of the Senate, and Clerk of the House of Representatives may send and receive through the mail all public documents printed by order of Congress; and the name of the Vice President, Senator, Representative, Delegate, Secretary of the Senate, and Clerk of the House shall be written thereon, with the proper designation of the office he holds; and the provisions of this section shall apply to each of the persons named therein until the 1st day of December following the expiration of their respective terms of office. (Sec. 479, Postal Laws and Regulations.)

The Vice President, Members and Members elect of, and Delegates and Delegates elect to Congress shall have the privilege of sending free through the mails and under their frank any mail matter to any Government official or to any person, correspondence not exceeding 1 ounce in weight upon official or departmental business. (The limit of weight for official correspondence under this paragraph was increased to 4 ounces by the act of April 28, 1904, 33 Stat. 441, sec. 481, Postal Laws and Regulations.)

Sometimes efforts have been made to limit the franking privilege, but they have received scant favor in Congress. Neither has the Post Office Department favored them. Under date of December 29, 1928, Postmaster General New reported on such a bill, saying:

If some of the official matter now carried free be denied such privilege as proposed and the matter be sent under postage, as is apparently contemplated, the postal revenue would, of course, be slightly augmented. There is question, however, whether such result, considering the best interests of the Government as a whole, would be satisfactory or desirable.

Expense is not spared in the effort to give complete and satisfactory handling to official mail even though it produces no revenues. First Assistant Postmaster General Bartlett on April 16, 1928, issued the following order:

Franked and penalty mail is official Government mail and must be given directory service if necessary to effect delivery. Some postmasters have failed in the past to accord directory service to franked and

penalty mail not of the first class, such as farmers' bulletins, pamphlets, circulars, etc., sent out by Members of Congress and the various departments and bureaus of the Government.

Members of Congress have frequently complained that their franked mailings were delayed or returned undelivered, and, invariably, investigation disclosed that the difficulty was due to the use of obsolete mailing lists. In a recent case the list used was more than 5 years old, resulting in the nondelivery and return of over 1,000 pieces of mail. The use of this old, incorrect mailing list caused additional expense not only to the Postal Service but to the Member of Congress as well, as he necessarily paid for the cost of preparing this matter for mailing.

To eliminate this directory work so far as possible, and at the same time insure the delivery of the maximum number of pieces of such mailings, postmasters are hereby authorized to correct free of charge mailing lists owned and used by Members of Congress and Federal departments and bureaus.

Now, it is estimated that if postage were paid on free matter sent by Members of Congress, the revenues would amount to about \$957,000 a year, while the actual cost of all franked matter is \$637,000.

If postage were collected on the mail sent free by the departments, excluding the Post Office, the revenues would be about \$8,000,000 a year, while the actual cost is \$3,296,000.

If the Postal Service must show a balance over all expenditures, of course this free service should be immediately discontinued. It shows no profit; therefore it should go. That is what a private, profit-making business would do without hesitation.

No American interested in the welfare of the Nation would advocate such action. It was tried once and the public demanded immediate return to the former system. If no other method were available, the Government would have to create a separate and distinct service to acquaint electors with the conduct of their own Government, even though it costs ten times the present amount.

Because the Postal Service is organized on a nation-wide basis it can be used as the governmental agency of intercommunication at very slight expense.

But the cost is not a postal charge. It has no place in a postal deficit. It is the cost of a worthy policy, but it should not be treated as an expense of the Postal Service.

Mr. KETCHAM. Will the gentleman yield?

Mr. KELLY. Yes.

Mr. KETCHAM. Will the gentleman be kind enough to refer again to the cost of carrying the franked matter sent out by Members of Congress and other officials and give us that total again?

Mr. KELLY. The total cost of all the matter sent out under the frank is \$637,000.

Mr. KETCHAM. Will the gentleman please express in terms of per cent that portion of the deficit which is represented by all the franking done by Members of Congress and every other official of the Government?

Mr. KELLY. Certainly. Of the total difference between receipts and expenditures the cost of franked mail, including that sent by all those who have the right, in addition to Members of Congress, is considerably less than 1 per cent. Of the total expenditures of the Post Office Department the cost of franked matter is less than one-tenth of 1 per cent.

Mr. KETCHAM. The point I am getting at is, of course, that often there is reference to the tremendous waste of public funds in the franked matter sent out by Members of Congress and other officials of the Government. I wanted the gentleman to deal with that statement in his remarks and show how pitifully small that amount is when contrasted with the whole.

Mr. KELLY. The gentleman is right. It is an insignificant part of postal costs.

FREE-IN-COUNTY NEWSPAPERS

Mr. Chairman, the Postal Service has been ordered by Congress to handle free of charge publications addressed to subscribers within the county of publication where there is no delivery system at post offices.

This public-welfare project is 78 years old. Not a penny of revenue is derived from handling more than 70,000,000 pounds of this mail matter every year.

Such an expense is no more a just charge against postal revenues than the expense of the Bureau of Education. It was adopted as an educational project, and its cost of about \$9,000,000 should not be considered as a postal expenditure.

FREE TO THE BLIND

The postal establishment has been made the agency for sending publications in raised letters to the blind, free of all charge. Congress responded to a humanitarian appeal and gave these

unfortunate ones a real blessing. The cost of this generous act increases each year and now amounts to about \$57,000 per annum. By no stretch of the imagination could it be termed a truly postal operation.

AID TO MERCHANT MARINE

In the effort to promote American shipping Congress has seen fit to order mail contracts at rates much higher than would be paid to foreign ships performing the same service. This measure appeals to all who desire a merchant marine under the American flag. However, this additional cost is no more a postal expense than the cost of the Shipping Board. The money is not used for a postal purpose in any sense. It is estimated that the cost for 1929 is \$11,225,000. That amount is not properly a part of the deficit and there is no justification for its presence there.

AID TO COMMERCIAL AVIATION

The Post Office Department has been commissioned to promote commercial aviation through the air-mail service. A great industry has been established through air mail.

Since 1925, when the contract air-mail system was inaugurated, the service has grown amazingly. In 1926 the total number of pounds of mail carried was 377,000. In 1929 the total weight was 5,635,000 pounds.

For the calendar year the number of letters carried this year will amount to 320,000,000, all of which carried air-mail postage.

This expansion of air mail has led to developments along many lines. More than \$500,000,000 have been invested in airports alone. In 1928 the number of pilots licensed was 14,083, while in 1929 the number was 42,338.

In this pioneering development the rates for air mail have been fixed at a low figure in order to develop the volume which would make efficient operation possible. The receipts from air-mail postage have not been sufficient to pay the cost, although authorized adjustments in rates paid to air-mail contractors will reduce the loss.

However, the loss for 1929 is estimated at \$7,000,000. Although no more worthy use of the postal establishment can be conceived than this promotion of aviation, still the loss is not due to postal operations but to a governmental policy. This amount is exactly on a par with that appropriated for the aeronautics division in the Department of Commerce. It should not be charged against postal revenues.

Now, each of these items I have discussed have been covered in the report of the Postmaster General for 1929. When their cost is subtracted from the reported loss they show a deficit of \$56,752,934.

I want to suggest that two other items also should be taken into consideration in determining the actual postal deficit.

PREFERENTIAL RATES TO RELIGIOUS PAPERS

Mr. Chairman, in the revenue act of 1917 Congress provided a preferential flat postage rate of $1\frac{1}{4}$ cents a pound for certain periodicals. The act of February 28, 1925, fixed a flat rate of $1\frac{1}{2}$ cents a pound, which covers reading and advertising portions on all—

newspapers or periodicals maintained by and in the interests of religious, educational, scientific, philanthropic, agricultural, labor, or fraternal organizations or associations not organized for profit, and none of the net income of which inures to the benefit of any private stockholder or individual.

There are more than 6,000 of these preferential publications now being carried through the mails at a flat rate, regardless of advertising content or distance transported. That they perform a splendid, cultural service can not be doubted, but the loss due to this preference should not be computed as a deficit against the Post Office Department.

In an analysis of one magazine in this class some interesting facts have been developed. This monthly publication sends 990,000 copies through the mails each month. The total weight of shipment is about 1,238,087 pounds, of which 447,073 is advertising matter.

If sent under the regular second-class rates this publication would pay \$35,648.21 per month. Under the preferential rate it pays \$18,571.30, or a difference of \$17,076.91. For one year it means that this publication receives a preferential postage charge of \$204,942.92.

This difference is only that on the advertising portion of this publication as compared to the postage which would be paid by an ordinary commercial publication. With 6,000 and more publications of this class involved the cost can be readily understood.

It is estimated that there is a total loss on this class of periodicals amounting to \$13,809,000 a year. However worthy the policy may be, it stands in the same position as the free-in-

county loss, even though a fixed rate is given. I suggest that the loss through this policy should be deducted from the reported deficit.

RURAL FREE DELIVERY

Mr. Chairman, there is another item in the reported deficit which deserves consideration. I admit that it does not stand exactly on all fours with the other items I have discussed, but in reality it is a public-welfare measure rather than a postal expense. I refer to the inevitable loss, after the most generous allowance for its place in postal activities, due to the rural free delivery.

This service is on a different basis than city delivery, railway mail service, and other similar operations. These latter form the most economical method of handling the mails, and if a profit-making corporation were to take over the service, these organizations would be continued exactly as at present.

Not so with rural free delivery. A profit-making company would slash it off at one stroke and in so doing would reduce expenses more than \$100,000,000. The express company delivers in the cities because it is cheaper to do that than to provide storage and clerical help to deliver all goods at the office. It compels the rural dweller to come to town for his express shipment because it is more economical than to deliver the goods to him. Exactly the same system would apply if the Postal Service were to be run on a profit-making basis.

If you read the history of the rural free delivery, you will find that the question always uppermost was whether or not it was justifiable for Congress to order a large and increasing expense for the dwellers in rural communities.

In 1892 the report from the House Committee on the Post Office and Post Roads contained this statement:

It is believed that rural free delivery will aid materially in stopping much of the growing discontent that now seems to exist among the farming population.

That committee understood that its proposal was not a postal operation so much as a measure for the welfare of the farmers directly, and indirectly for the welfare of every citizen. They justified the expense on that ground alone.

When Postmaster General Smith in 1901 came to review the rural free delivery, he emphasized its public-welfare features. Here is what he said:

It has been made plain that this service is a potent educational force; that it brings agricultural life into far closer relations with the business world; that it keeps the farmer in daily touch with markets and prices; that it advances general intelligence through the increased circulation of legitimate journals and periodicals, stimulates correspondence, quickens all interchanges, promotes good roads, enhances farm values, makes farm life less isolated and more attractive and united with other wholesome influences in checking and changing the hitherto prevailing current from country to city. The national value of these advantages is incalculable.

When he came to the question of finances he did not deal with revenues on a profit-and-loss basis. He made the argument that the rural free delivery justified itself because it saved the time of its patrons. He worked it out in figures as follows:

On the average, there are 125 families on a route. Under the old system they traveled from 2 to 4 miles in going to the post office. If the cost in time and other factors be reckoned at 10 cents a day for each family, it makes an aggregate of \$12.50 per day. The Government can deliver the mail at the doors of all for \$2 a day. Why should it not do so and save them the larger burden?

I submit that that argument proves the value of the service to the patrons, but it does not prove that postal revenues are rightly charged with the total expense.

Nor did the Post Office Department begin with any such attitude of approval. Before that point was reached the Rural Free Delivery Service had to wage a long fight against those who treated it as a proposed new postal operation.

The whole plan was condemned by the House Committee on Post Offices and Post Roads in the Fifty-third Congress as a "scheme impossible of execution, which would require an appropriation of at least \$20,000,000 to start it."

Postmaster General Bissell in his report for 1895 stated that the department—

Would not be justified in burdening the people with such a great expense.

In his report for 1894, General Bissell declined to expend the small appropriation made by Congress, stating that—

The proposed plan of rural free delivery, if adopted, would result in an additional cost to the people of about \$20,000,000 for the first year.

He stated that he did not believe that people were ready to involve themselves in such a large expenditure for the purpose.

When Congress made a larger appropriation next year, Postmaster General Wilson adopted the views of his predecessor and declared that the proposal was wholly impracticable.

Congress insisted and made another appropriation. With many misgivings the department inaugurated the system, which is now costing about \$105,000,000 a year. I believe it was one of the most beneficial actions ever taken by Congress. It has advanced the public welfare. It should be understood by all, however, that it never was expected to even pay its way and the inevitable loss is a contribution from the Government for the common good, on exactly the same basis as the money spent for the Department of Agriculture.

I have believed that a method could be devised which would give a measure of the purely public welfare service of the rural free delivery. My suggestion is to credit to this service all revenues on mail matter originating on these routes and one-half of all revenues on mail matter delivered on them. Of course this would be more than generous to the routes. The Postmaster General's report for 1927 contains a table dealing with estimates on mail matter handled through the rural free delivery. The estimated revenues from mail matter originating on the routes is \$12,241,182. The estimated revenues on mail matter delivered is \$87,263,000.

Taking the figures just as they stand, by the formula I have outlined, the amount to be credited to the rural free delivery as a postal operation would be \$55,872,000. If we take this from the \$104,485,000 actually expended in 1928, the balance would be \$48,613,000. It is conservative to say that this amount is a Government expenditure for the public welfare, using the Post Office Department as agent for the benefaction. It is on a par with the loss in the air mail service.

Mr. Chairman, we are progressing in the attempt to show exactly what the Post Office Department is doing. The recent report of the Postmaster General takes the longest stride yet made in that direction. I believe it is possible to make a just allotment of the public-service factor in these additional items. If this is done it will show that there is no deficit in the Postal Service for 1929.

Last year Congress appropriated some \$136,000,000 as money grants to the States for 14 different activities. They included agricultural colleges, experiment stations, vocational education, highways, forest fire prevention, and others.

Because Congress determines that other public-welfare projects can best be administered through the nation-wide Postal Service, there need be no confusion as to their cost being a part of postal operations.

WHAT IS PROPER ACTION?

What should be done? First we should determine once and for all that the Post Office Establishment is a service institution and not a money-making enterprise. There should be no hesitation in using this ready-to-hand, nation-wide organization for every public-welfare project Congress believes will help make this Nation into a neighborhood, this country into a community.

Then the cost of all these measures, those now established, and others to be established, should be ascertained and eliminated entirely from the postal balance sheet and placed where they belong, as charges against the Treasury of the United States.

The accounting system of the Post Office Department should show the truth as to postal operations and their cost. Then postal charges may be fixed on the only just basis—that they may produce aggregate revenues sufficient to pay for all true postal operations.

There are numerous ways for securing additional revenues without injuring the service. The Post Office establishment now offers many extra conveniences to users of the mails. At present they do not produce revenues sufficient to pay for their cost.

Even allowing for incorrect apportionment of costs, the registry, insurance, collect-on-delivery, and money-order services will show an actual loss.

These rates should be adjusted so as to cover their true cost. There is no reason, for instance, why the Post Office Department should act as collector for business enterprises in the collect-on-delivery service without full compensation for such service. Also there should be a demurrage charge on undelivered collect-on-delivery parcels.

Many users of the registry service have strongly urged an additional fee for information to be given on the receipt cards.

There should be a charge for the directory service made necessary on account of improper addresses on mail matter.

An extension of the present system of giving receipts of mailing will add to the revenues.

Raising the limit of postal-savings deposits to \$5,000 will double the revenues from that service and benefit depositors.

Adjustment of these rates alone will produce in the aggregate more than \$20,000,000. It can be done in such a way as not to injure the service.

That will help to make possible the only self-sustaining postal service which is justifiable, where postal patrons know that they are paying for postal operations but not for non-postal expenses.

There should be immediate action to transform the payments now made for rentals for postal quarters into payments for the actual purchase of property needed for the Postal Service.

For 1929 more than \$15,000,000 was spent for rent. That is interest at 5 per cent on \$300,000,000. It would not require that sum to furnish proper quarters for all second and third class offices not now owned by the Government.

If every lease made contained a purchase clause, and if the department had power to let contracts for necessary quarters on terms which meant ownership at the end of the lease period, within the next 20 years all these quarters would be owned and the yearly expenditure need be no more than that made at present.

As to the postal workers who make possible this gigantic public-service enterprise, we should act on the policy that their wages are not determined by any so-called deficit, but the basic rate paid them should square with American standards of living. Then there should be provision for a steady progression upward, based on length of service. At present there is no possible progress above \$2,100 for the average clerk or carrier, no matter how long he remains in the service. Increase in efficiency and production should carry with it increase in pay.

Abundantly justified now is legislation for a shorter work day on Saturday. Such a measure passed the Senate during the last Congress and was favorably acted upon by the House committee. What is now given as a matter of favor under departmental orders to many employees should be granted as an act of justice to all. Even with such action, the postal workers in the field would have longer hours than the employees of the departments in Washington.

I believe that the policy I have outlined squares with our history and traditions and also with the enlightened demand of the American people. The people are not interested in postal profits and in so-called deficits, but they are intensely concerned in the service given by this great agency of theirs.

Mr. Chairman, this entire difference between receipts and all expenses is nothing more nor less than the use of one dollar out of every 50 spent by the United States Government for manifold benefits to the American people.

Uncle Sam says to the head of every American family, "For one penny a day from you I will bring you a hundred advantages. I will bring to your door reports on the activities of your Government. I will bring you the facts worked out by specialists and scientists along the line of your own interest. I will bring you valuable information about the care of your home, your garden, your farm, or your business. I will carry the application or the pension or the compensation check of the soldier member of your family.

"I will take publications in raised letters to all the blind of the land. I will encourage the publication of religious, fraternal, and labor publications and give a helping hand to small papers in rural fields. I will help American ships to ply the seas with American goods. I will put planes in the air and build up commercial aviation.

"For one penny a day from every family I will do all this and more."

When it is asked how all this can be done for such an insignificant contribution, the answer comes:

"I can do it only because I have ready to hand the great Postal Service. It comes to your home every day in any case. Because of that fact, I can use it for the promotion of your welfare along all the lines I have mentioned."

That much-discussed deficit is 1 penny a day from every American family. Has any American protested against his contribution? For my part, I have never yet heard a private citizen voice a word of objection. Let the average man understand its real purpose and he will declare it to be by all odds the best expenditure of funds made by the United States Government.

Mr. Chairman, the Postal Service is the people's service. They own and operate it. They are its beneficiaries, its patrons, and its employees. Everything possible should be done to extend the scope of its usefulness. In its personnel merit alone made the measure of advancement. Justifiable economies should be instituted and needed readjustments made. Postage rates should produce revenues sufficient to pay actual postal expenses. Postal workers should have the benefits earned by increased efficiency.

But above all and including all the rest the banner of service should be placed at its masthead. Thus we may prove the truth of that saying of Uncle Joe Cannon:

The Postal Service is like a great root spreading many feet underground and nourishing the mighty oak. It is the taproot of civilization.

Mr. THATCHER. Mr. Chairman, I yield 20 minutes to the gentleman from New Jersey [Mr. HARTLEY].

Mr. HARTLEY. As a new Member and with the added handicap of being the youngest Member of this House, I adopted the policy to listen and learn. I have listened with a great deal of interest, and I believe that I have learned.

It is my conclusion that of all the duties we have there is none more important, more urgent, more humane, or more patriotic than our duty to see to it that the veterans of the World War are given justice.

Like many others, as I campaigned through my district, I promised these boys a square deal. But, ladies and gentlemen, I am frank to confess that I did not know what it was all about. It was only after personally contacting, and presenting the cases of the veterans of my district, that I came to a realization of the fact that the present veterans' act, and the technical treatment of cases by many of the rating boards of the bureau, are preventing thousands of veterans from obtaining that which they have a right to expect from this Government—a square deal.

How many realize that there are thousands of these young men, men who to-day should be in the prime of life, who are confined in hospitals or walking the streets unable to obtain employment because of a service-connected disability, but at the same time are unable to obtain compensation for that very service-connected disability.

Let us briefly review the situation. When the "call to arms" rang out, every nook and corner of this great Nation heard the cry. True to their tradition, the sons of every State responded, ready to sacrifice their all, their jobs, home, happiness, comforts of life, even their own life's blood in defense of this Nation's honor. How clearly can we recall the promise they were given: "Your job will be waiting for you when you get back."

However, many did not come back. Thousands of America's finest left, never to return. Have we kept faith with those who did return? Picture if you will the emotions and desires of those who came back to join their families; to be home once more; a longing to be with their loved ones; eager to be discharged; their jobs having been completed. A perfunctory examination was given, and each veteran was asked how he was physically. Knowing that complaint would mean hospitalization, naturally the answer was, "Fine." He was discharged as being in good physical condition and hastened home.

How many of these boys, uncompensated, have suffered and are still suffering from disabilities incurred in the service? How many uncompensated are in anguish because their wounds inflicted by bayonet or shrapnel have become aggravated? How many uncompensated have developed various disorders as a result of having been gassed? Uncompensated because the doctor who treated them within a year after discharge from the service failed to keep records, or unfortunately may have passed to the Great Beyond. Uncompensated because having become accustomed to torture and pain "over there," they did not seek the attention of a physician until a year or more after discharge. Then there are those uncompensated veterans whose experiences in that awful carnage have gradually unbalanced them mentally. They have developed psychoneurosis from shell shock. Uncompensated because their cases, in many instances, were improperly diagnosed. Uncompensated because many of them did not seek treatment before December 31, 1924. Uncompensated because many cases of psychoneurosis have developed since 1924 in young men who appeared to be perfectly normal before that time. Uncompensated in spite of the fact that the bureau itself admits that the peak of psychoneurosis cases will not be reached until 1948.

Let me illustrate by giving you specific examples. First, I will relate cases other than tuberculosis and psychoneurosis.

Take the case of James B. Toner, of Bayonne, N. J., who was an engineer. While building a hut with several buddies in France, the explosion of shell nearby caused all of them to immediately drop to the ground. Toner happened to be at the time lifting a heavy plank, which fell upon him heavily, injuring him in the groin. This accident, which took place in the latter part of October, 1918, caused a hernia to develop. He was treated at the camp hospital No. 21, Bourbon Les Bains, France, although, just as in many other cases, no record seems to have been made of it.

The armistice was signed on the following November 11, and shortly after Toner returned home and was discharged. Within one month after his discharge from the service he applied for employment with his former employer, the Standard Oil Co., at Bayonne. The examining physician refused to pass him because of a severe hernia. He tried for the next two months to obtain employment at many other plants, and in each instance was refused because of the same reason. Unable to obtain work, three months after his discharge from the service he underwent an operation at the St. Francis Hospital in Jersey City.

Affidavits have been submitted to the bureau from the examining physician of the Standard Oil Co., stating that the condition existed when he was examined at their plant one month after his discharge from the service. The affidavits further state that when asked how the condition developed, he told of the incident that took place while building this hut in France, which I have already related. There are also the affidavits of two of his buddies who were present when this happened. There is also on file the St. Francis Hospital papers giving the details of the operation. In spite of this preponderance of evidence, even though the bureau admits his disability, this man's application for compensation has twice been refused, the reason being advanced that cases of this kind are rare; that no notice was made of the disability when the veteran was examined upon being discharged from the service; and, furthermore, because of the fact that such a condition might have developed overnight through some other cause.

It is apparent that the bureau has entirely disregarded the evidence, and evidently believed that the veteran did not know what he was talking about when, within a month after his discharge from the service he was asked how the condition started, he told of the accident overseas. Perhaps they believe that the veteran at that early date anticipated that this Government would eventually enact a law compensating the soldiers of the World War for injuries received in the service. How ridiculous! Here is a man unable to obtain employment because of a disability incurred in the service, and yet unable to obtain compensation for that very service-connected disability.

Another case I desire to call your attention to is that of Wacław Solinski, of Bayonne, N. J., who has a citation for bravery in action. This veteran's legs have become useless because of aggravated gunshot wounds and muscle hernia, for which service connection obviously had to be granted. In this instance, the bureau, unable to evade by usual service-connection alibi, falls back on the percentage rating, and, although this veteran is unable to stand for more than an hour at a time, it is claimed that he is not disabled to an extent which prevents him from following his trade as an automobile mechanic.

I also have the case of a victim of tuberculosis, which I believe will serve as an example that the present act is inadequate. This veteran, John E. Ween, of Newark, N. J., was shipwrecked on the way overseas; was adrift for two days during the icy weather of November, 1917, with another buddy, who died of exposure. He continued overseas and was treated for "colds" during his service. After his discharge from the service he was treated at various intervals from 1922 until the early part of 1928 by a doctor, who during that period improperly diagnosed his case as "influenza." Three weeks after the last examination by this doctor Ween suffered a severe hemorrhage, and upon being examined at an institution in the city of Newark it was found that he was suffering from an advanced case of tuberculosis. The doctor who improperly diagnosed this case is now in Austria, and in all probability has no record of the case, and even if he is contacted, I leave it to your judgment whether he will admit a mistake in the treatment of this case over a period of nearly six years. This veteran is not expected to live more than six months. At the present time his wife is endeavoring to provide for their family of three children, and unless something is done by this Government, this veteran, who answered the call to arms, will undoubtedly leave behind him a destitute wife and family.

As an example of cases of shell shock, I present the case of Charles Carr, of Newark, N. J. As a result of his overseas experience, he is to-day a permanent and total mental wreck, confined to an insane asylum. His nervous condition first started to have its effect in 1920, and gradually developed until about a year ago when it was necessary that he be sent to an institution. The doctor who treated him has had the case from its inception and has submitted two affidavits, one stating that the treatment started in 1920, the other diagnosing the case in 1924 as a neurasthenia case, mental type, mild.

The bureau rejected this claim, and while admitting that this disability undoubtedly had its origin in the service, they con-

tend that a 10 per cent degree has not been proved within the limit prescribed in the veterans' act, furthermore, because of the fact that this man was continued on the pay roll of the company employing him until 1926 and because the doctor in his statement did not use the medical term "psychoneurosis." This doctor is a practitioner of many years and testified in a recent hearing on this case that in diagnosing the case as neurasthenia mental type he considered that term to mean the same as psychoneurosis. In this case also we find the wife of a husband mentally unbalanced as a result of his service to the Government, which turns its back on this family in their hour of need.

I now desire to call your attention to a case that illustrates a willingness on the part of the bureaus to stall, and in the vernacular of to-day, "pass the buck." This veteran, Stephen S. Rudy, of Bayonne, N. J., was a Regular Army man, who served overseas during the World War, has four citations for bravery in action—one for the capture of a machine gun nest and 12 men single-handed. At the termination of the war he reenlisted. In April, 1924, as a result of his experience during the war, he suffered a complete breakdown, both mental and physical. He was discharged from the Army as "physically unfit for duty." This veteran has endeavored since July, 1924, to obtain either a pension from the Pension Bureau or compensation from the Veterans' Bureau, each department continually referring the case to the other until October, 1929. In a tour that I made of my district, interviewing veterans relative to compensation, I was shocked and could hardly believe his story. I immediately communicated with both departments, only to get a similar response. Just think of it, here is a man who served his country faithfully and well, whose bravery on the battle fields of France exemplifies the highest degree of heroism, the result of which is that, although discharged as "physically unfit," incurred in line of duty, the very departments supposed to mete out justice in such cases turn their backs on him. He, too, has a wife and four children.

And so I could continue with such examples that exist in my district and, in all probability, throughout this country.

Claimants with chronic diseases of the heart, chronic rheumatism, chronic blood or kidney disease, chronic ulcer or abscess formation, chronic gall bladder diseases, proceeding to the formation of gallstones and finally the infectious foci of the throat, tonsils, or teeth, as streptococci in throat, tonsils or teeth as in pyorrhœa, tonsillitis, and chronic septic sore throat, carried in the body for years, and later manifesting themselves in chronic disease elsewhere in the body; these are denied service connection, notwithstanding the fact that the service of the men was such as to absolutely bring on these diseases because of deprivations as to cleanliness as well as cold and wet sleeping in that same manner.

Claimants with valvulitis, inflammation of the valves of the heart, or with stomach conditions, such as ulcers from rough and improper food at irregular intervals, or a chronic rheumatism, or a chronic gall bladder disease will be denied service connection if they were not treated for that disability during their first year after discharge by a doctor who could supply a certificate of such treatment. These diseases are all of a slow-going nature and may be of several years' duration in manifesting themselves so as to be properly diagnosed. Any number of these men have been denied service connection for their disabilities, because they failed to have a doctor treat them within a year after their discharge, and many because of economic conditions did not call a doctor and were forced to use home remedies until they became so incapacitated that they were forced to come to the bureau for aid. Even then the bureau was administered by the Public Health Service, which service was forced to take numbers of young men and innumerable errors of diagnoses were made.

At the present time a heart in which no distinct disease is demonstrable other than a rapid or somewhat irregular action, with weak and distant sounds may go undiagnosed, and later may be properly diagnosed as heart disease. If such condition should have had a neurological cause assigned, service connection would have been had years ago. Other numerous infections will cause these conditions and for that reason they should, and do, warrant service connection as well as the nervous and tuberculosis diseases. The various other constitutional diseases should also properly come under this category. It is a well known medical fact that most all of these diseases are insidious and are the aftermath of infectious diseases such as influenza, the nasopharyngeal and the gastrointestinal forms as well as the rheumatic fevers and the fevers of indefinite origin so prevalent during the war.

Then, too, exposure, the cold and wet, and the sleeping on cold wet ground, excessive exertion, strain and fear, with worry

and fatigue, were undoubted factors, coupled with all the other vicissitudes of the soldier in time of war to be accountable for any of the constitutional or systemic diseases. It is a well-known fact that the mouth and teeth have been the cause of many of these diseases and conditions, and the mouth and teeth were admittedly notoriously neglected during the war, because of lack of personnel as well as opportunity to care for either. Further, sound medical evidence, reasoning, and logic will show direct connection with the service in these chronic cases, and yet because the man had no doctor treat him within the year after his discharge, and after he was too poor to have one, he is denied the service connection because of the arbitrary time limit selected for these diseases.

How long will we sit idly by and permit such conditions to exist? How much longer will we permit such technical treatment of so humane a problem? I realize we have appropriated large sums of money to provide hospitalization, but what of the family of the veteran being hospitalized. How are they to be provided for?

There should be no more delay in settling this job than there was in mustering these boys into the service. Remember, as each day passes on, so does the opportunity to give justice to another boy who has made the supreme sacrifice. May their deeds inspire this Congress to a full realization of the responsibility that is ours, and may the action that we take leave no doubt in the minds of these heroes of the World War that this Government has not forgotten. [Applause.]

Mr. THATCHER. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman, I rise to call attention to the status of the chapels and monuments that are being erected in our war cemeteries and on battle fields across the sea.

As you all probably know, over 6,000 mothers and widows have already made application for transportation during the present year.

I very greatly fear some of them may be disappointed. While the cemeteries are very, very beautiful, and they will not be disappointed in that respect, but of the beautiful artistic, restful chapels that are to be built, only one of them will be completed by May 30, 1930, while three others will be completed by October, 1930, and four others by June, 1931. Of the monuments, two of the smaller ones will be completed before May of this year and the others will come along at a later date. It is hoped that all the memorials, including the largest one, will have been finished by March, 1932.

This information was furnished me by the Battle Monuments Commission at my request and was secured by cable in order that we might know and might let the press and the Members of the Congress and their constituents know of the actual state in which mothers and widows may expect to find these developments when they visit the cemeteries and battle fields. Full information follows:

Chapels in cemeteries

Name of cemetery	Location	Probable date of completion of chapel
Brookwood.....	At Brookwood, England.....	May, 1930.
Oisne-Aisne.....	Near Pere-en-Tardenois, France.....	October, 1930.
Aisne-Marne.....	Near Belleau, France.....	Do.
Flanders Field.....	Near Waereghem, Belgium.....	Do.
Somme.....	Near Bony, France.....	June, 1931.
St. Mihiel.....	Near Thiaucourt, France.....	Do.
Suresnes.....	Near Paris, France.....	Do.
Meuse-Argonne.....	Near Romagne, France.....	Do.

In general, it will require about six months after a particular chapel is completed before all of the commission's work in the cemetery is finished, such as walls, landscape gardening, paths, clearing, etc., so that six months should be added to the above dates in order to arrive at the time when the cemeteries will be at their best.

MONUMENTS OUTSIDE OF CEMETERIES

Two of the smaller monuments, one located near Audenarde, Belgium, and the other south of Ypres, will be completed before May of this year.

By October of this year it is expected that the large monument near Chateau-Thierry, France, and the smaller one near Bellicourt, France, will have been completed.

By June, 1931, it is expected that the large monument on Montsec, France, and the smaller one, on Blanc Mont Ridge, near Somme-Py, France, will have been completed.

By March, 1932, it is hoped that all of the memorials, including the largest one, at Montfaucon, will have been finished.

Mr. BYRNS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. BLACK].

Mr. BLACK. Mr. Chairman and gentlemen of the committee, for over half a year the entire country has been anxiously awaiting a report of men purported to be experts on law enforcement, with the idea that this commission, called the Law Enforcement Commission, would make a substantial contribution on the subject of prohibition.

These great men have studied some phases of the question and we have their report. A close study of it has convinced me that the mountains labored and all they have brought forth is a ridiculous mess, a ridiculous legal mess. But, unconsciously, the underlying philosophy of the report indicates the truth of the situation. Prohibition, the eighteenth amendment, can not be enforced without violation of the other sections of the Constitution.

The Constitution was a contract originally arrived at by the States, whereby they created a Federal central agency for the purpose of dealing with outside powers. It had an objective purpose. The Colonies were having difficulty in their foreign relations, in some cases foreign countries insisting that all of the thirteen original States sign treaties. This situation could not go on. There was demand for a central agency which could speak for the individual sovereignties in this country in respect of their outside dealings. It had entirely an objective purpose.

In order to make this agent strong and make it effective, it had to be given some force. It had to have an army and a navy to back up whatever contracts it might make with foreign powers, and therefore the States gave to this central agency a modicum of their taxing powers, so that funds could be obtained for the purpose of backing up this agent of the States; and for a long time, under this theory, the country prospered with the sovereign states represented objectively by a strong central Federal agent.

Then along came the eighteenth amendment, entirely out of line with everything that had been before in the Constitution. It turned this mighty engine of power of the country into reverse and it began to back up on the American people, and an army and a navy were created with the funds of the state to enforce a law against the American people, a law denying them their fundamental rights.

It became subjective, and now we see this Law Enforcement Commission coming with specific recommendations absolutely in contravention of some of the major features we find in the Constitution for the protection of the people. The most important of these is the attempt by the Law Enforcement Commission to do away with the right of trial by jury.

It was evident 10 years ago, when prohibition was passed, that the fate of prohibition resided finally in the petit jury. It was the jury in the various localities, the ordinary petit jury, that was to legislate on prohibition. The dries have realized this as a result of experience. They know that the juries in some sections of the country—and now in almost all sections of the country—refuse to send men to jail for a violation of the Volstead Act, and so, forsooth, what will the dries do? The dries would do away with the petit jury. They would do away with this old bulwark of American liberties. They want a different kind of Government here. They do not want the common people in the Government, they do not want the American people in the Government, they want the Government controlled by one faction.

The commission says:

Oh, the man will get a trial by jury. We will give the commissioner power to hear the case first, and whenever the commissioner decides that the man is guilty he can appeal and have a trial before a jury.

Is that the impartial trial which is set forth in the Constitution? What man would be able to get an impartial trial before a jury if already there is judicial determination that the man is guilty? That is not the trial provided for in the Constitution.

Practically what effect will it have? If the man is found guilty by the commissioner the man has got to apply for a trial? Is that going to relieve the congestion of the courts? No; it is going to add to it. It is going to duplicate it, because they will all have to have two trials.

Certainly in each and every prohibition violation case that is heard before the commissioner the commissioner must submit a report to the judge, and even though he finds the man not guilty of the charge he has to enter a judgment of acquittal. Now, the commissioner dismisses the case and the judge has nothing to do with it. This system will add to the work of the Federal courts instead of releasing the courts from hearing trials to do civil work.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. LAGUARDIA. Does not the procedure indicate the doubtful constitutionality of the legislation by the very people who are urging it?

Mr. BLACK. Absolutely; it is evident that they are attempting a roundabout method of getting by the constitutional objection. They realize that they are up against a proposition like that, but at the same time I would rather think that these men had a respect for the Constitution and insist that nothing should be done rather than attempt by subterfuge to break down this great bulwark of American freedom.

But the trouble is up to the White House doorsteps. The President of the United States is the leader of the people. He wrote a letter to a friend and wept on his shoulder, asking for the truth. Why does he not insist on getting the truth? Why does he not make the commission state that if there is such a feeling against prohibition that it can not be enforced? We know that the people are not clamoring to have any other criminal statute repealed; we know that they are not clamoring to have any amendment repealed; we know that they are not clamoring for any other change; but this thing has been going on for 10 years, and there has been a constant appeal by great sections of the American people to wipe out this statute.

So it seems that it is not a one-sided proposition at all. The President is the spokesman of all the people; he speaks understandingly, and he can get the truth. He says he wants the truth. How can you enforce a law that requires 50 per cent of the people to keep the other 50 per cent in jail all of the time? You can not get enforcement unless you have the people behind it.

Intelligent people all over the country oppose this proposition, although some people of intelligence support it, and I know some of those in this House. But how can you enforce such a law? I gave the fair proportion as 50 for and 50 per cent against; but, as a matter of fact, I think there are about 20 per cent for and 80 per cent against it, and how are the 20 per cent going to keep the 80 per cent in jail.

There is another very real trouble with this proposition. Even though the eighteenth amendment had an appeal in itself, had any welfare in it, had the good of the country in it, the background of the thing is revolting to the American people. The American people are not going to stand for ecclesiastical control of government, directly or indirectly, and one of the main faults of the whole proposition is the way it was put through and the way it was supported.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. BLACK. Mr. Chairman, I ask the gentleman to yield me two or three minutes more.

Mr. BYRNS. Mr. Chairman, I yield three minutes to the gentleman from New York.

Mr. BLACK. Mr. Chairman, because this Congress says that rectitude consists in upholding the Volstead Act does not mean that anybody who supports it strictly is going to go to heaven. We have nothing to do with that. The hereafter requires a greater rectitude than any rules that we can pass. The hereafter does not require its ministers to be sheriffs and policemen, and here we have Bishop Cannon the other day going a long, long way from the fundamental principles of Christianity in saying that he wanted to call out the Army to wipe out the violators of this law. That is one of the troubles with it.

It is the ecclesiastical, clerical background of this proposition, and the American people are absolutely in revolt. In this country there is a revolution going on to-day against this law, and the revolution is largely against the ecclesiastical sponsors of the law and of its enforcement.

We are here to-day considering an appropriation bill which has in it several features containing prohibition enforcement. Why do we have an Appropriations Committee? It is to legislate, for it is a legislating committee as to funds. We do not have to give them the appropriations. What is the use of wasting it; what is the use of bringing up the bill in the first instance? In all legislation we do not provide that there shall be permanent funds, so much each year, for the enforcement of a particular law. It is our scheme of government that a bill, when it is passed, which seems all right, might in time not have an appeal, and therefore the Committee on Appropriations can kill a bill most effectively. This committee and this House have it in their power now to see to it that this enforcement proposition does not run contrary to the desires of the American people.

The report of the Enforcement Commission, with its recommendations, is a failure. The leaders of the House realize that now. They do not know what to do with the recommendations. They do not know where to send them. To my mind, they ought to send them back to the White House, so that the President can give us something intelligent on this subject, and the only way that he can give it is by consulting the wishes of the American people on the whole proposition. Except for the philosophy that it unconsciously has in its preliminary portions,

the report of the commission gives us absolutely no light on the entire subject.

The only way to get light is to have the matter referred to some responsible body by the President to hear the American people, not on how to enforce it or what new means may be used to enforce it, but as to whether they want it enforced at all, and if a large proportion do not want it enforced, it can not be enforced.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. BYRNS. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman and gentlemen, I shall turn from a wet subject to a dry subject. [Applause.] It is a subject with which we are all confronted and on which there is a great deal of discussion, and I hope a considerable amount of thought both in and out of Congress. I refer to the condition of our banking system. Seventy-two national banks failed last year. That is not a large number compared with the whole, something like 7,000 national banks. Four hundred and eighty-two State banks failed within that year.

Mr. SUMMERS of Washington. And what percentage is that to the whole number of State banks?

Mr. STEVENSON. It is somewhat larger than the proportion of failures in the national-bank system, but I have not the absolute number before me. There are something like 17,403 State banks, including savings banks and trust companies, and something like 7,536 national banks. I shall endeavor to put those figures in my remarks.

Those banks were relied upon by the people who credited them and who deposited their money in them. In my own State there has been an epidemic of those failures. There are counties there in which every bank in the county has failed, owing to the very disastrous conditions that have prevailed for the last two years in the cotton agricultural section. The people who put their money in these banks depend on two things. They depend upon the management of the bank and upon the stockholders' liability, which is advertised as 100 per cent. You see in the advertisements of many banks the liability for deposits, and they will put in the amount of assets and then add to them 100 per cent of stockholders' liability. I have been general counsel for some receivers for some chain banks for a year. I have been chasing the stockholders' liability business, and if there ever was a fraud on the people it is in making them believe that the stockholder is going to have to put up 100 per cent of the stock which he holds. There is one national bank which failed in the adjoining county to where I live and the town where I practice, and they had a meeting of the stockholders. One of the interested parties who had money in it and was looking to the stockholders' liability said that almost a majority of this stock came in perambulators. In other words, people had stock in the names of children and infants, out of whom you could get nothing.

Many of the others fight until they get so completely covered up that they burst, and you can get nothing out of them. Twenty-five per cent is a good average for the recovery of the stockholders' liability. If \$100,000 is the amount of the stockholders' liability and you manage to get \$25,000 out of it, you are doing well. The people are becoming so sensitive as to stockholders' liability that men are loath nowadays to invest as stockholders any more.

I have put in a bill providing that in lieu of the stockholders' liability the bank shall carry insurance for the benefit of its creditors to the extent of 100 per cent of its stock, and that that insurance shall be paid as a part of the running expenses of the bank. When a bank does not carry that insurance, then the comptroller can liquidate it.

I make another provision, to the effect that the bill shall go into effect on the 1st of July next, and that all banks chartered by the National Government after that are required to carry and to pay for that insurance as a part of their running expenses. Any bank organized theretofore shall have the right to discharge their stockholders' liability by coming under the law and thereby relieving the stockholders of liability. When a bank closes, the insurance company has to put up the money. I provide that within five years all banks shall go in that way and relieve the stockholders.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. SIROVICH. Suppose you have a bank capitalized at \$200,000 and it gets out insurance to protect its depositors. Will this insurance protect them?

Mr. STEVENSON. Yes. As it is now they are not protected adequately because the stockholders play out.

Mr. SIROVICH. Suppose you have 7,000 national banks and you made each national bank put in a certain amount of money, paid to the Comptroller of the Treasury. You want to protect, not the bank, but the depositors.

Mr. STEVENSON. I want to have it so fixed that the stockholders' liability will be paid, and that the stockholder will pay it as he goes along.

Mr. SIROVICH. Are you not interested in the depositors first? This does not protect the depositors.

Mr. STEVENSON. It protects them a long sight more than they are protected now. When with \$200,000 of stockholder liability when you come to collect it, you will get only about \$50,000. It strikes me it is time we should do something along that line.

Mr. SLOAN. Mr. Chairman, will the gentleman yield there?

Mr. STEVENSON. Certainly.

Mr. SLOAN. Under your bill will any insurance company have the right to sell this insurance under that machinery?

Mr. STEVENSON. Surely. The insurance companies are doing it to-day. They are not only doing it in my State to-day, but in other States for the banks, and you will find that the insurance companies will be jumping the fence to get at it. That guaranty will have to be paid.

We hear a great deal about how the bank failures come about, and some people say it is because the examinations are insufficient. You see that in the papers constantly. Now, if you provide that the bank shall have insurance to the extent of 100 per cent of the capital stock for the benefit of their creditors, the insurance companies will see what is in the bank before they write the insurance, and the insurance will be a guaranty that the bank shall be properly conducted. The result will be that the comptroller will wind up their affairs before a loss is incurred if they can not get the insurance.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield again?

Mr. STEVENSON. Yes.

Mr. SIROVICH. Suppose a holding company to-day owns and controls a State bank and a national bank at the same time, and manipulates the funds from one to the other. How are you going to protect the stockholders of the State bank?

Mr. STEVENSON. If the stockholders of the State bank are to be protected, they must see to it that the bank becomes a national bank. If you impose this provision on a national bank all the banks will adopt this provision instead of the present bogus one, which is no real security.

Mr. SIROVICH. Does not the gentleman think that it should be provided that no holding company shall be allowed to control a national bank and a State bank at the same time?

Mr. STEVENSON. Well, I am dealing with only one of the difficulties. There are many difficulties confronting us, and one of them will be corrected by this very provision. Does my friend from New York know that to-day there are millions of dollars of stock held in the national banks, all tied up in a chain and controlled by a holding company, which has no assets but bank stock? If the chain goes down, the holding company goes down, and there is nothing for the depositor or creditor to get anything out of it; whereas if you pass this bill, no matter who owns the stock, and you require them to carry 100 per cent insurance, you will have no holding companies holding out when the banks fail.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield there?

Mr. STEVENSON. Yes.

Mr. WAINWRIGHT. Is this in lieu of a stockholders' liability, or in connection with the stockholders' liability?

Mr. STEVENSON. It is in lieu of the stockholders' liability. It will be of great value in case of an emergency, where the stockholders might be called upon to pour more money into a rat hole.

Mr. WAINWRIGHT. Of course, that would increase the attractiveness of bank stocks as an investment?

Mr. STEVENSON. It would increase them very much and increase their popularity when it comes to crediting them, because that will be an absolute guaranty.

That is the proposition which goes to the Banking and Currency Committee, and which I shall in season and out of season agitate during the remainder of this session, because we need to do some of these things in order to protect the people who credit the banks.

Mr. PERKINS. Will the gentleman yield?

Mr. STEVENSON. I yield.

Mr. PERKINS. Is insurance of the character the gentleman has mentioned expensive?

Mr. STEVENSON. No, sir; it is not.

Mr. PERKINS. Inasmuch as it would be paid out of the profits of the bank the depositors would really be paying for their own insurance?

Mr. STEVENSON. The depositors would not pay for it. The stockholders would have to pay for it and they would probably reduce their dividends slightly. I want to call your attention to this: Here are 10 men who have \$50,000 of stock in a bank. They are good men and you can make them come up. There are 40 other men who hold \$50,000 of stock, but they are not good, and when the bank breaks they are gone as stockholders, so that those who are good have to pay. But under this proposition, if it is paid for year by year as a legitimate expense, every stockholder, solvent or insolvent, good or bad, has to pay, and that is one of the reasons for the justice of the proposition.

Mr. PERKINS. Inasmuch as the stockholders pay, how could anybody have any objection to your bill?

Mr. STEVENSON. I do not see how they can, but I always expect objections to anything that attempts to change a situation which has been in existence for many years.

Mr. PERKINS. Are there any companies authorized by the laws of the United States to issue insurance of the character mentioned?

Mr. STEVENSON. There are plenty of them. As I said a minute ago, the State of South Carolina deposits its money in banks which take out insurance to pay it back. There are plenty of insurance companies. When a bank gets where it can not get insurance to repay deposits or can not get insurance to make good stockholders' liability, it is about time it shut up.

Mr. WINGO. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. WINGO. Has the gentleman made a sufficient study of this so that he can give us any idea as to what the rates for this insurance would be?

Mr. STEVENSON. No; I have not; I have not the rates. The liability of the stockholders of national banks to-day is \$1,671,000,000 for the whole United States. That is in banks of \$50,000, \$100,000, \$1,000,000, \$2,000,000, \$5,000,000, and so on.

Mr. BURTNESS. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. BURTNESS. That figure is based on the nominal capital stock?

Mr. STEVENSON. Upon the actual capital stock. There is no nominal capital stock in a national bank. A man has got to put up or he can not hold the stock.

Mr. BURTNESS. What I mean is this: The par value of a share would be \$100, but a bank may grow in such a way that the actual value of each share of stock might not be \$100 but might be \$1,000.

Mr. STEVENSON. Yes.

Mr. BURTNESS. If I understand it correctly, the gentleman's bill contemplates merely the protection of the payment of the double assessment, which would amount to the par value?

Mr. STEVENSON. It is in lieu of the stockholders' liability, to wit, 100 per cent of the par value of the stock. The facts are that there have been 1,241 national banks placed in the hands of receivers since the first failure in 1865; 426 are still being liquidated, and 815 have been finally wound up. That is a very good showing for 65 years and an average of 7,000 national banks. Now, the capital of the 815 banks that have been liquidated was \$98,965,920, and the stockholders' liability was the same amount, yet the record shows that only \$44,614,817 was collected from the stockholders. If they had carried insurance it would have been \$98,965,920, and all stockholders would have borne the expense.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. BYRNS. Mr. Chairman, I yield 15 minutes to the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS. Mr. Chairman and members of the committee, the other day I introduced an amendment to the merchant marine act of 1928, which I discussed in this Chamber on the 9th instant. This amendment, in effect, provides that the mail contracts authorized in the 1928 act shall not be awarded to any company which directly or indirectly operates foreign-flag ships in competition with American-flag ships in the foreign trade of the United States. I think the purpose of that amendment is manifest to any American and particularly to any American who is interested in building up and maintaining a strictly American merchant marine.

I shall not repeat much of the arguments I made the other day in behalf of the amendment, but I used this language:

However, a situation has arisen which necessitates the enactment of an amendment along the line which I propose, if the purpose and policy

of our merchant marine legislation are to be effectuated. For instance, some steamship lines are strongly seeking, and in fact some have already received, valuable mail contracts under the merchant marine act of 1928, which companies, while technically coming under the definition of American citizens, yet are operating a majority of their ships, not under the American flag, but under a foreign flag; some of these companies are not operating exceeding 10 per cent of their ships under the American flag.

At that point I was asked to yield by the gentleman from New York [Mr. BACON], who asked me if I could cite some of the companies, and I replied:

In reply to the gentleman from New York, I may say that I am speaking in general terms, and from the standpoint of principle, but I shall state in response to the question that two of the companies that I have in mind are the Munson Steamship Co. and the International Mercantile Marine. Others could be mentioned.

I presume the gentleman from New York had in mind the companies to which I had referred in a general way which would be affected by this proposed legislation. That is what I had in mind when I made the answer.

As a matter of fact, both of the companies I mentioned clearly come under the designation because both of them are undoubtedly operating a majority of their ships under foreign flags, and the International Mercantile Marine is operating very, very few under the American flag. In fact, I have been reliably informed that the only ship they are now operating under the American flag in the foreign trade is one ship, the *Minnehaha*. I have not verified those records and I am not positive of that, but I know it is very few, so that the International Mercantile Marine certainly does not operate as many as 10 per cent of their ships under the American flag. My reply to the gentleman from New York might possibly be construed so as to make it appear that I applied the 10 per cent proposition to the companies that I mentioned although I did not so intend. However, as stated, it can be correctly applied to the International Mercantile Marine, and I will discuss the situation with respect to the Munson Steamship Co.

Mr. Frank Munson, the president of the Munson Steamship Co., gave a statement to the New York Journal of Commerce in which he discussed my speech. He had very little to say about the amendment, but he took umbrage and was very much pained that, as he charged, I had made it appear that they only operate 10 per cent of their ships under the American flag, and then he makes a very specious and very misleading argument, evidently deliberately intended to mislead the public.

One of the most effective methods of misleading anybody is by the statement of a half truth or one-tenth of a truth and withholding the remainder of the truth.

In this interview, which is published in the New York Journal of Commerce, which, by the way, carried a pretty full account of my proposed amendment and of my remarks on it the other day, Mr. Munson, among other things, says:

As a matter of fact, the Munson Line owns but three ships under foreign registry, and they aggregate about 18,000 dead-weight tons out of a total of about 260,000 dead-weight tons. So instead of the Munson Line owning 10 per cent American and 90 per cent foreign-flag ships, they own about 93 per cent American and 7 per cent foreign.

He asserts that my statement is—

Just 93 per cent in error.

I call your attention to the fact that all the way through he plays upon the word "own." My amendment says nothing about ownership, but refers to operation, and forbids the awarding of these very valuable mail contracts to companies which are—

Operating or controlling the operation of any foreign-flag ships in competition with any American-flag ships

in the foreign trade.

So my remarks all the way through refer to operation. I said there were companies receiving and attempting to obtain these valuable aids which are operating a majority of their ships under foreign flags.

I think it fair to state that the author of the article in question in the Journal of Commerce, after giving Mr. Munson's unfair interpretation of my statement and his specious argument in reply, very fairly concluded the article as follows:

Representative DAVIS, in discussing his measure on the floor of the House, said he was speaking in general and from the standpoint of principle, but in response to a request to cite some of the companies operating foreign-flag vessels the Tennessean replied that two of the

companies that he had in mind are the Munson Steamship Co. and the International Mercantile Marine. He added that "others could be mentioned," but did not name any additional companies to which the conditions of which he complained might apply.

Now, what are the facts? I have had the records looked up by an entirely responsible person, who got them from official sources, and I am satisfied that the records I am going to give are absolutely correct. What do they show? They show that the Munson Steamship Lines, during the year 1929, owned and operated 26 ships registered and operated under the American flag. Three of these ships are engaged exclusively, according to the records, in intercoastal trade; in other words, in the protected American trade, and are not in competition with any foreign ships. A number of the others operate sometimes in the near-by foreign trade, Cuba, and so forth, and a part of the time in the coastwise trade. But we will take the 23 that, according to the records, operate at all in the foreign trade with a total tonnage of 124,512 gross tons.

Now, what else do the records show? The records show that during the year 1929 the Munson Steamship Lines owned and operated four ships under foreign flags. In his statement he says three. One of these is a very small one, and perhaps he may have overlooked it.

What else do the records show? They show, and I have the names and the tonnage, which I shall insert in the RECORD, of 147 foreign-owned and foreign-documented ships, flying foreign flags, which Munson chartered and operated under foreign flags and in the American-foreign trade during the year 1929. I do not wish to leave the impression that he operated all of these ships at any one time, but that many different ships during the year. The 147 that he operated under charter, together with the 4 that he owned, makes 151 under foreign flags as compared with 23 under the American flag in the foreign trade. In other words, of the ships which Munson operated in the foreign trade during last year slightly more than 13 per cent flew the American flag and nearly 87 per cent flew foreign flags. Consequently, if I had stated that he did not operate exceeding 10 per cent of his ships under the American flag, I would only have been about 3 per cent in error instead of 93 per cent.

While I spoke solely of ships and not of tonnage, yet Mr. Munson in his desperate efforts to defend his position undertakes to make a comparison by tonnage. The records furnished me show that his 23 American-flag ships operated in the foreign trade have a gross tonnage of 124,512; that the foreign-flag ships owned by him have a gross tonnage of 13,141; and that 145 of the foreign-flag ships which he operated under charter last year had a gross tonnage of 443,251; I was not furnished the tonnage on two of his chartered foreign ships. Omitting the tonnage of these two ships the gross tonnage of the remaining chartered ships and owned ships flying foreign flags aggregate 456,392. In making a comparison on the basis of tonnage it will be seen that 21.4 per cent were operated under the American flag and 78.6 per cent under foreign flags last year.

Mr. Munson's statement shows that he thought he had been charged with wrongdoing. He was trying to get out from under the charge that he was engaged in operating such a large number of foreign ships, and yet receiving valuable mail aid and strenuously seeking still other foreign mail contracts. To-day he has a 10-year contract with the Government, under which he is receiving \$1,247,584 per annum upon four ships that he is operating between New York and South America, and he was given this most valuable contract without any obligation whatever to construct any new ships or to replace any ships on that line.

He is now seeking in every manner possible to obtain an additional mail contract, particularly in the Gulf, against an existing 100 per cent American steamship line which for 10 years has operated a liner service successfully and satisfactorily to everybody concerned—all the shippers and all the organizations—and which had bought all of its ships from the Shipping Board and paid the highest prices for them that has ever been paid the Shipping Board for cargo vessels since the World War. I just could not permit to go unchallenged this very unfair, very misleading statement of Mr. Munson, made evidently for the purpose not only of trying to place me in a false light, but misleading the public as to the real operations of the Munson Steamship Lines.

In this connection, Mr. Chairman, I ask unanimous consent that I may be permitted to revise and extend my remarks, including the insertion of the list of ships and some other items relative thereto, to which I have made reference.

The CHAIRMAN (Mr. WILLIAM E. HULL). Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BANKHEAD. If it will not disturb the gentleman from Tennessee—

Mr. DAVIS. I gladly yield to the gentleman from Alabama.

Mr. BANKHEAD. I did not hear the gentleman's proposed amendment in connection with the argument he has just made. Would the gentleman mind restating the proposed amendment and the contemplated effect of the amendment, if adopted?

Mr. DAVIS. Yes; I will say to the gentleman that the effect and purpose of the amendment is to provide that the Postmaster General shall not award any of these mail contracts that are provided for in another section of the merchant marine act, 1928, to any company which directly or indirectly operates foreign-flag ships in competition with American-flag ships in our foreign trade.

The language is fuller than that and is designed to cover subsidiaries and affiliated companies and prevent subterfuge.

The gentleman from Alabama was formerly on the Committee on Merchant Marine and Fisheries, and he will recollect that in the act of 1920 very great care was taken to define the words "American citizen" with respect to the use of it in the act. That was still further amended later on. Numerous efforts were made to make a 100 per cent American merchant marine.

For instance, all the officers upon an American ship must be American citizens, and at least 50 per cent of the crew must be American citizens, and in 3 years two-thirds of the crew must be American citizens. The law provides that ships may be taken by the Government in an emergency without any enhancement in price on account of the emergency or any consequential damages. There are innumerable advantages and obligations with respect to American ships which do not apply in any sense of the word with respect to foreign ships.

Now, I insist that it is manifestly unfair to grant these valuable aids to any company, even though the owners and officers are American citizens who devote the greater part of their energies and their money and their resources to build up and maintain foreign-flag ships, rather than American-flag ships.

Mr. GIFFORD. Will the gentleman yield?

Mr. DAVIS. I yield.

Mr. GIFFORD. I think I understand the gentleman's position, but suppose that instead of 10 per cent they own 90 per cent in the American ships and only 10 per cent in the foreign ships. Would the gentleman's amendment be applicable to that?

Mr. DAVIS. It would; and I say frankly to the gentleman I think it should. My amendment would not prevent any steamship company from operating as many ships as it wanted to under foreign flags; it would not prevent the Postmaster General from transporting our mail in foreign-flag ships, even where they are foreign owned, but such transportation of the mail would be paid on a pound basis at rates provided by law.

But the basis of my amendment and what I propose is this: That so far as these valuable mail contracts are concerned they should be reserved for and granted alone to American citizens who are willing to operate 100 per cent American ships—to play the American game alone. [Applause.]

Mr. GIFFORD. Will the gentleman yield further?

Mr. DAVIS. I yield.

Mr. GIFFORD. The gentleman knows that I am entirely in sympathy with his views.

Mr. DAVIS. I so understand.

Mr. GIFFORD. Suppose a steamship company as large as the Munson Line has 26 domestic ships and 147 foreign and perhaps smaller ships, do not they operate in important lines where they are not in competition with American ships, and it might be necessary to give them the contract?

Mr. DAVIS. If they operate ships not in competition with American ships my amendment does not apply, because its application is expressly restricted to ships being operated in competition with ships under the American flag. [Applause.]

The matter referred to in the leave given Mr. DAVIS to extend is as follows:

American steamers owned and operated by the Munson Line, 1929	
SOUTH AMERICAN SERVICE	
Steamer:	Gross tonnage
American Legion	13,736
Pan America	13,712
Southern Cross	13,780
Western World	13,712
CUBAN AND/OR COASTWISE SERVICE	
Munalbro	4,282
Muncove	2,437
Munisia	2,270
Munmotor	2,450
Munsomo	2,948
Rajah	2,264

GULF-PLATE SERVICE ¹		Gross tonnage
Steamer—Continued.		
Munrio	-----	3,878
Muntropic	-----	5,670
Munmystic	-----	5,685
Munindies	-----	4,576
INTERCOASTAL SERVICE		
Mundelta	-----	4,747
Munbeaver	-----	4,835
Munaires	-----	4,620
NEW YORK-BRAZIL SERVICE		
Munorleans	-----	4,418
Walter D. Munson	-----	3,703
Munamar	-----	3,440
NEW YORK-NASSAU SERVICE		
Munargo	-----	6,484
BALTIMORE-JACKSONVILLE, MIAMI, AND HABANA		
Munloyal	-----	2,647
Munlisto	-----	2,606
GULF-CUBA, ETC.		
Munplace	-----	3,235
(Ships are changed on services from time to time according to requirements and positions.)		
Mundixie	-----	3,285
Mundolphin	-----	3,285
<i>Foreign-flag steamers owned and operated by Munson Line, 1929</i>		
GULF-PLATE SERVICE		
Steamer:		
Muneric (British)	-----	5,146
Munarden (British)	-----	3,813
GULF-CUBA, ETC., SERVICE		
Munorway (Norwegian)	-----	3,514
Fritzoe (Panaman)	-----	668
Total	-----	13,141

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

Steamer:	Gross tonnage
Agnete Maersk	2,088
Anders	1,343
Amersham	3,816
Ada Gothron	2,405
Arkansas	6,863
Anna Sofie	3,100
Ada	2,456
Adour	3,313
Alssund	3,222
Backworth	2,481
Bellasco	2,494
Blairloyie	3,071
Broompark	2,464
Briarpark	1,942
Brynhied	2,195
Blairdevon	3,282
Bracondale	3,087
Baron Sempill	2,498
Baron Ailsa	2,546
Betty	2,439
Britte	1,541
Bur	4,343
Britt Marie	3,019
Blarathol	3,319
Cresco	1,270
Charterhythe	3,736
Cymric Pride	3,827
Carronpark	2,630
Cronshagen	1,787
Certo	2,222
Cape Ortegale	4,896
Collingham	4,080
Charterhaven	4,315
Dagny I	1,392
Dampfire	1,734
Dumfries	3,650
Dagali	1,902
Domira	3,852
Dunstaffnage	4,525
Dampen	2,493
Edvard Munch	2,735
Elswick Grange	3,926
Eilbek	2,125
Essex Friari	3,157
Evviva	1,597
Eir	5,058
Ellerdale	3,754
Frank Seamans	4,271
Facto	1,522
Frith of Eide	4,140
Flottbek	1,938
Frode	2,140
Glenpark	1,974
Gorm	2,156
Gunny	2,362
Gefion	2,498
Gydavore	3,653
Gro	4,211
Gibraltar	4,330
Greenwich	3,554

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

Steamer—Continued.	Gross tonnage
Hansbroge	2,095
Hartbridge	5,080
Imacos	1,143
Ingola	3,846
Ivar	2,145
Induna	5,086
Idefjord	4,287
Juno	2,345
Jacob Christensen	3,594
Keret	1,718
Kotonla	2,624
Kirsten Maersk	2,252
Kentucky	2,136
Kai	1,746
Lorentz W. Hansen	1,918
Lifland	2,254
Lady Kathleen	3,661
Lady Astley	3,048
Laurel Park	1,935
Lisbeth	2,732
Mano	1,415
Mira	2,196
Milton	3,760
Marthara	4,999
Modig	4,974
Margit	1,735
Minna	1,544
Mountpark	2,699
Mexicano	3,694
Magdala	4,814
Marie Leonhardt	2,594
Mathilda	3,650
Maine	6,000
Norphavet	770
Nordstjernen	1,839
Niels R. Pinsen	1,834
Nils	2,647
Nordamerika	2,529
Norden	2,468
Nidarholm	3,270
Notos	3,716
Nordlys	3,114
Newaster	2,818
Odensholm	3,646
Oakfield	1,950
Olof Maersk	1,613
Proft	1,598
Pluto	2,816
Pacific (British)	4,267
Porsanger	3,577
Polycarp	5,343
Pacific (Danish)	1,894
Phonix	4,071
Penhale	5,652
Pennsylvania	3,781
Pacifico	3,534
Peer Gynt	1,935
Rygja	4,351
Rowanpark	6,583
River Drontes	4,838
Romsdalshorn	3,441
Reedpool	2,147
Scotia	2,280
Svanhild	2,350
St. Therese	3,332
Sarmatia	1,806
Seven Seas Trader	2,242
Silkeborg	3,112
Stal	2,476
Shenflance	4,625
Steinstad	3,050
Stagpool	3,072
Sheaf Spear	1,655
Thurston	1,426
Thyra (Norwegian)	4,430
Terne	4,323
Trafalgar	2,781
Treglisson	2,697
Thetis (ex Wlivo)	1,401
Wimus	4,891
Wlva	1,931
Willapool	5,423
Willowpark	5,011
Wansted	3,221
Waalidijn	4,014
Wilston	
Wearbridge	
Total	443,251

Total foreign vessels chartered by the Munson Steamship Co. during the year 1929, 147; foreign owned, 4
 Total 456,392

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

Vessel	Flag	Date cleared	Destination
Munrio	American	1929 Jan. 8	Montevideo-Baires.
Muneric	British	Jan. 24	Do.
Charterhythe	do.	Feb. 26	Monte-Baires-Rosario.
Marthara	do.	Mar. 16	Do.
Munindies	American	Apr. 24	Do.
Pacific	Danish	May 17	Do.

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

Vessel	Flag	Date cleared	Destination
Waaldijk	Dutch	1929 May 29	Baires-Rosario-Santa Fe.
Modig	Norwegian	June 12	Monte-Baires.
Muneric	British	July 1	Buenos Aires.
Trafalgar	do	do	Bahia Blanca.
Munardan	do	July 18	Baires-Santa Fe.
Marthara	do	Aug. 3	Baires-Rosario.
Muntropic	American	Aug. 31	Buenos Aires.
Munmystic	do	Sept. 9	Monte-Baires.
Munindies	do	Sept. 28	Monte-Baires-Santa Fe.
Munrio	do	Oct. 22	Monte-Baires-Rosario.
Munardan	British	Nov. 12	Baires-Rosario.
Muneric	do	Nov. 30	Monte-Baires-Santa Fe.
Charterhaven	do	Dec. 16	Santos-Rio Grande-Baires.

RECAPITULATION

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

List of mail contracts under Jones-White Act in effect December 1, 1929, and amounts of pay estimated by Post Office Department for fiscal year 1931

From North Atlantic ports:	
Munson Steamship Line	\$1,247,584
Export Steamship Co.	1,630,161
American South African Line	285,522
Grace Steamship Co.	793,920
Eastern Steamship Co.	225,624
New York & Porto Rico Steamship Co.	46,176
American Scantic Line	583,700
American West African Line	286,650
Atlantic & Caribbean Co.	372,419
New York & Cuba Mail Co. (Habana)	410,356
New York & Cuba Mail Co. (Vera Cruz)	419,536
American Line (Balboa)	418,496
	\$6,720,144
From Pacific ports:	
Oceanic Steamship Co.	692,886
Dollar Line (Manila)	1,262,664
Dollar Line (Colombo)	1,141,296
Admiral Oriental Line	1,070,784
States Steamship Co. (Manila)	399,540
States Steamship Co. (Darlen)	184,440
Oceanic-Oriental Co. (Auckland)	169,740
Oceanic-Oriental Co. (Melbourne)	210,960
Pacific Argentine Brazil Line	308,523
Tac. Oriental Co.	347,679
	5,788,512
From Gulf ports:	
Gulf Mail Steamship Co.	26,618
Lykes Steamship Co.	269,047
	295,665
From south Atlantic ports:	
South Atlantic Steamship Co.	367,657
Total	13,171,978

Mr. WOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Vermont [Mr. GIBSON].

Mr. GIBSON. Mr. Chairman, on May 11, 1929, there was introduced a bill (H. R. 2858) to provide for the acquisition of a residence for the use of the Vice President. The bill provides for a commission, to be composed of the Vice President, as chairman; the Speaker of the House of Representatives; the chairman and ranking minority member of the Senate Committee on Public Buildings and Grounds; the chairman and the ranking minority member of the Committee on Public Buildings and Grounds of the House of Representatives; and the Architect of the Capitol. The commission is authorized to acquire on behalf of the United States, by gift or purchase, a house, appropriate furnishings, equipment, appurtenant structures, and grounds for the use of the Vice President, at a cost not to exceed \$500,000.

The second official of the Nation is expected to entertain in a manner suitable to the high office he holds. The increasing demands of the day make this necessary, since the President is not available for many of the social functions. We have chosen Vice Presidents who have been able out of their own means to maintain the position in appropriate dignity. On the other hand, we have elected able men to that office who have given all their time to the public service who were without private resources to meet the demands. They have been compelled to live at hotels, in comparatively modest quarters, and to struggle through their terms, constantly faced with the problems of the expense. It is beyond the understanding of the average citizen that such a situation should exist in this great and rich Nation.

We have laid out a splendid building program. With the erection of the fine departmental buildings along Pennsylvania

Avenue, the new Supreme Court Building, and the new House Office Building here on the Hill, this country will have the most complete building equipment for the transaction of the business of a great government, and the most beautiful Capital City in the world. We can then point with pride to a magnificent achievement. But let us complete the work by the erection of a suitable establishment for the Vice President, that he may be able to maintain his position in that Capital City as befits the second highest office in the Republic.

The proposal has not yet aroused the interest that it deserves. Sufficient publicity has not been given it. Recently, however, an outstanding American, who served in the office of Vice President with such dignity and fairness as to win the respect and confidence of all, who served in the highest office of the Nation with such distinguished ability as to leave an impress of his character in the mind of every citizen, has come to the support of the plan. Let me read what he says in his autobiography, a book that should be read by every boy and girl to give them a fuller appreciation of the opportunities their Government holds for them:

It had been our intention to take a house in Washington, but we found none to our liking. They were too small or too large. It was necessary for me to live within my income, which was little more than my salary, and was charged with the cost of sending my boys to school. We, therefore, took two bedrooms, with a dining room, and large reception room at the New Willard, where we had every convenience.

It is difficult to conceive a person finding himself in a situation which calls on him to maintain a position he can not pay for. Any other course for me would have been cut short by the barnyard philosophy of my father, who would have contemptuously referred to such action as the senseless imitation of a fowl which was attempting to light higher than it could roost. There is no dignity quite so impressive, and no independence quite so important, as living within your means. In our country a small income is usually less embarrassing than the possession of a large one.

But my experience has convinced me that an official residence with suitable maintenance should be provided for the Vice President. Under the present system he is not lacking in dignity, but he has no fixed position. The great office should have a settled and permanent habitation and a place, irrespective of the financial ability of its temporary occupant. While I was glad to be relieved of the responsibility of a public establishment, nevertheless it is a duty the second officer of the Nation should assume. It would be much more in harmony with our theory of equality if each Vice President held the same position in the Capital City.

I have read from the autobiography of Calvin Coolidge. If there is a man who can speak from ripe experience and who knows out of that experience what is needed to maintain the position of the Vice President, it is that splendid American, the ex-President. [Applause.]

Mr. BYRNS. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. GREEN].

Mr. GREEN. Mr. Chairman and my colleagues, ever since the people of my district were kind enough to honor me with a seat in the Congress, I have consistently been an advocate of farm relief. I have conscientiously all along worked for such measures as I believed would bring relief for the agricultural class of our Nation, because it is not hard to realize the great gap which exists between the tiller of the soil, the actual producer, and the consumer, and the great difference in the amount of money received and used by the two great classes. When we realize that about 90 per cent of the capital of our country is controlled and owned by 10 per cent of the people of our country, and when we know that something like 30 to 35 per cent of our people are engaged in the farming industry and possess only 1 to 2 or 2½ per cent of the capital owned and controlled, we all know the importance of enacting such measures as will make this step shorter and as will have a tendency to stabilize economic conditions of the general masses of our entire country.

Our Government has been considerate in carrying relief to the farmers of our country in the 4-H Club work. The 4-H Club work in my State is probably serving a better agricultural purpose than any measure which the Congress has ever enacted. The assistance carried to the State governments by the Federal appropriations, cooperated in by the various State governments, is very important.

My State, I am very glad to say, has availed itself of this opportunity, and throughout the State we have 4-H Clubs, boys' clubs and girls' clubs, organized under able leadership, and they are receiving training and practice as to the best method of raising crops of all kinds that are adapted to our State, and in other States they are receiving that training with respect to crops adapted to such State; we have pig clubs, calf clubs, chicken clubs, corn clubs, and others, and the girls have their

sewing clubs and canning clubs and others, all under supervision of competent administrators.

In my State of Florida are to be found some of the most competent agricultural and home demonstration agents. In my home county are one each of the best in the country. Doctor Rickenbacher and Miss Pearl Jordan, in Bradford County, are demonstrating the real purpose of the 4-H Club work and are obtaining best results.

In this work we are educating those who will farm to-morrow in scientific methods, not only of production but of caring for and marketing of produce, and I dare say that the farm question through this effort alone will be a great deal simpler and more nearly solved in 10 to 15 years from now than it is to-day. I believe the 4-H Club will almost within itself solve the farm problem. I have here a short address made by a 4-H Club girl, the national health-contest winner of our State, which I shall ask the Clerk to read in my time, because I believe it will be of general interest to all Members of the Congress.

The CHAIRMAN. Without objection, the Clerk will read.
The Clerk read as follows:

RADIO TALK BY FLORENCE SMOCK, NATIONAL HEALTH CHAMPION, 4-H CLUB GIRLS

You want to know about my club work?

I have been a club girl two and one-half years. My first work was in clothing and I have completed first and second year programs. Next I improved my own bedroom; the walls and floors I repainted or stained and I refinished the furniture. My kitchen I did over in blue and white—both the furniture and the furnishings. I do all the meal planning and cooking—except the noon meal—for our family. This year I have grown a garden of vegetables for our family table and for flowers. I am helping my county home demonstration agent with the leadership of my own club this year.

I am a senior life-saver and have taken part in swimming feats in 25 of the 1,400 lakes in my county. I have done life-saving in five of these Lake County lakes. This year I taught swimming in the 4-H county camp.

Why did I win the national health contest?

Because we, as 4-H Club girls in Florida, had good training in nutrition before we were allowed to enter the health contest. We held our contests in each community and county before going to the State contest. In the State contest in June, 1929, two girls were selected as best and we had to wait until Thanksgiving Day when we were tested again. That kept us up to the best. I made only a little higher score on November 29 than Mildred Hilliard, Hernando County, Fla. Then I had to leave the warm sunny climate of Florida and come into snow and ice. It seemed almost impossible to keep from taking cold. I had the best of care as to my diet and clothes and reached the contest in good shape.

I find that all the people who live in the land of ice and snow have very warm hearts. They have been so nice to me and I think that helped a great deal. You asked me why I am healthy. Well, it's Florida sunshine, Florida fruit, Florida vegetables the year round, Florida milk every day, and Florida lakes in which I swim the greater part of the year. But let me say again my improvement in many ways is due to my work in 4-H Club, where my major subject has been food nutrition and health.

Oh, yes; before I forget, I want to thank Miss Mary A. Stennis, extension nutritionist of Florida, for all that she has done in getting me ready for this contest. And I do want to thank the Florida Legislature and Mr. Mayo, of the State department of agriculture, for sending me to Chicago, and Doctor Brink and Doctor Fort, of the State board of health, for their services in the State contest.

And, finally, I want to say that in winning this contest I am not so glad for myself but for my parents and for Florida and Florida friends who have helped—Florida the land of sunshine, citrus fruit, lakes, palm trees, and best of all, good friends.

[Applause.]

Mr. GREEN. One of the principal things of interest in that statement is the showing of splendid citizenship training which this young lady received in 4-H Club work in my State; she speaks of the hospitality of the people attending the contest from the other States.

She spoke so kindly of her warm reception by the people in Chicago and Illinois, and, in fact, all with whom she came in contact. As a result of this contest meeting she and all other contestants gained rich experience and knowledge, which will make them stronger and more useful American citizens.

I have here another brief statement by Dr. Mary A. Stennis, extension nutritionist and Florida's director in 4-H Club girls work, which I would like to have read into the RECORD in my time, but I do not know that the time will quite permit. If there is no objection to placing it in the RECORD—I do not want Members to be deterred in making objection because of any courtesy to me—I ask unanimous consent that it be printed in the RECORD with this other.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD by printing the article he referred to. Is there objection?

Mr. WOOD. Mr. Chairman, reserving the right to object, what is that article?

Mr. GREEN. It is along the same line as Miss Smock's address, a brief statement by this young lady's director.

Mr. WOOD. How much of an article is it?

Mr. GREEN. About two pages, I believe. It has some very good statements relative to health and the general benefit of this work.

The CHAIRMAN. Is there objection?

There was no objection.

The article referred to is as follows:

RADIO TALK, ORANGE COUNTY CHAMBER OF COMMERCE, DECEMBER 17, 1929

Florida's winning the national health championship for the 4-H Club girls, an item for the past two weeks happy news of national interest is the result of four years' intensive educational work along the line of food nutrition and health, for girls and women, planned and carried out by the home demonstration department or extension department of the Florida State College.

Of the 10,000 4-H Club girls in Florida at least 6,000 have elected the nutrition program, in connection with which the majority of club members have carried a food-production program, since home-demonstration work includes both agriculture and home economics. The program of work in nutrition, and consequent better health, belongs particularly to the 4-H Clubs for two reasons: First, one of the H's stands for head, hand, heart, health; second, the club works toward producing fruits, vegetables, and milk, to use in nutrition work. Florida-grown products used to produce Florida-grown girls and boys, Florida's greatest assets. "Health," as Doctor Tigert, president of our State university, has told us, "is fundamental in any kind of success, in efficiency, in happiness, in home making, in life."

The aim of the nutrition program of the home-demonstration department was stated in 1925 as being this: "To teach girls to recognize and use the wonderful foods produced by Florida, and also the other factors which exist in this State, and which are available for use in bringing about better nutrition and health."

These other factors include out-door living, playgrounds, swimming facilities, happy environments, beauty of surroundings, and more than that—sunshine. May I just say here that sunshine, which you have used so glibly as advertising, the nutritionist and 4-H Club girls seriously accept as fundamental in the list of nutritional factors.

During the four years of the existence of the present educational nutrition program the State health contest has been an incidental part. Girls carrying "food nutrition and health" were allowed to compete. While our health program for club girls is largely preventive, we find it necessary in many cases to find and remove defects in order that the nutrition work may be effective; therefore, we issue special directions for getting ready for high achievement in this line. Mimeographed suggestion—13 are available to every girl—calling attention to corrections which should be remembered.

Every 4-H Club girl enrolled in nutrition competes in her own club. The healthiest is selected. One from each club is chosen to enter the county contest. A physician, dentist, eye, ear, nose, throat specialist, and nurse usually make up the examining committee to assist the home demonstration agent in selecting the healthiest girl in the county. In 1929, 20 counties entered a representative in the State contest held by the home demonstration department at Tallahassee in June. Dr. J. B. Game, jr., Dr. O. G. Kendrick, Dr. F. L. Fort, Dr. F. A. Brink, and the extension nutritionist were the committee in charge. A detailed score used in the national contest was used. Two girls making highest score—almost a tie—were chosen as Florida's healthiest 4-H Club girls.

Corrections were made under the direction of Mrs. H. O. Albert, Hernando County, and Miss Christine McFerron and Mrs. Mary S. Allen, Lake County, but neither was perfect. Other special instructions were given as to diet, food, and health habits, exercise, sleep, shoes, and posture, and the girls were told to work off the tie by November.

The Florida Legislature invited these two girls to appear before the session. As a result, a bill was drawn up by Mr. Westbrook, of Lake County, introduced by Mr. Beasley, of Hernando, sponsored in the house by Doctor Kennedy, and in the senate by Mr. Futch, of Lake County, to send both girls to Chicago. The bill was passed. All summer the girls, under the direction of the home demonstration agents, continued their nutrition work and improvements. In November, Thanksgiving, the final test was made by Doctor Brink and Doctor Fort, who decided that Lake County scored slightly higher, but asked the final decision not to be announced until it was seen how the Lake County girl met Chicago climate. The physicians carefully instructed the nutritionist who was to enter Florida's contestant to use the greatest care en route. Personal supervision as to diet, clothing, exercise, and rest—care of every detail was given until Monday morning, the date of the contest.

Monday's examination usually means another call for a high group to be reconsidered. "Florida's" wonderful sun tan, splendid color, perfect

posture, and personality, that can result only from health within, went a long way to convince the committee of examining physicians, they said, of "Florida's" wonderful health. Florence Smock was the last examined. Twenty-eight States entered. There was no second contest. Florida was first and Mississippi second. The Chicago Tribune said: "Florida has won the award most coveted by everybody." From that time forth Florida was honored. During the contest not even the physicians knew her State. From then on everybody loved "Florida," as they called Florence.

The talkies, the movies, the newspapers, and photographers sought her. A special committee took charge of both health champions—the Indiana boy and the Florida girl. They had two days of sightseeing, broadcasting, banquets, luncheons, shopping—everything.

Representatives of the United States Department of Agriculture, of the Florida State Department of Agriculture, as well as executives of the Boys' and Girls' Club Congress. Also, Cyrus McCormick, jr., Alexander Legge, and the chairman of the National Health Committee and chairman of the broadcasting committee of the congress entertained Florence, our national health champion. She found time to meet the other champions of the congress and to make many personal contacts. She did her Christmas shopping, saw the big stores, saw the millionaire section and the tenement section. Her reaction was, "If only these people knew about Florida how they would love to live there." Florence, as I said in the beginning, has learned nutrition. It is a part of her everyday life. She answered questions so naturally that everybody knew she knew "nutrition" as well as "her Florida."

Just why do you think you are so healthy? "Oh, Florida oranges and sunshine." Then she added, "and Florida lakes; I swim lots." In her broadcasting the following day she said: "My 4-H Club work has helped; I've learned to make many improvements. I want to thank everybody who has helped," she said. "You asked me why I am healthy? Why, its Florida sunshine, Florida fruits, Florida vegetables, the year round; Florida milk every day, Florida lakes in which I swim nearly every month in the year." When asked why she was such a Florida booster, she replied, "Why, everybody who ever lived there, loves it—they can't help it."

Yesterday I visited her on the playgrounds. She was in her basketball suit on the field. She excused herself from the game just long enough to discuss a photograph we wanted, and then ran back to play, seemingly unconscious of her national fame. Not only Florence Smock, but thousands of girls under the supervision of home-demonstration agents throughout Florida and throughout the United States, have been brought through this achievement to a higher ideal of health and right living.

Allow me to make special mention to-day of Doctor Tyre and Doctor Williams, of Eustis, who rendered special service; of the Eustis Business and Professional Women's Club; of the Clermont Home Demonstration Club; of the Florida Legislature and Mr. Mayo, of the State department of agriculture; of the State board of health; of the home economics teachers and other teachers, physicians, and nurses of the State, and especially Mrs. Ebinger, of Eustis, for their cooperation with all the home-demonstration agents in accomplishing for Florida a state-wide work which has made it possible not only to bring Florida to the front page of splendid educational publicity but also to raise the standards and ideals of right living among the 4-H Club girls, and finally among all the girls and boys of Florida.

Mr. GREEN. I thank my colleagues for their attention, and assure you that it is my belief that it we can get sanction for the full assistance to the 4-H Clubs and their work in the future, as has been given by the Government in the past, we will do much toward solving the farm problem. [Applause.]

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SNELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 8531) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1931, and for other purposes, and had come to no resolution thereon.

RESIGNATION OF A MEMBER

The SPEAKER laid before the House the following communication, which was read and ordered spread upon the Journal:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 9, 1930.

Hon. NICHOLAS LONGWORTH,

Speaker of the House of Representatives:

SIR: I beg leave to inform you that I have this day transmitted to the Governor of Kentucky my resignation as a Representative in the Congress of the United States from the eleventh district of Kentucky.

Respectfully,

J. M. ROBSION.

REFUND OF VISA FEES (H. DOC. NO. 256)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Immigration and Naturalization and ordered to be printed:

To the Congress of the United States:

I inclose a report received from the Secretary of State concerning certain claims against the United States for refund of the fees collected for visas issued under the laws in force prior to July 1, 1924, which were rendered worthless by the enactment of the Immigration act of 1924. The report requests that the Congress authorize the appropriation of the sum necessary to refund the fees referred to.

I concur in the recommendation of the Secretary of State and recommend that the Congress authorize an appropriation in the sum of \$160,000 or so much thereof as may be necessary to effect the settlement of these claims.

HERBERT HOOVER.

THE WHITE HOUSE, January 15, 1930.

ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 52 minutes p. m.) the House adjourned to meet to-morrow, Thursday, January 16, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following list of committee hearings scheduled for Thursday, January 16, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m. and 2 p. m.)

Independent offices appropriation bill.

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10 a. m.)

To amend the World War veterans' act, 1924 (H. R. 7825).

COMMITTEE ON IMMIGRATION AND NATURALIZATION

(10.30 a. m.)

To consider bills concerning aliens from countries of the Western Hemisphere immigrating to the United States.

COMMITTEE ON ROADS

(10 a. m.)

Providing for a study regarding the construction of a highway to connect the northwestern part of the United States with British Columbia, Yukon Territory, and Alaska in cooperation with the Dominion of Canada (H. R. 4442).

COMMITTEE ON EXPENDITURES IN EXECUTIVE DEPARTMENTS

(10.30 a. m.)

To authorize the President to consolidate and coordinate governmental activities affecting war veterans (H. R. 6141).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

266. A communication from the President of the United States, transmitting supplemental estimates of appropriations pertaining to the legislative establishment, under the Architect of the Capitol, for the fiscal year 1930, in the sum of \$112,533 (H. Doc. No. 255); to the Committee on Appropriations and ordered to be printed.

267. A letter from the Secretary of the American Academy of Arts and Letters, transmitting report of its activities during the year ended December 31, 1929; to the Committee on the Library.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. FISHER: Committee on Military Affairs. H. R. 2824. A bill to amend section 5 of the act entitled "An act to establish a national military park at the battle field of Fort Donelson, Tenn.," approved March 26, 1928; without amendment (Rept. No. 178). Referred to the Committee of the Whole House on the state of the Union.

Mr. FISHER: Committee on Military Affairs. H. R. 2825. A bill to amend section 5 of the act entitled "An act to establish

a national military park at the battle field of Stones River, Tenn.," approved March 3, 1927; without amendment (Rept. No. 179). Referred to the Committee of the Whole House on the state of the Union.

Mr. JOHNSON of South Dakota: Committee on World War Veterans' Legislation. H. R. 8570. A bill to amend the World War veterans' act, 1924; without amendment (Rept. No. 180). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOOPER: Committee on the Public Lands. H. R. 3568. A bill to amend section 1 of an act entitled "An act to revise the north, northeast, and east boundaries of the Yellowstone National Park in the States of Montana and Wyoming, and for other purposes," approved March 1, 1929, being Public Act No. 888 of the Seventieth Congress; without amendment (Rept. No. 181). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 155. A bill providing compensation to the Crow Indians for Custer Battle Field National Cemetery, and for other purposes; without amendment (Rept. No. 182). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on Indian Affairs. H. R. 4604. A bill to provide for the recording of the Indian sign language through the instrumentality of Maj. Gen. Hugh L. Scott, retired; without amendment (Rept. No. 183). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 2902. A bill to authorize the sale of the Government property acquired for a post-office site in Binghamton, N. Y.; without amendment (Rept. No. 192). Referred to the Committee of the Whole House on the state of the Union.

Mr. ELLIOTT: Committee on Public Buildings and Grounds. H. R. 7997. A bill authorizing the purchase by the Secretary of Commerce of additional land for the Bureau of Standards of the Department of Commerce; with amendment (Rept. No. 193). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 6151. A bill to authorize the Secretary of War to assume the care, custody, and control of the monument to the memory of the soldiers who fell in the Battle of New Orleans, at Chalmette, La., and to maintain the monument and grounds surrounding it; with amendment (Rept. No. 194). Referred to the Committee of the Whole House on the state of the Union.

Mr. COOPER of Wisconsin: Committee on Foreign Affairs. H. J. Res. 195. A joint resolution authorizing and requesting the President to invite representatives of the Governments of the countries members of the Pan American Union to attend an Inter-American Conference on Agriculture, Forestry, and Animal Industry, and providing for the expenses of such meeting; without amendment (Rept. No. 195). Referred to the Committee of the Whole House on the state of the Union.

Mr. McSWAIN: Committee on Military Affairs. H. R. 707. A bill to authorize an appropriation for construction at Fort McKinley, Portland, Me.; without amendment (Rept. No. 196). Referred to the Committee of the Whole House on the state of the Union.

Mr. FISH: Committee on Foreign Affairs. H. J. Res. 132. A joint resolution authorizing the appointment of an ambassador to Poland; without amendment (Rept. No. 197). Referred to the Committee of the Whole House on the state of the Union.

Mr. FISH: Committee on Foreign Affairs. S. J. Res. 115. A joint resolution authorizing the appointment of an ambassador to Poland; without amendment (Rept. No. 198). Referred to the Committee of the Whole House on the state of the Union.

Mr. WILLIAMSON: Committee on Indian Affairs. H. R. 7881. A bill authorizing the Secretary of the Interior to erect a monument as a memorial to the deceased Indian chiefs of the Cheyenne River Sioux Tribe of Indians; with amendment (Rept. No. 199). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HOOPER: Committee on War Claims. H. R. 5901. A bill for the relief of the estate of Martin Preston, deceased; without amendment (Rept. No. 176). Referred to the Committee of the Whole House.

Mr. HOOPER: Committee on War Claims. H. R. 7783. A bill for the relief of the University of Kansas; with amendment (Rept. No. 177). Referred to the Committee of the Whole House.

Mr. EVANS of California: Committee on Naval Affairs. H. R. 389. A bill for the relief of Kenneth M. Orr; without amend-

ment (Rept. No. 184). Referred to the Committee of the Whole House.

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 472. A bill for the relief of Thomas T. Gessler; with amendment (Rept. 185). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 658. A bill for the relief of Arthur L. Hacykell; without amendment (Rept. No. 186). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 1050. A bill providing for the promotion of Chief Pharmacist Laurence Oliphant Schetky, United States Navy, retired, to the rank of lieutenant, Medical Corps, on the retired list of the Navy; without amendment (Rept. No. 187). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 3097. A bill for the relief of Capt. George G. Seibels, Supply Corps, United States Navy; without amendment (Rept. No. 188). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 3098. A bill for the relief of Capt. Chester G. Mayo, Supply Corps, United States Navy; without amendment (Rept. No. 189). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 3100. A bill for the relief of Capt. P. J. Willett, Supply Corps, United States Navy; without amendment (Rept. No. 190). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. H. R. 3101. A bill for the relief of Lieut. Arthur W. Babcock, Supply Corps, United States Navy; without amendment (Rept. No. 191). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2331) for the relief of Leonard T. Newton; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 6637) granting an increase of pension to Estelle Kuhn; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 7663) granting an increase of pension to Caron Emma Tulle; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BRAND of Georgia: A bill (H. R. 8630) making it a felony on the part of any person, partnership, firm, or corporation who is a party to any contract or agreements, either oral or in writing, for the purposes of controlling prices of cotton and cottonseed, having the effect of depressing or decreasing the prices of cotton and cottonseed; to the Committee on the Judiciary.

By Mr. KOPP: A bill (H. R. 8631) granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain, the Philippine insurrection, or the China relief expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes; to the Committee on Pensions.

By Mr. SWICK: A bill (H. R. 8632) granting pensions and increase of pensions to certain soldiers and sailors of the war with Spain, the Philippine insurrection, or the China relief expedition, to certain maimed soldiers, to certain widows, minor children, and helpless children of such soldiers and sailors, and for other purposes; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 8633) to regulate the shipment in interstate commerce of pistols, revolvers, shotguns, or rifles which have had their barrels sawed off or shortened, machine guns, or any firearms which can be concealed on the person; to the Committee on Interstate and Foreign Commerce.

By Mr. HUDDLESTON: A bill (H. R. 8634) to provide capital for building homes, and for other purposes; to the Committee on Banking and Currency.

By Mr. LANFORD of Virginia: A bill (H. R. 8635) to provide for the making of loans to drainage or levee districts consisting of occupied and cultivated lands; to the Committee on Irrigation and Reclamation.

By Mr. PATTERSON: A bill (H. R. 8636) to amend the World War adjusted compensation act, as amended; to the Committee on World War Veterans' Legislation.

By Mr. HOCH: A bill (H. R. 8637) to fix the rank and pay of the commandant of the Coast Guard; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of Washington: A bill (H. R. 8638) establishing a fund for the propagation and protection in their migrations of various varieties of salmon, including steelhead salmon, in the Columbia River district; to the Committee on the Merchant Marine and Fisheries.

By Mr. MERRITT: A bill (H. R. 8639) to amend and reenact subdivision (a) of section 209 of the transportation act, 1920; to the Committee on Interstate and Foreign Commerce.

By Mr. DAVILA: A bill (H. R. 8640) to amend the act of March 2, 1917, entitled "An act to provide a civil government for Porto Rico, and for other purposes," as amended, by the insertion of a new section in said act between sections 27 and 28 of said act, to be designated as "27a" of said act; to the Committee on Insular Affairs.

By Mr. SIROVICH: A bill (H. R. 8641) to amend the act entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1894, and for other purposes," approved March 3, 1893, and acts in amendment thereof; to the Committee on the Civil Service.

Also, a bill (H. R. 8642) to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, as amended; to the Committee on the Civil Service.

By Mr. BACON: A bill (H. R. 8643) to apply the pension laws to the Coast Guard; to the Committee on Pensions.

By Mr. CURRY: A bill (H. R. 8644) to permit the county of Solano, State of California, to lay, construct, install, and maintain sewer outlets over and across the Navy longitudinal dike and accretions thereto in Mare Island Straits; to the Committee on Naval Affairs.

By Mr. KELLY: A bill (H. R. 8645) to authorize the collection of additional postage on insufficiently or improperly addressed mail to which directory service is accorded; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: A bill (H. R. 8646) to provide for the establishment of an 8-hour day for certain railroad employees; to the Committee on Labor.

By Mr. COLTON: A bill (H. R. 8647) authorizing the Secretary of Agriculture to make exchanges of land; to the Committee on Agriculture.

By Mr. HOPE: A bill (H. R. 8648) authorizing the Secretary of Agriculture to acquire and disseminate information relative to protein in wheat; to the Committee on Agriculture.

By Mr. KELLY: A bill (H. R. 8649) to authorize the Postmaster General to collect an increased charge for return receipts for domestic registered and insured mail when such receipts are requested after the mailing of the articles; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 8650) to authorize the Postmaster General to charge for services rendered in disposing of undelivered mail in those cases where it is considered proper for the Postal Service to dispose of such mail by sale or to dispose of collection-delivery mail without collection of the collection-on-delivery charges or for a greater or less amount than stated when mailed; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 8651) to authorize the dispatch from the mailing post office of metered permit matter of the first class prepaid at least 2 cents but not fully prepaid, and to authorize the acceptance of third-class matter without stamps affixed in such quantities as may be prescribed; to the Committee on the Post Office and Post Roads.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 8652) to provide against the withholding of pay when employees are removed for breach of contract to render faithful service; to the Committee on Expenditures in the Executive Departments.

By Mr. KIESS: A bill (H. R. 8653) to authorize Members of Congress to exchange with the Public Printer Government publications for public distribution; to the Committee on Printing.

By Mr. MAAS: A bill (H. R. 8654) to amend section 1709 of the Revised Statutes, as amended by the act of March 3, 1911 (36 Stat. 1083), and section 304 of the Budget and accounting act, 1921 (42 Stat. 24); to the Committee on Foreign Affairs.

By Mr. MEAD: A bill (H. R. 8655) to provide for the establishment of a national employment system; to the Committee on the Judiciary.

By Mr. STEVENSON: A bill (H. R. 8656) to substitute insurance for stockholders' double liability in national banks; to the Committee on Banking and Currency.

By Mr. LARSEN: Joint resolution (H. J. Res. 206) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. MORGAN: Joint resolution (H. J. Res. 207) authorizing an appropriation to defray the expenses of participation by the Government of the United States in the Inter-American Congress of Rectors, Deans, and Educators in General, to be held at Habana, Cuba, on February 20, 1930; to the Committee on Foreign Affairs.

By Mr. SIROVICH: Joint resolution (H. J. Res. 208) providing for annual civil service examinations for the purpose of establishing a list of eligibles for temporary employment in post offices in cities having a population of 1,000,000 or over; to the Committee on the Civil Service.

By Mr. LANKFORD of Georgia: Joint resolution (H. J. Res. 209) authorizing the Secretary of Agriculture to make emergency loans to purchase seed, feed, fertilizers, plants, legumes, and nursery stock whenever and wherever he determines an emergency exists on account of storm and flood conditions or drought; to the Committee on Agriculture.

By Mr. FISH: Joint resolution (H. J. Res. 210) to authorize an appropriation for the expenses of official delegates to the Fourth World's Poultry Congress, to be held in England in 1930; to the Committee on Foreign Affairs.

By Mr. KIESS: Joint resolution (H. J. Res. 211) to authorize additional appropriations for the relief of Porto Rico; to the Committee on Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ALLEN: A bill (H. R. 8657) granting a pension to Louis Wardlow; to the Committee on Pensions.

By Mr. BEERS: A bill (H. R. 8658) granting an increase of pension to Ellie M. Harris; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 8659) granting an increase of pension to Elizabeth Reynolds; to the Committee on Invalid Pensions.

By Mr. CELLER: A bill (H. R. 8660) granting an increase of pension to John F. Kilbride; to the Committee on Pensions.

By Mr. CRAIL: A bill (H. R. 8661) for the relief of Samuel Kaufman; to the Committee on Military Affairs.

Also, a bill (H. R. 8662) granting a pension to Joseph Boyle; to the Committee on Pensions.

By Mr. ELLIS: A bill (H. R. 8663) for the relief of Joseph A. Burns; to the Committee on the Civil Service.

By Mr. ESTERLY: A bill (H. R. 8664) granting an increase of pension to Catharine Wagner; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 8665) for the relief of William A. Quigley; to the Committee on Naval Affairs.

By Mr. GUYER: A bill (H. R. 8666) granting an increase of pension to Dola Bronson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8667) granting a pension to John W. Kerns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8668) granting compensation to John Frost; to the Committee on World War Veterans' Legislation.

Also, a bill (H. R. 8669) granting an increase of pension to Matilda Ann Price; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8670) granting an increase of pension to Annie Henderson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8671) granting a pension to Anna Kennedy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8672) granting an increase of pension to Waldo A. Chapman; to the Committee on Pensions.

Also, a bill (H. R. 8673) granting an increase of pension to Agnes White; to the Committee on Pensions.

By Mr. HOPKINS: A bill (H. R. 8674) granting an increase of pension to Cella C. Lewis; to the Committee on Invalid Pensions.

By Mr. IRWIN: A bill (H. R. 8675) granting an increase of pension to Louesa H. Hubbard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8676) granting a pension to Della G. Davis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8677) for the relief of certain disbursing officers of the Army of the United States and for the settlement of individual claims approved by the War Department; to the Committee on Claims.

By Mr. JOHNSON of Washington: A bill (H. R. 8678) granting an increase of pension to David McMillan; to the Committee on Pensions.

By Mrs. LANGLEY: A bill (H. R. 8679) granting a pension to William Allen; to the Committee on Pensions.

Also, a bill (H. R. 8680) granting a pension to Elizabeth Turner; to the Committee on Invalid Pensions.

By Mr. LANKFORD of Virginia: A bill (H. R. 8681) for the relief of officers and enlisted men of First Virginia Ambulance Company, later One hundred and fifteenth Ambulance Company, One hundred and fourth Sanitary Train; to the Committee on Military Affairs.

Also, a bill (H. R. 8682) for the relief of Martha Edwards; to the Committee on Claims.

Also, a bill (H. R. 8683) for the relief of W. B. Fountain; to the Committee on Naval Affairs.

Also, a bill (H. R. 8684) for the relief of Webster Gross; to the Committee on Naval Affairs.

Also, a bill (H. R. 8685) for the relief of J. W. Swoveland; to the Committee on Claims.

Also, a bill (H. R. 8686) for the relief of Elizabeth H. Gwyn; to the Committee on Claims.

By Mr. LEA of California: A bill (H. R. 8687) for the relief of Paul Little; to the Committee on Military Affairs.

By Mr. LUDLOW: A bill (H. R. 8688) granting a pension to John H. Norton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8689) to correct the military record of Lake B. Morrison; to the Committee on Military Affairs.

Also, a bill (H. R. 8690) for the relief of George R. Brown; to the Committee on Claims.

Also, a bill (H. R. 8691) granting a pension to Cora F. McLane; to the Committee on Pensions.

By Mr. MAGRADY: A bill (H. R. 8692) granting an increase of pension to Miemah Remley; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 8693) granting a medal of honor to Frank J. Barcsykowski; to the Committee on Naval Affairs.

Also, a bill (H. R. 8694) for the relief of Raymond C. Bogart; to the Committee on Naval Affairs.

By Mr. PARKER: A bill (H. R. 8695) granting a pension to John Charles Inglee; to the Committee on Pensions.

By Mr. PATTERSON: A bill (H. R. 8696) granting a pension to Elizabeth J. Camp (with accompanying papers); to the Committee on Invalid Pensions.

By Mr. PERKINS: A bill (H. R. 8697) granting a pension to George E. Adams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 8698) granting compensation to Thomas Peraglia; to the Committee on Claims.

Also, a bill (H. R. 8699) for the relief of George S. Conway; to the Committee on War Claims.

By Mr. RAMSEYER: A bill (H. R. 8700) granting a pension to Jessie M. Bowen; to the Committee on Invalid Pensions.

By Mr. WHITLEY: A bill (H. R. 8701) for the relief of Petro Melazzo; to the Committee on Appropriations.

PETITIONS, ETC.

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

2987. By Mr. ACKERMAN: Petition of 232 citizens of Elizabeth and other cities in New Jersey, in favor of Senate bill 476 and House bill 2562, to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

2988. By Mr. ADKINS: Petition of citizens of Rantoul, Ill., urging support for the Spanish War pension bills now before Congress; to the Committee on Pensions.

2989. By Mr. ALDRICH: Petition of Julius D'Andrea and 44 others, of Providence, R. I., urging support of Senate bill 476 and House bill 2562, granting increased pension rates to Spanish War veterans; to the Committee on Pensions.

2990. By Mr. BACHMANN: Petition of H. F. Watson and other citizens of Mannington district, Marion County, W. Va., urging immediate action on Senate bill 476 and House bill 2562, providing for increased rates of pensions for veterans of the Spanish-American War; to the Committee on Pensions.

2991. By Mr. BACON: Petition of sundry citizens of Long Island, favoring increased pensions for Spanish-American veterans and widows of veterans; to the Committee on Pensions.

2992. Also, petition of sundry citizens of Long Island, favoring the creation of a national department of education; to the Committee on Education.

2993. Also, petition of the New York State Woman's Republican Club, favoring the enactment of legislation providing for a constitutional amendment to eliminate the count of aliens for apportionment purposes; to the Committee on the Judiciary.

2994. Also, petition of the New York State Woman's Republican Club, favoring the enactment of legislation for a national department of education; to the Committee on Education.

2995. By Mr. CHALMERS: Petition urging the passage of Senate bill 476 and House bill 2562, signed by residents of Toledo, Ohio; to the Committee on Pensions.

2996. By Mr. CHINDBLOM: Petition of Elmer A. Peirce and 900 other voters of Chicago, Ill., supporting increased pensions

for Spanish-American War veterans; to the Committee on Pensions.

2997. By Mr. COLLIER: Petition of citizens of Utica and Learned, Hinds County, Miss., urging the enactment of increased Spanish-American War pensions; to the Committee on Pensions.

2998. By Mr. CONNERY: Petition of citizens of Lynn, Mass., for increased pensions to Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

2999. Also, petition of citizens of Lynn, Mass., for increased pensions to Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

3000. Also, petition of citizens of Lynn, Mass., for increased pensions for Spanish-American War veterans; to the Committee on Pensions.

3001. By Mr. COOPER of Wisconsin: Petition of citizens of Kenosha, Wis., urging the passage of a bill to increase pensions of Spanish War veterans; to the Committee on Pensions.

3002. Also, petition of citizens of Racine, Wis., urging the passage of a bill to increase pensions of Spanish War veterans; to the Committee on Pensions.

3003. By Mr. CORNING: Petition of Leo M. Devlin and other citizens of Albany, N. Y., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

3004. By Mr. CRAIL: Petition of sundry citizens of Los Angeles County, Calif., favoring the passage of Senate bill 476 and House bill 2562, which bills would increase the pensions of Spanish-American War veterans; to the Committee on Pensions.

3005. By Mr. CURRY: Petition of residents of the third congressional district of California, urging favorable action on Senate bill 476 and House bill 2562; to the Committee on Pensions.

3006. By Mr. DARROW: Resolution of Branch No. 3, United National Association of Post Office Clerks, favoring retirement legislation as covered by the Lehibach and Dale bills; to the Committee on the Civil Service.

3007. Also, petition of 70 residents of Germantown, Philadelphia, Pa., favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

3008. By Mr. DEMPSEY: Petition signed by 63 residents of Erie County, N. Y., urging the speedy consideration and passage of House bill 2562; to the Committee on Pensions.

3009. Also, petition signed by 68 residents of Erie County, N. Y., urging speedy consideration and passage of House bill 2562; to the Committee on Pensions.

3010. Also, petition signed by 72 residents of Niagara County, N. Y., urging speedy consideration and passage of House bill 2562; to the Committee on Pensions.

3011. By Mr. DOWELL: Petition of citizens of Knoxville, Iowa, urging increase in the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

3012. By Mr. DOYLE: Petition of William McKinley Camp, No. 6, United Spanish War Veterans, urging the passage of House bill 2562, for the relief of the Spanish-American War veterans; to the Committee on Pensions.

3013. By Mr. GRAHAM: Petition of Clinton A. Powers and 11 other residents of Philadelphia, Pa., urging speedy action on Senate bill 476 and House bill 2562, providing for increased rates of pension to men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3014. Also, petition of Le Roy Leader and 11 other residents of Philadelphia, Pa., urging speedy action on Senate bill 476 and House bill 2562, providing for increased rates of pension to men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3015. By Mr. ESLICK: Petition of citizens of Collinwood, Tenn., for additional aid to the veterans of the Spanish-American War; to the Committee on Pensions.

3016. By Mr. FENN: Resolution of Hartford Section Council of Jewish Women, opposing any change in the calendar which in any manner endangers the fixity of the Sabbath; to the Committee on Foreign Affairs.

3017. By Mr. GARBER of Oklahoma: Petition of the People's Lobby, Washington, D. C., urging enactment of legislation creating an independent power commission; to the Committee on the District of Columbia.

3018. Also, petition of nursery inspection department, State board of agriculture, Oklahoma City, Okla., urging support appropriation bill for extermination of Mediterranean fruit fly in Florida; to the Committee on Appropriations.

3019. Also, petition of Rio Grande Rabbit Association, urging import duty on rabbit pelts of 100 per cent; to the Committee on Interstate and Foreign Commerce.

3020. By Mr. HAWLEY: Petition of the voters of Woodburn, Marion County, Oreg., and the voters of Hubbard, Marion County, Oreg., praying for pension legislation for Spanish-American War veterans; to the Committee on Pensions.

3021. By Mr. HULL of Wisconsin: Petition of citizens of La Farge, Wis., favoring legislation increasing pensions of veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

3022. Also, resolution of Neillsville Lodge, No. 198, Independent Order of Odd Fellows, Neillsville, Wis., favoring a bill granting pension of \$50 per month to veterans of the Spanish-American War, the Philippine insurrection, and the Boxer rebellion in China; to the Committee on Pensions.

3023. Also, petition of citizens of Viroqua, Wis., favoring legislation increasing pensions of veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

3024. Also, petition of citizens of Mirror Lake, Wis., favoring legislation increasing pensions of veterans and widows of veterans of the Civil War; to the Committee on Invalid Pensions.

3025. By Mr. IRWIN: Petition of R. C. Barney, 2254 Cleveland Boulevard, and other residents of Granite City, Ill., urging the enactment in this Congress of legislation providing for increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

3026. By Mr. JOHNSON of Indiana: Petition of various citizens of Terre Haute, Ind., for the increase of Spanish-American War pensions; to the Committee on Pensions.

3027. Also, petition of various citizens of Hendricks County, Ind., for the increase of Spanish-American War pensions; to the Committee on Pensions.

3028. By Mr. JOHNSON of Nebraska: Petition of 81 citizens of Stratton, Nebr., and 18 citizens of McDonald and Atwood, Kans., urging the passage of House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

3029. By Mr. JOHNSON of Texas: Petition of 50 citizens of Leon County, Tex., favoring House bill 2562 and Senate bill 476, providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

3030. Also, petition of Dr. T. O. Walton, president of Agricultural and Mechanical College of Texas, at College Station, Tex., indorsing Senate bill 696, for the support of engineering experiment stations of the land-grant colleges of the United States; to the Committee on Agriculture.

3031. By Mr. JOHNSON of Washington: Petition submitted by citizens of Shelton, Wash., praying for enactment of Senate bill 476 and House bill 2562; to the Committee on Pensions.

3032. Also, petition of citizens of Cowlitz County, Wash., urging increased pension legislation; to the Committee on Pensions.

3033. By Mr. KENDALL of Kentucky: Petition of citizens of Maysville and Mason County, Ky., urging that immediate steps be taken to bring to a vote House bill 2562; to the Committee on Pensions.

3034. By Mr. KENDALL of Pennsylvania: Petition of sundry citizens of Somerset, Pa., urging immediate action on House bill 2562, providing for an increase of pension for Spanish-American War veterans; to the Committee on Pensions.

3035. Also, petition of sundry citizens of Berlin, Pa., urging immediate action on House bill 2562, providing for an increase of pension for Spanish-American veterans; to the Committee on Pensions.

3036. By Mr. KIEFNER: Petition of citizens of Washington County, Mo., petitioning Senators and Representatives from Missouri to endeavor to secure speedy consideration and passage of Senate bill 476 and House bill 2652, providing for increased rates of pensions to the men who served in the armed forces of the United States during the Spanish-American War; to the Committee on Pensions.

3037. By Mr. LAMBERTSON: Petition of residents of Holton, Kans., urging legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

3038. Also, petition of residents of Sabetha, Kans., urging legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

3039. By Mr. LEAVITT: Petition of M. J. Kenney and other citizens of Jordan, Mont., favoring increased rates of pension for veterans of the Spanish-American War, their widows, and orphans; to the Committee on Pensions.

3040. By Mr. LUDLOW: Petition of citizens of Indianapolis, Ind., requesting the passage of legislation to provide increased rates of pension to the men who served in the armed forces of the United States during the Spanish-War period; to the Committee on Pensions.

3041. By Mr. McFADDEN: Petition of John Wagner, R. D. No. 1, New Albany, Pa., praying for favorable consideration of House bill 2562 and Senate bill 476; to the Committee on Pensions.

3042. By Mr. MANLOVE: Petition of Napoleon Phariss, R. M. Hutchinson, Bill Whaley, Harry Hall, E. M. Todd, Richard Walters, Albert Johnson, and 210 other citizens of Aurora, Mo., urging the support of Congress in behalf of increased rates of pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

3043. By Mr. MEAD: Petition of Park Club of Buffalo, N. Y., urging Congress to take immediate action eliminating the tax upon club dues and admission fees; to the Committee on Ways and Means.

3044. Also, petition of citizens of East Aurora, N. Y., urging the passage of House bill 2562, granting an increase in pensions to Spanish-American War veterans; to the Committee on Pensions.

3045. By Mr. MILLER: Petition of residents of Seattle, Wash., indorsing Senate bill 476 and House bill 2562, for increases in pensions to Spanish War veterans; to the Committee on Pensions.

3046. By Mr. MOORE of Kentucky: Petition of citizens of Butler County, Ky., urging passage of House bill 2562, to grant increases in pension to veterans of the Spanish-American War; to the Committee on Pensions.

3047. By Mr. NELSON of Wisconsin: Petition of 78 citizens of Grant County, Wis., urging speedy consideration and passage of Senate bill 476 and House bill 2562, providing for the increased rate of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3048. Also, petition of 61 citizens of Lancaster, Grant County, Wis., urging speedy consideration and passage of Senate bill 476 and House bill 2562, providing for increased rate of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3049. Also, petition of 74 citizens of Monroe, Wis., urging speedy consideration and passage of Senate bill 476 and House bill 2562, providing for increased rates of pension to the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3050. By Mr. O'CONNELL of Rhode Island: Petition of 70 citizens of the State of Rhode Island, urging passage of legislation providing for increase of pension to veterans of the Spanish-American War; to the Committee on Pensions.

3051. By Mr. ROBINSON: Petition signed by John J. McDonnell, of 279 Main Street, Dubuque, Iowa, and 67 other voters in Dubuque, Iowa, urging the passage of the Spanish-American pension bill (H. R. 2562); to the Committee on Pensions.

3052. Also, petition signed by Herman J. Tapelt, 2027 Washington Street, Dubuque, Iowa, and 68 other voters in Dubuque, Iowa, urging the passage of the Spanish-American pension bill (H. R. 2562); to the Committee on Pensions.

3053. By Mr. SCHNEIDER: Petition from citizens of Green Bay, Wis., urging the speedy consideration and passage of House bill 2562 and Senate bill 476, providing increased pensions for Spanish War veterans; to the Committee on Pensions.

3054. By Mr. SEIBERLING: Petition of citizens of Summit County, Ohio, in favor of increased pensions for Spanish War veterans; to the Committee on Pensions.

3055. By Mr. SIMMS: Petition of citizens of Tatum, N. Mex., urging immediate passage of House bill 2562; to the Committee on Pensions.

3056. By Mr. STEDMAN: Petition of A. C. Gentry and other citizens of Roxboro, N. C., favoring an increase in pension to Spanish War veterans; to the Committee on Pensions.

3057. Also, petition of H. C. Allred and other citizens of Burlington, N. C., favoring an increase in pensions to Civil War veterans and widows; to the Committee on Invalid Pensions.

3058. By Mr. STRONG of Pennsylvania: Petition of citizens of Worthville, Pa., for increased rates of pension for veterans of the war with Spain; to the Committee on Pensions.

3059. By Mr. SWANSON: Petition of Mary J. Strait and 20 other citizens of Woodbine, Iowa, urging adequate pensions for Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

3060. By Mr. THURSTON: Petition signed by 70 citizens of Creston, Union County, Iowa, urging the Congress to enact legislation increasing the pensions now allowed veterans of the Spanish War; to the Committee on Pensions.

3061. By Mr. WHITLEY: Petition of citizens of Irondequoit, urging passage of legislation to increase pensions of Spanish War veterans; to the Committee on Pensions.

3062. Also, petition of the citizens of Rochester, N. Y., urging passage of legislation to increase pensions of veterans of the Spanish-American War; to the Committee on Pensions.