3604. Also, petition of M. E. Hinkston, commander American Legion Post No. 289, Battle Lake, Minn., urging support of Congress on House Joint Resolution 41; to the Committee on Rules.

3605. By Mr. SPEAKS: Petition signed by 66 citizens of Columbus, Ohio, urging support of Senate bill 476 and House bill 2562, proposing benefits for veterans of the Spanish War period; to the Committee on Pensions.

3606. By Mr. TEMPLE: Petition of Col. A. L. Hawkins Council, No. 334, Junior Order United American Mechanics, California, Pa., in support of the Robinson-Capper bill providing for the creation of a department of education with a secretary who shall be a member of the President's Cabinet; to the Committee on Education.

3607. By Mr. TURPIN: Petition of citizens of West Pittston, Pa., petitioning the Senators from Pennsylvania and the Representative from Luzerne County to use every endeavor to secure speedy consideration and passage of Senate bill 476 and House bill 2562; to the Committee on Pensions.

3608. By Mr. WILSON: Petition of citizens of Jonesville, Catahoula Parish, La., urging 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.

SENATE

MONDAY, *January 27, 1930*

(Legislative day of Monday, January 6, 1930)

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

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

The VICE PRESIDENT. The clerk will call the roll.

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

Ashurst	George	Keyes	Simmons
Barkley	Gillett	La Follette	Smith
Bingham	Glass	McKellar	Smoot
Black	Glenn	McMaster	Steck
Blaine	Goff	McNary	Steiwer
Blease	Goldsborough	Metcalf	Sullivan
Borah	Gould	Moses	Swanson
Bratton	Greene	Norbeck	Thomas, Idaho
Brock	Grundy	Norris	Thomas, Okla.
Brookhart	Hale	Nye	Townsend
Broussard	Harris	Oddie	Trammell
Capper	Harrison	Overman	Tydings
Caraway	Hastings	Patterson	Vandenberg
Connally	Hatfield	Phipps	Wagner
Copeland	Hawes	Pine	Walcott
Couzens	Heflin	Ransdell	Walsh, Mass.
Dale	Howell	Robinson, Ind.	Walsh, Mont.
Dill	Johnson	Robsion, Ky.	Watson
Fess	Jones	Sheppard	Wheeler
Fletcher	Kean	Shipstead	
Frazier	Kendrick	Shortridge	

Mr. CAPPER. I wish to announce the necessary absence of my colleague the junior Senator from Kansas [Mr. ALLEN]. I wish to let this announcement stand for the week.

Mr. FESS. I wish to announce that my colleague the junior Senator from Ohio [Mr. MCCULLOCH] is unavoidably detained from the Senate. I would like to have this announcement stand for the day.

Mr. SHEPPARD. I desire to announce that the Senator from Utah [Mr. KING] is necessarily detained from the Senate by illness. I will let this announcement stand for the day.

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

PETITIONS AND MEMORIALS

Mr. LA FOLLETTE presented petitions numerously signed by sundry citizens of Oshkosh, Wis., praying for the repeal of the Jones Act and the modification of the Volstead Act, so as to allow the manufacture and sale of 4 per cent beer, which were referred to the Committee on the Judiciary.

He also presented resolutions adopted by 34 women's clubs and other organizations in the State of Wisconsin, favoring ratification by the United States of the proposed World Court protocol, which were referred to the Committee on Foreign Relations.

He also presented petitions of sundry citizens of the State of Wisconsin, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. BLAINE presented petitions numerously signed by sundry citizens of the State of Wisconsin, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

He also presented a resolution adopted by the board of supervisors of Marathon County, Wis., favoring the imposition of a higher protective tariff on all dairy products, which was ordered to lie on the table.

Mr. SHIPSTEAD presented a resolution adopted by the council of the city of St. Paul, Minn., favoring the passage of legislation for the commemoration of the death of Gen. Casimir Pulaski, Revolutionary War hero, which was referred to the Committee on the Library.

He also presented a petition of sundry citizens of Excelsior, Minn., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

He also presented a resolution adopted by Poppe-Smuk Post, No. 327, the American Legion, at Marble, Minn., favoring the passage of legislation to increase the pensions of Spanish War veterans, which was referred to the Committee on Pensions.

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

He also presented resolutions adopted by the city council, the fire department, the Lions Club, and Leon A. Zear Post, No. 166, the American Legion, all of the city of Victoria, Tex., favoring the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. NORBECK presented the petition of T. R. Marshall and 72 other citizens of Sioux Falls, S. Dak., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

Mr. WALSH of Massachusetts presented petitions of sundry citizens of the State of Massachusetts, praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

Mr. SULLIVAN presented a resolution adopted by the board of directors of the Casper Rod and Gun Club, of Casper, Wyo., remonstrating against the further extension of the boundaries of the Yellowstone National Park, which was referred to the Committee on Public Lands and Surveys.

Mr. CAPPER presented petitions of sundry citizens of Mound Valley and Nickerson, Kans., praying for the passage of legislation granting increased pensions to Spanish War veterans, which were referred to the Committee on Pensions.

He also presented a resolution adopted by Harry Easter Camp, No. 16, United Spanish War Veterans, of Emporia, Kans., favoring the passage of legislation granting increased pensions to Spanish War veterans, which was referred to the Committee on Pensions.

He also presented a resolution adopted by the Harry Easter Camp, No. 16, United Spanish War Veterans, of Emporia, Kans., favoring the passage of legislation granting increased pensions to Civil War veterans and their widows, which was referred to the Committee on Pensions.

TARIFF ON CRUDE OIL AND REFINED PETROLEUM PRODUCTS

Mr. SHEPPARD. Mr. President, I present a telegram, which I ask may lie on the table and be published in the RECORD.

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

AMARILLO, TEX., *January 24, 1930.*

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.:

At a mass meeting of representatives of the oil industry spontaneously held in Amarillo yesterday, 300 representatives of all branches of the oil industry in the Panhandle, by unanimous vote, it was resolved to ask the Texas delegation in Congress to wage a vigorous campaign to get into the pending tariff bill a provision for a reasonable tariff on imported crude oil and a prohibitive tariff on refined petroleum products as a legitimate economic measure to stabilize the petroleum situation in America. Although production of oil in the United States by voluntary action has been curtailed as a conservation measure to meet the market demand therefor in compliance with recommendations of the Federal Oil Conservation Board heretofore made, nevertheless the Humble Oil Co., effective last Wednesday, cut the price of oil 15 to 41 cents per barrel throughout Texas, which was followed on yesterday by the Carter Oil Co., another subsidiary of the Standard Oil Co. of New Jersey, affecting Oklahoma and Kansas. Thus, the price of domestic crude oil is drastically cut in the face of an apparent and admitted approximate balance between supply and demand and by one of the principal producers and importers of foreign crude, thus precipitating a serious crisis in regard to the conservation movement in America and raising the serious question whether any just proportion of the American market is to be conserved for the American producer. The meeting instructed the undersigned to call this matter to your attention, and expressed the hope that you will immediately convey our message to

the Congress of the United States in an effort to save the domestic oil industry from demoralization. They regard a reasonable tariff on crude as being $1 per barrel with a provision that where crude is imported for the purpose of being refined and exported the same may be done under bond as is customary in the case of other commodities. Will you kindly arrange for an immediate conference of the Texas delegation and wire me at Amarillo whether we may expect definitely favorable action in response to the resolution of the producers?

EARL CALLAWAY,
Vice President of the Mid-Continent Oil & Gas Association and Chairman of Meeting.

REPORTS OF COMMITTEES

Mr. RANSDELL, from the Committee on Commerce, to which was referred the bill (S. 3043) authorizing the establishment of a national hydraulic laboratory in the Bureau of Standards of the Department of Commerce and the construction of a building therefor, reported it without amendment and submitted a report (No. 137) thereon.

Mr. ROBINSON of Indiana, from the Committee on Pensions, to which was referred the bill (S. 1293) to amend an act entitled "An act to increase the pensions of certain maimed veterans who have lost limbs or have been totally disabled in the same, in line of duty, in the military or naval service of the United States; and to amend section 4788 of the Revised Statutes of the United States by increasing the rates therein for artificial limbs," approved February 11, 1927 (U. S. C., sup. 1, title 38, sec. 168a), reported it without amendment and submitted a report (No. 138) thereon.

He also, from the same committee, to which was referred the bill (S. 3134) granting an increase of pension to Eda Blankart Funston, reported it with an amendment.

He also, from the same committee, to which were referred the following bills, reported them severally with amendments and submitted reports thereon:

A bill (S. 476) granting pensions and increase of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, or the China relief expedition, and for other purposes (Rept. No. 142);

A bill (S. 477) to revise and equalize the rate of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows of such soldiers, sailors, and marines, and granting pensions and increase of pensions in certain cases (Rept. No. 139);

A bill (S. 958) granting increase of pensions under the general law to soldiers and sailors of the Regular Army and Navy, and their dependents, for disability incurred in service in line of duty, and authorizing that the records of the War and Navy Departments be accepted as to incurrence of a disability in service in line of duty (Rept. No. 140); and

A bill (H. R. 7960) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war (Rept. No. 141).

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, to which was referred the bill (S. 1045) for the relief of Sheldon R. Purdy, reported it without amendment and submitted a report (No. 143) thereon.

REPORTS OF NOMINATIONS

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

Mr. HALE, as in open executive session, from the Committee on Naval Affairs, reported sundry nominations in the Marine Corps, which were ordered to be placed on the Executive Calendar.

MOUNT VERNON-ARLINGTON MEMORIAL BRIDGE HIGHWAY

Mr. FESS. Mr. President, from the Committee on the Library I report back favorably without amendment the bill (S. 3168) to amend the act entitled "An act to authorize and direct the survey, construction, and maintenance of a memorial highway to connect Mount Vernon, in the State of Virginia, with the Arlington Memorial Bridge across the Potomac River at Washington," by adding thereto two new sections, to be numbered sections 8 and 9. I ask unanimous consent for the immediate consideration of the bill.

There being no objection the bill was considered as in Committee of the Whole, and it was read, as follows:

Be it enacted, etc., That the act entitled "An act to authorize and direct the survey, construction, and maintenance of a memorial highway to connect Mount Vernon, in the State of Virginia, with the Arlington Memorial Bridge across the Potomac River at Washington," approved May 23, 1928 (45 Stat. L. 721, 722), be, and the same hereby is, amended by adding thereto two new sections, to be numbered sections 8 and 9 and to read, respectively, as follows:

"SEC. 8. In order to provide adequate traffic connection for said highway with the existing Highway Bridge across the Potomac River at the foot of Fourteenth Street, the Secretary of Agriculture is hereby authorized to convert the second pier from the south end of said bridge into an abutment, to remove the two south spans of said bridge, and replace same with a roadway on filled ground on the location now occupied by the said spans, including the construction thereon of a suitable pavement and the rebuilding of the street railway tracks, and to do all other work deemed necessary in connection therewith. The plans and specifications for changing the second pier from the south end of said Highway Bridge into an abutment, for removal of the two south spans and replacement thereof with a roadway with suitable pavement, and the rebuilding of the street railway tracks, and for handling traffic over said existing bridge during the construction operations incident to such changes, shall be subject to approval by the Commissioners of the District of Columbia. The two south spans of said bridge, after being dismantled pursuant hereto, shall be the property of the District of Columbia and shall be delivered by the Secretary of Agriculture to such place in the District of Columbia as the commissioners of said District may request. After completion, the abutment into which the second pier from the south end of the existing Highway Bridge is to be converted, and also the roadway which is to replace the two south spans of said bridge, shall be maintained and controlled by the Commissioners of the District of Columbia. All other structures and the roadway connections with said bridge shall be maintained and controlled by the Secretary of Agriculture as a part of the memorial highway provided for by this act. No part of the construction costs incurred by the Secretary of Agriculture in carrying out the provisions of this section shall be charged against, or be paid by, the District of Columbia or the street railway company operating cars on said bridge.

"SEC. 9. The Secretary of Agriculture, with the approval of the commissions, is hereby authorized to negotiate and enter into an agreement with any individual, firm, or corporation acceptable to him for the erection of a suitable concession or refreshment building on the land acquired, or to be acquired, by the Secretary at the entrance to the Mount Vernon estate, such building to include comfort stations and rest rooms, with adequate space for a restaurant and for refreshment and souvenir stands. Said agreement shall provide for the erection of such building by the individual, firm, or corporation, party thereto, without cost to the United States, in accordance with plans and specifications to be approved by the Secretary of Agriculture and by the commission, all work thereon to be subject to inspection and approval by the Secretary both during construction and upon completion. Such agreement shall also contain provision expressly reserving title to such building in the United States but granting to such individual, firm, or corporation, upon such terms and conditions as may be prescribed by the Secretary of Agriculture, the right and privilege of conducting therein a restaurant with souvenir and refreshment stands for such period not exceeding 10 years from the date of completion of the building and its final approval by the Secretary of Agriculture as he may determine. The individual, firm, or corporation entering into such an agreement shall complete the building to be erected in accordance herewith not later than January 1, 1932. At the expiration of the lease or privilege period such building shall become the property of the United States, free of all encumbrances and claims of any kind whatsoever, and thereafter the Secretary of Agriculture may enter into new agreements from time to time for the operation of said concession building on a rental basis. If the Secretary of Agriculture should be unable to negotiate and enter into an agreement satisfactory to him for the erection and operation of such concession building pursuant to the above, he then may construct a suitable concession building from funds appropriated for the purposes of this act and enter into an agreement with any individual, firm, or corporation acceptable to him for its operation on a rental basis."

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

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. FLETCHER:

A bill (S. 3302) providing for the conveyance to the city of St. Petersburg, Fla., of a part of the Fort De Soto Military Reservation, Fla., and a part of Mullett Island, Fla.; to the Committee on Military Affairs.

By Mr. BROCK:

A bill (S. 3303) to authorize the Secretary of War to grant and convey to the city of Chattanooga, Tenn., a perpetual easement in connection with a street improvement (with an accompanying paper); to the Committee on Military Affairs.

By Mr. ROBINSON of Indiana:

A bill (S. 3304) granting a pension to Annie R. C. Owen;

A bill (S. 3305) granting an increase of pension to Daisy Jinks (with accompanying papers);

A bill (S. 3306) granting an increase of pension to Malinda Lendormi (with accompanying papers);

A bill (S. 3307) granting an increase of pension to Johanna Sherer (with accompanying papers); and

A bill (S. 3308) granting an increase of pension to Wilhelmina Schuldt (with accompanying papers); to the Committee on Pensions.

By Mr. THOMAS of Oklahoma:

A bill (S. 3309) amending section 200, World War veterans' act, 1924; to the Committee on Finance.

A bill (S. 3310) authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near United States Highway No. 75, between the towns of Denison, Tex., and Durant, Okla.;

A bill (S. 3311) authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across Red River at or near Ringgold, Tex., and Terral, Okla.; and

A bill (S. 3312) authorizing the States of Texas and Oklahoma to construct, maintain, and operate a free highway bridge across the Red River at or near United States Highway No. 77, between the towns of Gainesville, Tex., and Marietta, Okla.; to the Committee on Commerce.

By Mr. COPELAND:

A bill (S. 3313) for the relief of Francis Leo Shea; to the Committee on Naval Affairs.

By Mr. NORBECK:

A bill (S. 3314) granting an increase of pension to Amelia Lines (with accompanying papers); to the Committee on Pensions.

By Mr. SIMMONS:

A bill (S. 3315) granting a pension to Edmond S. Battle; and

A bill (S. 3316) granting a pension to Nancy Elizabeth Paul; to the Committee on Pensions.

By Mr. HAWES:

A bill (S. 3317) granting a pension to Mary Hart (with accompanying papers); to the Committee on Pensions.

A bill (S. 3318) for the relief of George Voeltz; to the Committee on Claims.

A bill (S. 3319) for the relief of John Mayfield (with accompanying papers); to the Committee on Military Affairs.

By Mr. SHEPPARD:

A bill (S. 3320) to extend the times for commencing and completing the construction of a bridge across the Rio Grande at Presidio, Tex.; to the Committee on Commerce.

A bill (S. 3321) to extend the franking privilege to commissioned officers of the National Guard of the States; to the Committee on Post Offices and Post Roads.

A bill (S. 3322) to authorize the sale to occupants in good faith of lands held under patent or accretions thereto from the State of Texas and held by the Supreme Court to be within the State of New Mexico; to the Committee on Public Lands and Surveys.

By Mr. BRATTON (by request):

A bill (S. 3323) to amend section 4 of the act of March 3, 1927, granting pensions to certain soldiers who served in the Indian wars from 1817 to 1898, and for other purposes; to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 3324) to provide for the payment of adjusted service certificates at their face value on and after March 1, 1930; to the Committee on Finance.

A bill (S. 3325) granting a pension to Add B. Coop;

A bill (S. 3326) granting an increase of pension to Josephine F. Gibson;

A bill (S. 3327) granting an increase of pension to Lora V. Manis; and

A bill (S. 3328) granting an increase of pension to Emeline Riddle; to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 3329) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October, 1918; to the Committee on Claims.

By Mr. GOFF:

A bill (S. 3330) granting a pension to Edwin D. Davisson; to the Committee on Pensions.

By Mr. JONES:

A bill (S. 3331) authorizing an appropriation for Mount Adams Highway on the Yakima Indian Reservation; to the Committee on Indian Affairs.

By Mr. HEFLIN:

A joint resolution (S. J. Res. 131) authorizing a survey of the Choctawhatchee River, Alabama and Florida, with a view to the control of floods; to the Committee on Commerce.

INVESTIGATION OF THE WATERS OF THE COLUMBIA RIVER

Mr. DILL. Mr. President, the War Department is now conducting an investigation of the uses of the waters of the Columbia River, and a large sum of money has been authorized by Congress to be expended for that purpose. A number of permits are being asked for by various companies for licenses to develop hydroelectric power on the Columbia River, and I want to introduce a joint resolution on the subject and have it referred to the Committee on Irrigation and Reclamation. I ask to have it printed in the RECORD.

Mr. JONES. Mr. President, I want to say that I am heartily in favor of the proposal submitted by my colleague. We have both, I think, urged the Federal Power Commission to take no action until this survey report comes in, but I believe it to be very wise to have legislative action taken along the lines suggested.

Mr. NORRIS. Mr. President, I would like to make an inquiry about the committee to which the joint resolution should be referred. The junior Senator from Washington has asked that it be referred to the Committee on Irrigation and Reclamation. The resolution has not been read, but from what the senior Senator from Washington has said, I judge that it refers to power.

Mr. JONES. It does. I am rather inclined to think that the proper committee would be the Committee on Commerce.

Mr. NORRIS. If the Senator will permit me, I suggest that it ought to go to the Committee on Agriculture and Forestry, which has handled all similar bills in the past.

Mr. DILL. Mr. President, my reason for asking that the joint resolution be referred to the Committee on Irrigation is that that committee passed on a resolution of the same nature offered by the Senator from Nevada [Mr. PITTMAN] when the Colorado River bill was pending here. I do not think the matter of the committee to which it is referred is a serious one, but since this investigation is being made by the War Department primarily as to the use of the waters in the river in connection with irrigation activities in that section, I believe that it properly belongs to the Committee on Irrigation.

Mr. JONES. I may also suggest that the War Department survey is a broader survey than a mere power survey, or a mere reclamation survey. It is under a law we passed which directs the War Department to investigate flood-control matters, navigation, reclamation, and power.

There being no objection, the joint resolution (S. J. Res. 130) restricting the Federal Power Commission from issuing or approving any permits or licenses affecting the Columbia River at or above the Grand Coulee Dam site on the Columbia River was read the first time by its title, the second time at length, and referred to the Committee on Irrigation and Reclamation, as follows:

Resolved, etc., That the Federal Power Commission is hereby directed not to issue or approve any permits or licenses under the provision of the act of Congress approved June 10, 1930 (41 Stat. 1063, known as the Federal water power act), upon or affecting the Columbia River at or above the Grand Coulee Dam site on the Columbia River between said dam site and the Canadian boundary line in the State of Washington, until the Chief of Engineers of the War Department has made a complete report to Congress of his findings as to the uses of the waters of the Columbia River as a result of the investigation now being conducted by the War Department under authority of Congress.

CHANGE OF REFERENCE

On motion of Mr. SHIPSTEAD, the Committee on Public Lands and Surveys was discharged from the further consideration of the bill (S. 2498) to promote the better protection and highest public use of lands of the United States and adjacent lands and waters in northern Minnesota for the production of forest products, and for other purposes, and it was referred to the Committee on Agriculture and Forestry.

AMENDMENT TO THE TARIFF BILL

Mr. FRAZIER 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.

AMENDMENTS TO AGRICULTURAL APPROPRIATION BILL

Mr. ODDIE submitted an amendment proposing to increase the appropriation for research in connection with insects affecting forests, etc., from $220,000 to $240,000, intended to be proposed by him to House bill 7491, the Agricultural Department

appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

Mr. PHIPPS submitted an amendment proposing to increase the appropriation for investigating the food habits of North American birds and other animals in relation to agriculture, horticulture, and forestry, etc., from $680,000 to $700,000, and also to increase the appropriation for the protection of migratory birds from $192,000 to $250,792, intended to be proposed by him to House bill 7491, the Agricultural Department appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

THE GOLD-STAR MOTHERS

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill (S. 3062) to amend the act entitled "An act to enable the mothers and widows of the deceased soldiers, sailors, and marines of the American forces now interred in the cemeteries of Europe to make a pilgrimage to these cemeteries," approved March 2, 1929, which was referred to the Committee on Military Affairs and ordered 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.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the bill (S. 234) to provide books and educational supplies free of charge to pupils of the public schools of the District of Columbia.

NAVAL DISARMAMENT CONFERENCE AND WORLD COURT—ADDRESS BY SENATOR METCALF, OF RHODE ISLAND

Mr. GILLETT. Mr. President, I ask unanimous consent to have printed in the RECORD an address delivered by the senior Senator from Rhode Island [Mr. METCALF] over a nation-wide radio network of the National Broadcasting Co. on the subject of the Naval Disarmament Conference and the World Court, on Friday night, January 24, 1930.

There being no objection, the address was ordered to be printed in the RECORD.

Senator METCALF spoke as follows:

This is a plea for patience.

Patience is a necessary quality for the successful conclusion of international negotiations. The need for patience extends not only to diplomatic groups but as well into the very heart of all nations. Tuesday there opened in London a conference of the leading powers of the world seeking an agreement for the limitation of naval armaments. This conference will stand out in world history. It will determine whether or not the world has reached a stage where nations can stand on common ground, think in common terms, and seek a common objective—that of a mutual understanding in the matter of naval defense.

The success or failure of this conference will determine whether or not the world movement toward perpetual peace shall continue to gain momentum or whether it shall receive a severe setback at the hands of the conferees. It must be understood by every citizen that this conference is not a conference of diplomats but is rather a conference of the nations and of the races. It is an assembly of the common thought and national philosophy of the nations, with the sole purpose of trying to interpret all the various national philosophies in terms of peace. The part that the citizens of this country, the citizens of England, the citizens of France, of Japan, and in fact of every nation in the world are playing in this conference is far more important than that of any diplomat or any naval expert who to-day may be in London.

The success or failure of the naval conference does not rest upon the brilliance or upon the knowledge held by the delegates; it rather rests upon the attitudes and the expressions of the people who send them. So, before I progress further in this talk, I want to issue a warning to the people, the press, and to the governmental bodies of all nations—that if during the period of this conference they begin to express sentiments of distrust or suspicion, it will lead to the downfall of the conference and once again retard the progress of peace. In fact it is thoroughly possible for a small group of citizens in any one country, by giving voice to words of distrust or suspicion, to cause a spread of this feeling to the people of other lands, thereby breaking down all the fine work which has been already accomplished.

Upon the press of America largely rests the burden of maintaining harmony in the naval conference in so far as our participation is concerned. If any part of the press spreads a sentiment of distrust, it can but reflect in the attitudes of other nations and they will say that we, as Americans, are acting in bad faith. In turn, if the people of other countries begin to express suspicion, it can not be but taken up in this country, and we alike begin to view them with equal alarm.

It is unfortunate that diplomatic negotiations of importance are looked upon as somewhat of an international detective mystery. This is the attitude of a suspicious and prejudiced citizen, and there is no greater obstacle to international agreement than this inclination to view diplomacy as something of a deep and dark intrigue. World peace is not something to be bartered around upon a theoretical poker table. The nations can not afford to gamble with the lives and the safety of their citizens. Gambling itself can lead but to war, and the only way in which we may assure a lasting peace is for us to throw off the shackles of the single-track mind and be able to understand that the characteristics and the viewpoints of the people of other nations are different from our own. At the same time we must be big enough to hold in our minds the simple fact that fundamentally we all desire the same end.

ALL NATIONS DESIRE PEACE

There is no nation on the face of the earth which does not desire peace; there is no nation on the face of the earth that does not desire to relieve as much as possible the burden of expensive armament. Granted, that we all seek a single objective, we can only declare the attitude of suspicion as untenable with the international ideal. People and organizations who insist upon viewing the nations with distrust and suspicion will soon become white elephants on the hands of the universal community of peace, and it will be most interesting to see how we dispose of these attitudes.

We go into any international conference which deals with the subject of peace or war with the knowledge that within every nation participating there are divergent schools of thought. In this country we have the pacifist viewpoint, which maintains that armaments are the cause of war; we have another viewpoint which maintains that wars are the cause of armaments; and we have another viewpoint which maintains that large armaments are the only safeguards of peace. We know that the mental characteristics of the people of France, the people of Italy, the people of Japan, and the people of England differ widely from our own. Therefore it devolves upon the delegation sitting in London to interpret, as a sort of world idea, not only the viewpoints of the governments of the various nations but, as well, to reach a common ground upon which the divergent schools of thought in the various nations may be brought together to achieve a single objective.

That alone is a tremendous task which we have placed upon the shoulders of our delegates. And if we note in the public press that some delegate from one of the nations may express a viewpoint different from our own, let us not seize upon it as an indication of bad faith and begin to express vituperations, suspicions, and petty distrust—let us view the whole proceedings with a patience which will do us honor, and which can only lead to eventual peace.

Wars are as much caused by internal conditions within nations as they are by the external relations between nations. Divergent schools of thought within one country as to the necessity of armament causes controversies which are viewed with alarm by the people of other nations. Given to material expression this alarm leads to the downfall of friendly relations and eventually war breaks out and is charged to economic or greedy desires on the part of some country. There has never been a war but what the people of the nations involved maintained they were right and their enemies wrong. It is merely a matter of international viewpoint, and we can achieve world peace only by maintaining a mental bigness which can expedite the attainment of a universal idea incorporating the world objective for peace and a single world philosophy to maintain it.

I would say to the people of this country, whether they be believers in large armaments or small armaments, whether they be tolerant toward other nations in this conference, or whether they be suspicious of them, to be big enough in the eyes of the world to withhold your feeling of possible distrust until the delegates in London have an opportunity to interpret your viewpoints in terms of universal thought. I ask the same thing of the press of all nations—to forego the editorials of unjust criticism and take up the cause of international patience, the lack of which taxes to the utmost the harmony of universal accord.

PROBLEMS OF THE CONFERENCE

There are probably in the world at this time no more than a few persons who can appreciate fully the problems which face the delegates at the disarmament conference in London. They must take into consideration the mental characteristics of all races of the world. They must study the various schools of thought in all nations of the world. They must interpret in single terms the viewpoints of all elements of our own life.

They must consider the conditions of international geography, of coast lines, of international trade, of foreign investments, of navies, of the tonnage of navies, of the guns of navies, the financial resources of countries, and the characteristics of the people of the various protectorates. Who can tell when nations are equally armed? There is no such thing as absolute parity. Parity must be relative, and in considering relativity we must consider the transportation systems within nations, the ability to quickly produce ammunition and guns, vessels,

and equipment for soldiers. We must consider the ability of the people to produce. We must consider relative patriotism, relative intelligence, relative courage, relative ambitions. In fact, in the problem of disarmament there is a combined mixture of psychological calculus, geographic algebra, economic geometry, and various phases of commercial arithmetic which can be grasped by no single being without a lifetime of study and an open mind. With this knowledge, how can any person who is not governed by the narrow shackles of prejudice and bigotry see fit to view with distrust and suspicion the action of any nation or any delegate in connection with an international effort to bring about peace in the world?

I repeat that the strongest contributing factor to the success of this naval conference will be an international patience. Let those of us who are in possession of a "security complex" try to put a new meaning to the hackneyed term, "national security."

One of the most outstanding causes of impatience and distrust is a deep-seated racial prejudice on the part of citizens throughout the world. There is no more disquieting factor in diplomacy than the existence of racial prejudice. It is hard for participants in an international conference to deal with the problems which result therefrom. Let the people of the world who are afflicted with a racial prejudice forego their rhetoric for the present, and place complete confidence in the integrity and the intentions of the delegates they have sent to London. In doing so the present civilization can go down in history as possessing a keen international wisdom, for after all there is no wisdom so great as that which keeps the masses from folly.

There are people, there are politicians; yes, and there are even statesmen in this country who go about obsessed with the exhiliration of American individualism and, while feeling and believing like Napoleon, give voice to words which would do credit to a pacifist. There are others who feel and believe in tenets of international tolerance which would be worthy of a perfect statesman, but who are ready at any moment to explode these beliefs in an untenable volley of international criticism. The success of the naval conference will not depend so much upon the desires and intent of the world to eliminate some of the burden of armament as it will the existence of international patience and the smothering of the venomous expressions of suspicion, jealousy, and distrust.

The opportunity for world peace is here now and beckons the world to forget its small hypocrisies, and smaller suspicions, and by common intent and common trust, create an eternal peace out of the existence of a new world philosophy. This universal philosophy has for its basic creative factor the hereto unknown element of international patience. When the white, the brown, the yellow, and the black races of the world are able to express an already existing idea in a simple language that all can understand, the Utopia in world peace will be reached and the dangers of international misunderstandings will be largely removed.

CONFIDENCE IS ESSENTIAL

In this address I have deliberately evaded matters relative to the naval conference, such as the comparative need for naval tonnage, the existence of the World Court, the Kellogg pact, and the myriad other factors which must enter into the public thought in connection with it, and have made an appeal not only to the people, but as well to the politicians who try to interpret the thought of the people, and the statesmen who try to interpret the thought of the people of all nations, to have confidence in the various delegates in London. They must not spread the tiny seed of suspicion and distrust until these delegates have had a fair opportunity to complete their stupendous task.

Remember that the delegates to the naval conference are not advocates of a small navy nor advocates of a large navy. They go with the sole purpose of reaching a universal accord which will relieve a burden from the backs of the taxpayers. To some of you a large navy is a religion; to some of you a large navy is a menace. But whatever your opinion, have patience, and let the best minds of America, who are now in London, interpret for you the American desire.

Remember also that there is no such thing as the suppression or the abolition of war. There is no group in the world who can suppress or abolish anything without retarding their own civilized progress. The work of peace is a creative work, and it is hard work. We shall not obtain a state of peace unless we keep in check the herd of wild beasts which we harbor in our individual and national heart, and keep these creatures of jealousy, selfishness, and distrust locked in their cage. We must calm them all by insistence that we are going to maintain an international patience. The price of peace is an eternal activity carried on in the true light of an unyielding patience.

How little must be the ideal of those statesmen who can not see their nations in any light except the trial balance. How small would we as a people be if we could not view America on the horizon of world peace except with a background of dollars and cents. Let us write our international ideals upon the skies and not on the ledger or the journal. We can only do this by having a faith and a confidence in those men who have undertaken the task of writing a new international code of naval armament. Support them by quieting those instincts within us which lead to suspicion and to distrust and eventually to hatred and on to war.

Do not let your neighbor catch you talking in your sleep on your own doorstep. If you do, you may say something which you will be very sorry to have him hear. Even so, do not let your neighbors across the seas hear you talking of bad faith and of jealousy and of distrust, for you may say something unfair to him, and it must follow that it would be equally unfair to yourself.

THE WORLD COURT

An example of how misunderstanding might throw a haze around international negotiations can be found in the matter of the World Court. For a long time the United States has been on the verge of entering the World Court, but opposition, which has evidently been based upon misunderstanding, has kept us out. We are now on the brink of entering this court and in the work toward that end the people should again have patience.

The outstanding opposition which seems to be brought forward to the World Court is the accusation that it is merely a "back-door" entrance to the League of Nations. This is misleading from the very nature of the protocol. There are five reservations which the United States has insisted upon in connection with its entrance into the court, the most important of which grant us two important concessions:

(1) The privilege of withdrawing from the court at any time we may so desire.

(2) The court is barred from rendering any advisory opinions without the consent of the United States when these opinions may affect any interest in this country.

Quoting the words of the reservation we read:

"That the court shall not render any advisory opinions except publicly after due notice to all states adhering to the court and to all interested states, and after public hearing or opportunity for hearing given to any state concerned; nor shall it, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest."

This part of the reservation contemplates a possibility that the League of Nations may at some time ask the court for an advisory opinion upon a question on which we prefer to have no opinion given and which we ourselves might have refused to submit for actual judgment.

There was considerable objection on the part of the other nations to this reservation of the United States, but the opposition which they had to it has been overcome by the Root formula interpreting the manner in which this clause shall be put into effect.

The World Court, therefore, can take up no problem upon which an advisory opinion is to be handed down without first asking the permission of the United States—provided, of course, that the United States has an interest in the matter to be considered. It is apparent from this reservation that the World Court can in no way interfere with matters of direct importance to the United States without the sanction of our Government, and it is difficult to see in the face of this how any person desirous of promoting harmony in the world can express opposition to our entrance into this Permanent Court of International Justice. The idea of the World Court has been discussed by our statesmen for more than 30 years, and there has always been a strong inclination toward this arrangement. Now that the world has grown smaller and our misunderstandings have been largely removed, why should we not join with the rest of the world in the movement toward peace, particularly when we have already joined with them in prosecuting a just war? We joined with nations of the world to fight a terrible war, and now why should we fail to join with them in a constructive move for peace, particularly when we have everything to gain and nothing whatever to lose?

It is generally understood by a great many persons that the World Court is essentially a part of the League of Nations. This is largely an erroneous impression. It is the same as saying that the Supreme Court of the United States is a part of the Congress of the United States. They are separate and distinct bodies in so far as their activities are concerned, but closely aligned as far as their objective is manifested. The Council of the League of Nations may submit its problems to the World Court, but the problems in which the United States is interested are submitted only after advice and consent of the United States.

It is apparent from the reservations which we have made in connection with the World Court that we have no intention at the moment of making a back-door entrance into the League of Nations, because we forever prevent the Council of the League of Nations from submitting our problems to the court without our specific consent.

COST OF COURT

The cost of maintaining the World Court, as far as the United States will be involved, probably will be less than $50,000 per annum. And when we consider the many billions which are spent for war, how can we object to this small expenditure in behalf of peace? The court is a financial autonomous organization in the sense that its financial administration is entirely independent of the Council of the League of

Nations and the Secretariat. It is provided that when a state which is not a member of the League of Nations is a party to a dispute before the court the court will fix the amount the party is to contribute toward the expense of the hearings.

The Permanent Court of International Justice, which is the body we call the World Court, is the first actual court set up by the nations of the world in a sincere attempt to substitute justice for arms, as the method of settling international disputes. It should be remembered by those persons who are obsessed with an inclination toward impatience and distrust that it is a court of justice and not a court of arbitration. While it has developed out of the old Hague tribunal, it has developed on the new principle that justice may exist in the peaceful intercourse between nations and is foreign to the antagonistic show of arms between nations, and that arbitration is largely unnecessary.

In the instructions to our delegates at the first Hague conference in 1899 we informed the world that "the long-continued and wide-spread interest among the people of the United States in the establishment of an international court gives the assurance that the proposal of a definite plan of procedure by this Government for the accomplishment of this end would express the desires and aspirations of this Nation."

After these 30 years have passed, can we as a nation throw aside the opportunity of achieving this long-felt ambition by bowing to sentiments of distrust and suspicion, which seem to pervade the atmosphere of negotiations of this sort?

We have lived and witnessed the sacrifice which war exacts, but the generation which follows can not feel the heartaches we have known, and the heritage which we must leave for them is a new fraternity among nations which will spare them the horror of international conflict. Let us then throw aside these petty distrusts and dedicate ourselves to a new peace intended to endure and conceived without the intrigue of secret diplomacy. Let us say plainly to the world we are ready to join with you in the consummation of a peace eternal. We seek not only the guaranty that the living shall not go to war, but we seek as well the heritage which we may hand down to those who follow. We want to say that this Nation leaves its citizens the greatest inheritance of all—that of peace and good will among nations.

Remember that the world has grown smaller by man's new conquests. Europe is now only a few days away, where once it was many weeks. Your words can go across the sea in a few moments and their echo may be heard again in this country even before the last sounds have left your mouth. The races are alive with a single idea, ready to evolve a new international peace and throw off much of the heavy load of national armament.

Let us contribute our share of the basic element upon which peace can be constructed and give it in full measure—patience!

MRS. REBECCA LATIMER FELTON

Mr. GEORGE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial appearing in the Atlanta Journal of Sunday, January 26, 1930, on the life, character, and public service of Mrs. Rebecca Latimer Felton, late a Member of the Senate.

The VICE PRESIDENT. Without objection, leave is granted.

The editorial is as follows:

[From the Atlanta Journal, January 26, 1930]

REBECCA LATIMER FELTON

When Mrs. Rebecca Latimer Felton, "Georgia's grand old lady," was born four and ninety years ago last June 10, the youthful Victoria was still two summers from the throne of England; Charles Dickens was sauntering through the byways of London, gathering material for Pickwick Papers; Andrew Jackson was President of the United States; Indian villages dotted the uplands of Georgia, while stage coaches rumbled past the De Kalb County farmstead, where a little girl, America's first woman Senator to be, had just opened her eyes; the electric telegraph was undreamed of; modern democracy a far, faint vision; and the world of to-day more unimaginable than any Utopia.

Simply to have lived through so long and eventful an age of human history, to have watched as a bystander its vast drama of thought and deed, would have been a notable experience, and one rarely granted to the children of men. But much more than a spectator was Rebecca Latimer Felton. Her mind, never neutral, flashed in great battles; her heart throbbed high to the march of epoch-making ideas; her spirit called, like a trumpet, to those about her to fight the good fight and to keep their faith. Nothing that touched the common weal was alien to her, but most of all she was concerned with the duties and rights of womanhood and with those social forces that involve the virtues of the home.

Never seeking public office, she exerted a potent influence on public affairs and on political history—the influence, in some issues, of a pioneer. When she and her sister, the late Mrs. Mary L. McLendon, first stood forth for women suffrage, that cause was an unheeded voice crying in the wilderness; and when she entered the lists for temperance, the eighteenth amendment was no more conceivable to the run of practical minds than was the nineteenth. Let convictions kindle within her, and she would admit no impossibles, fear no encounters, but, with a faith that looked beyond her own few comrades-in-arms and the opposing hosts, would declare with the prophet of old, "They that be with us are more than they that be with them."

Yet, when this heroine of many fields came to her sunset she would say, "Music was the passion of my life"; and at a party on her ninety-second birthday she tenderly showed her friends certain treasured volumes of songs that she sang to her own piano accompaniment, at Madison Female College, nine years before the War between the States. Among them was an aria from Ernani. "Thirteen pages," she laughingly exclaimed, "and I sang them all!" Behind that helmeted intellect and will of steel stood a woman's gentleness and love of all things beautiful. To her distinguished husband, Dr. William Harrell Felton, once a member of the Georgia General Assembly and Congressman from the seventh district, she was indeed "an helpmeet," and to her children and grandchildren a mother in deepest truth. The little graces and chivalries of life were dear to her Southern heart. When she entered the Senate Chamber, in her eighty-eighth year, to become the first woman Member of "the greatest deliberative body in the world," the floor and the galleries alike broke into applause. For a moment she stood hesitant, and then threw kisses all around.

Vigorous to the last in mind and body, she never lost her view of life as a brave adventure, nor her vision of the Eternal Good. Among her last utterances were these: "Shun intolerance and maintain justice. For a State to be truly great, virtues must govern with a scepter of knowledge"; and then, with eyes that looked backward over almost a hundred years and forward to the misty borders of the unseen, "Fear God and keep His commandments, for that is the whole duty of man."

None will miss Mrs. Felton more than her friends on the Atlanta Journal, to whose columns she contributed for many, many years and whom she visited with her charming cheerfulness on the very eve of her final illness. Her name is graven in the history of the Commonwealth she honored and in the hearts of those who knew her best.

SAFETY AT SEA—ADDRESS BY SENATOR WAGNER, OF NEW YORK

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an address by my colleague the junior Senator from New York [Mr. WAGNER], delivered on Thursday evening, January 9, 1930, and broadcast from the studios of the National Broadcasting Co., at Washington, on the subject of Safety at Sea.

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

During the course of the past year it was my unpleasant task on several occasions to remind the people of the United States of the tragic foundering of the *Vestris* which was accompanied by the loss of 110 lives. I do it again to-night because I feel that the emotion which was generated by that horrible catastrophe must not be dissipated until it shall have served its purpose of making the recurrence of such a disaster unthinkable.

So far, although more than a year has elapsed, Congress has done nothing to render a repetition of such a death-dealing journey less likely than when the *Vestris* started out on its ill-fated voyage. During the present year, as in the past, millions of Americans will ship in hundreds of vessels bound on business and pleasure for every port on the face of this earth. The great majority of the vessels on which they will embark are seaworthy craft, well-equipped, ably manned, and thoroughly safe. But who knows how many of these are unseaworthy, poorly equipped, poorly manned, and in every way unsafe to act as carriers of human beings? In other words, how many ships are leaving port in a condition like that of the *Vestris*.

Mr. Furuseth, president of the Seamen's Union, says:

"That which happened on the *Vestris* was no surprise to thoughtful seamen. It had been expected."

Are we going to correct the conditions that lead thoughtful seamen to expect wholesale loss of life on the seas, or will the next marine disaster again be no surprise?

Captain Jessop, United States naval expert, who participated in the American investigation of the *Vestris*, wrote in a letter to the Senator from Florida:

"Having just been through the terrible experience of finding that ships could be sent to sea so ill-prepared as this vessel was, I feel rather strongly on the subject."

These are the conclusions of men who know ships, of men who love the sea but who know its hazards.

As a general proposition, practically every modern ship is safe so long as it is properly maintained, skillfully operated, and not brought into collision with the ice, derelicts, or other ships. These risks of the sea have not been diminished in the course of the last half century. Quite the contrary. These risks have been multiplied a thousandfold, because our ships to-day are larger, faster, and more numerous.

What is the responsibility of the Government in this problem? When Tom Brown and his wife and children go on board ship for the long-expected, oft-postponed, and finally realized trip abroad, he has a sense of reliance that the great and powerful Government to which he pays his

taxes and passport fees—his Government would not permit him and his family to travel on that ship unless it were perfectly safe. The passenger himself can not test the ship. He will not count the lifeboats. He does not know whether the officers and the crew are competent. He expects his Government to know these facts and to do these things. He trusts his Government to do them for him. The passengers on the *Vestris* trusted their Government. They relied upon its inspection to assure them a safe journey.

The widows and the orphans of those unfortunates have since sadly learned that the passengers were grossly and irreparably deceived. The Government apparently knew nothing—nothing of the ship's stability, nothing of the soundness of the lifeboats or the life preservers, nothing of the competence or incompetence of the crew. The Government did not even know that the ship was overloaded. However, should legal action be instituted to compel the owners of the *Vestris* to pay for the harm they have done, then the Government may step in and announce that by virtue of a law passed in the days of the clipper ships the owners are in this case liable for no more than the amount of the freight money earned on this particular voyage. The shipowners will have lost nothing. The insurance company will pay for the loss of the ships but not for the loss of life. Not even the insurance money collected by the owners need be paid over for the irreparable and the irretrievable loss that has been caused to 110 families.

Can any reasonable person possibly be of the opinion that such conditions should be allowed to continue?

More than a year ago I submitted a resolution on this subject in the Senate of the United States. It called for the appointment of a select committee of Senators to inquire into the whole field of marine transportation, and particularly to study and investigate the Steamboat Inspection Service of the United States Government, the law of limited liability, and the business of marine insurance.

At the very threshold of our discussion I should like to remove a doubt that may lurk in your mind with respect to my proposal. I suspect that a number of you would at this moment like to ask me the question: Is this to be another of those Senate investigations of which some people think there have been too many? My answer is that it is decidedly not, although, in my judgment, the Senate investigations have been of inestimable benefit. I call it an investigation only for the lack of a better word.

What we really need is not a spectacular investigation but a study, a careful inquiry into the facts, a deliberate consideration of all the facts by a small group of legislators who will for the period of the inquiry specialize in this one subject of marine transportation. The temper of the American people is such that it will not tolerate inaction in this matter. The danger is that if we do not create a body equipped to study all of the facts we shall get legislation based on half truths and partial evidence, and the probabilities are that it will be productive of little good to the traveling public and much harm to the shipping business. I believe that we can, if only we act intelligently, accomplish the very opposite. We can achieve real results. To do so we must face the true conditions. The marine business is very complex, very delicately balanced and deeply affected by international competition. It should not be tinkered with except with full knowledge of every step that is taken. Extraordinary caution and extraordinary prudence are essential in legislating on this subject or we shall find that we have undone all the good we have tried to do in furthering a merchant marine. A committee authorized to secure expert advice, equipped to get not only some of the facts but all of the facts, is the agency which is most likely to recommend legislation which will command the confidence of the public and be of benefit to the traveler and do only good to the marine business.

The most important protection to the passenger lies in an adequate inspection of the vessel on which he ships. At the present time the inspections conducted by the Federal Government are neither sufficiently thorough nor sufficiently frequent to assure the safety of the traveler. The record of the *Vestris* proves it. It is corroborated by the latest report of the Steamboat Inspection Service, in which it is admitted that the force of inspectors is insufficient and that a minimum of 50 additional men are needed. Independently it has been revealed that the testing and inspection of excursion boats carrying hundreds of thousands of women and children have not been kept up in spite of their very limited life-saving apparatus and their limited crews. It has been officially admitted that almost a third of the ships leaving American ports have not had their radios examined, although the life of all on board may depend on the prompt transmission of a signal of distress. It is obvious that the Steamboat Inspection Service must be reorganized and made into an effective and efficient organ of protection for the traveling public. How the service is to be remade only a careful inquiry can determine.

Outside of direct inspection there are other ways of inducing owners of vessels to take no chances with the lives of their passengers. The most important is the law of liability. It is obvious that the greater the measure of liability on the owner for loss of life or injury, the greater is his care to prevent accidents and the greater is the insistence of the insurance company upon careful construction and maintenance and skillful navigation.

Everey carrier, from a railroad to a taxicab, is liable to the full extent for the injury it inflicts through its negligence, but the ship owner is an exception.

At the present time, under the law of the United States, the owner of a vessel lost through the negligence of its crew is practically exempt from liability. The amount that he may have to pay for loss of life or property is so small that it does not stimulate careful operation. In the case of the *Vestris*, the owners claim that their liability is limited to $80,000. That amounts to $727 for each life lost. In the case of the *Titantic*, in which over 1,500 lives were lost, liability was limited to $90,000. That represented $60 for each life lost.

Where life is so cheap, why spend money to make it safe? The law which makes this possible was written in the Federal statutes in the days of relatively slow wooden ships, long before the day of the radio. We have since then overhauled our ship designs; we have overhauled our engines; but we have not yet overhauled our law. The time to do so has arrived.

Let me illustrate by two examples how the American law of limited liability has worked in practice.

The *Vestris* is a British ship, but it is seeking to have its liability limited in the Federal courts to $80,000. In the English courts its liability would be eleven times as great. The *Titanic*, too, was a British vessel. Its liability was limited under the American law to $90,000. In an English court it would have had to pay $3,645,000, or forty times as much.

Is it fair to those whose breadwinners were lost through the negligence of the crew of a ship that they should recover practically nothing from the owners? Is it just that they lose everything and the ship company lose nothing? The time is sufficiently ripe to change the liability laws not only to stimulate greater care, greater caution, and greater regard for the life of the passengers, but also to compensate the injured for their losses.

I have called attention to the British law primarily to show that British shipping has prospered under a rule of liability which is far more generous to the passengers than our own, whereas our merchant marine has languished. Now, I do not advocate the abolition of limited liability and the imposition of full liability on shipowners. I do not advocate the adoption of the British rule, but I do advocate the study and reexamination of this law of liability and its effect on safety, to the end that life on the seas may be accorded the sacred place which it should hold.

Very unsatisfactory rumors are afloat concerning the practices of the marine-insurance business. They should be investigated. It is reported that the business is largely in the control of a foreign monopoly. I have been informed that it does not encourage the installation of safety devices on board ship. It has been reported that captains are frequently blacklisted and refused employment through the intervention of the insurance companies. Such practices do not promote safety. Confessedly these are but rumors, but would you not investigate a rumor that your house was on fire? Marine insurance vitally affects the safety of American life and the welfare of American business. To-day its methods of doing business, its objects, and its purposes are a closed book. It is time it were opened up.

So far I have been speaking solely from the point of view of the passenger. I should like to pause a moment to examine this problem from the angle of the shipowner. We are discussing a business in which his fortune is invested and from which he derives a living. Has he any cause to fear an inquiry such as I propose?

In all frankness I declare that the shipowner ought to be out front demanding the conduct of this investigation. His only cause for concern is the failure of the Senate thus far to order it. I say this because I believe the American people are truly and deeply moved by a yearning to do something to call a halt to the rapid succession of ocean tragedies. When the full force of this public desire is felt in Congress there is bound to be legislation, but it is likely to be the legislation born of panic rather than the product of a searching survey of all the facts and an adequate consideration of all the interests concerned.

In the United States Senate I represent a State which has a greater interest in ships than any other State in the Union. I live in a city situated on the greatest harbor in the world. Naturally I want to see our shipping increased. I want to see our merchant marine in a position to compete with the world, but I take literally the great American slogan of "safety first." I believe in maintaining low costs of operation and in providing the public with a low cost of transportation, but I want no economies introduced at the expense of safety, because I believe that safety is first. I advocate economy in Government, but it is not true economy to permit the inspection service to go undermanned and underpaid, for that jeopardizes our very lives, and I believe that safety is first.

It is with these objects in view that I advocate an inquiry into and reorganization of the inspection service, the liability laws, and the marine-insurance business. Such a program can, in my opinion, be carried out through the medium of a small legislative committee, assisted by a corps of competent experts, charged with the duty of sifting the whole problem and directed to present to Congress a systematic and coherent plan which would be calculated to promote safety and

at the same time not handicap us in the competition for business. The motive must be a humanitarian one. The ideal must be that human life is sacred and must be kept safe without regard to cost. Happily, the lesson of common experience is that safety more than pays for itself. Many manufacturers resisted the inauguration of safety in industry and workmen's compensation on account of the cost they involved. Not one of those would now return to the old methods. The railroads resisted the installation of what appeared to be costly safety practices. They now point proudly to the falling cost of accidents. So in marine transportation, I believe we must drive on to the elimination of all risks and hazards and to the provision of the maximum of safety. Cost will take care of itself.

The resolution which I submitted calling for this investigation has now been pending in the Senate for more than a year. I do not know of any opposition to the resolution. The press has unanimously supported it. No one, as far as I know, has openly opposed it. I shall do my utmost to secure the action of the Senate upon this resolution before the expiration of the present session of Congress.

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. JONES. Mr. President, on examination of the record I find that one of the provisions of the bill, as it appeared in the House text and was not changed by the Senate committee in its report, known as the countervailing provision relating to coal, appearing on page 253 of the bill, was stricken out. I have been busy with hearings on an appropriation bill during the last week or 10 days and was not in the Chamber when that matter came up. My State is very vitally interested in the provisions relating especially to coal and the matter of a countervailing duty. I simply want to advise the chairman of the Finance Committee that later on, before the committee amendments are finally disposed of, I shall ask for a reconsideration of the vote by which the provision referred to on page 253 of the bill was stricken out.

Mr. SMOOT. Mr. President, as I stated at the time I requested that all four of those provisions be stricken from the bill, I did it at the request of the State Department. Since that action was taken by the Senate a number of Senators have spoken to me in relation to the question of coal. I shall have no objection, I will say to the Senator from Washington, when the time arrives, to a reconsideration of the vote by which the provision was stricken out.

Mr. JONES. I knew the Senator would have no objection, but I wanted to make it a matter of record.

Mr. ASHURST. Mr. President, will the Senator from Utah also let that reconsideration arrangement apply to sodium sulphate of salt cake, because the senior Senator from Nevada [Mr. PITTMAN] and the junior Senator from Arizona [Mr. HAYDEN], who are in the West on an important matter, are very much interested in that item. Will the Senator let a reconsideration apply to both items?

Mr. SMOOT. That can be done as soon as the bill gets into the Senate. Then any amendment can be offered.

Mr. ASHURST. Very well.

The VICE PRESIDENT. The Secretary will state the next amendment.

Mr. SMOOT. Mr. President, I should like to advise the Senate that, unless there shall be objection to the contrary, the rayon item will be taken up at this time, to be followed by the paragraph covering hats, then by the paragraph as to handkerchiefs, then by the paragraphs affecting oils, and, following oils, by the items of cement and gypsum. I ask such an order be entered so that Senators may be informed as to what is coming up in the regular order.

Mr. BINGHAM. Mr. President, is it the intention of the Senator from Utah, in charge of the bill, to call for a quorum before each one of the items which he has named shall be taken up, so that Senators who are especially interested in them may know when they are to be considered?

Mr. SMOOT. I think that will be necessary, I will say to the Senator from Connecticut.

Mr. HARRISON. Mr. President, I think it is a very good idea that the Senator from Utah should serve notice before hand of the intention to take up each of the items which he has named, so that Senators may prepare themselves for their consideration as they shall be taken up.

Mr. SMOOT. I think I have suggested the proper order in which the various items I have named should be taken up.

The VICE PRESIDENT. Without objection, the order requested by the Senator from Utah will be entered.

Mr. WHEELER. Mr. President, the other day I offered an amendment in the nature of a substitute for the pending amendment. I ask to withdraw that amendment and to substitute in lieu thereof another amendment.

The VICE PRESIDENT. The Senator from Montana is, of course, privileged to do so.

PROHIBITION ENFORCEMENT

Mr. WHEELER. Mr. President, before offering my substitute amendment, if I may have the floor in my own time, I desire to advert to a matter which has been brought to my attention with reference to prohibition enforcement in my State of Montana.

I have felt very keenly about this subject, but have never wanted to do anything which would embarrass the administration with reference to prohibition enforcement. I have felt if prohibition had been handled rightly in the first place, when the law was originally placed upon the statute books, that we could probably have had some real enforcement of the law, but I must confess that not only in my own State but in other States there has been a complete breaking down of law enforcement on the part of those charged with the enforcement of the prohibition law.

The President of the United States has appointed a crime commission for the purpose of investigating prohibition enforcement. I think if that crime commission would go back and consider the record and the evidence disclosed in the investigation by the Senate committee of the Department of Justice during the Daugherty régime they would learn some of the reasons why prohibition enforcement has broken down in this country. They would learn that at the very outset of the Harding administration, when Mr. Daugherty was appointed Attorney General of the United States, he brought with him down here a man by the name of Jess Smith. They would also find out if they examined the evidence adduced in that investigation that, as a matter of fact, the Department of Justice itself and Jess Smith and agents who were working under them were collecting graft from various breweries and bootleggers from one end of the country to the other. When the Department of Justice, as it was at that time, is saturated with graft and corruption, it is not surprising at all that the same condition should exist among lesser officials. It seems to me that the laxity of enforcement and the graft and the corruption which went on at that time brought about a wholesale disrespect for the law so that now prohibition enforcement has entirely gotten away from the enforcement officers.

My attention was called yesterday to an article in the Washington Times which is headed "Herbert, ex-Dry Chief Here, Faces Ouster," which reads:

Prohibition Administrator John F. J. Herbert, formerly in charge of the Maryland-District of Columbia-northern Virginia prohibition district, but now in charge of the Idaho-Montana region, is "in line" for early dismissal, it was learned by the Washington Times.

Herbert's former assistant, John J. Quinn, was dismissed several months ago, although prohibition officials had been claiming he was sent to Texas. When Commissioner Doran was confronted with the fact that Quinn was in Washington Thursday "looking for a job," he admitted that the reports which had emanated from his office were not correct.

STAR-CHAMBER TRIAL

Herbert and Quinn were tried before a civil-service board in a star-chamber session.

Several weeks after the "trial" it was announced that Herbert had been sent to the Montana office and Quinn to Texas. Doran explained this change as only a "shake-up" for the good of the service. Yesterday it was discovered that Quinn, against whom the most serious charges were placed, had actually been dismissed.

Inquiry of Assistant Secretary of the Treasury Lowman to-day brought the positive statement that Herbert is still in the service. As to his future status Lowman declined to comment.

Mr. President, I have learned that the Department of Justice made investigation into the activities of both Herbert and Quinn; that they furnished the Prohibition Unit with charges against both of those men, I am informed, showing that they were guilty of corruption, and that, notwithstanding the fact that the Department of Justice found that they were guilty of corruption, and produced evidence showing that they were guilty of corruption, the Prohibition Unit simply took them out of the District of Columbia and the Virginia district and they sent Mr. Herbert to the State of Montana to enforce prohibition in my home State. It seems to me that is extremely unfair to the Senators from Montana, and I can only account for it upon the theory that probably the administration wants to punish the people of Montana for having elected two Democratic Senators from that State.

I serve notice now upon the Prohibition Unit that unless they remove Mr. Herbert, against whom these charges have been filed, as prohibition enforcement agent for the State of Montana I am going to call for an investigation into these activities and call upon the Department of Justice to make public the evidence which they have collected with reference to these two men.

I think it might be well also for the crime commission when it is investigating the causes of crime to call before it some of the Republican national committeemen of the various States to ascertain how it is that prohibition officials are appointed and by whom they are recommended. It seems to me that the real fault with prohibition lies with the politicians, because, notwithstanding the fact that it is heralded throughout the country that prohibition officers are under the civil service and that an applicant must pass a civil-service examination before he may receive an appointment, every Senator upon this floor knows that no man can get a position as a prohibition agent unless he has the backing of some of the leading Republican politicians. Think of it, Mr. President! From my own State at the present time we have what? Here in the city of Washington we have the Republican national committeeman, Mr. Snitzler, and Mr. Brown, the State committeeman, conferring, if you please, with the notorious wet Paddy Wallace from my State, and conferring with other wets from the State with reference to the selection, first, of a candidate for the Senate of the United States to succeed my colleague, and next seeking the ouster of a United States district attorney for the State because of the fact that he does not happen to meet the approval of some of the financial interests of that State and of some of the leading politicians of the State.

Furthermore, we have certain wets conferring here in a smoke-filled room of one of the hotels over the appointment of a prohibition agent for the State. They are seeking to get rid of the dry district attorney and probably get somebody in his place who is more agreeable to their views with reference to prohibition. They are seeking to have appointed a prohibition agent in the State of Montana who will be amenable to the views of the leading Republican politicians of that State, and, if they have their way, of course it will undoubtedly mean that we will have a wet administrator of the prohibition law in that State.

Mr. President, never since I have been in the Senate have I even been consulted as to who should be sent to Montana to enforce the prohibition law in that State. Let me say that I do not want to have anything to say as to who shall be appointed, but I do think that the people of the great State of Montana are entitled to have somebody sent there who honestly and fearlessly is going to enforce the law regardless of his political affiliations.

The administration comes to the Congress of the United States and asks for great appropriations for the enforcement of the law. I have very willingly and gladly voted time in and time out to give them any amount of appropriations they wanted, to give them all the money they wanted with which to enforce the law; I have been willing to vote for almost any law which they wanted in order to carry out what they thought was necessary; but I do not think that the American people ought to be fooled about this matter at all. The great trouble with the enforcement of the law is not because the administrative officers have not had sufficient money; it is not because of the fact that we have not had proper laws upon the statute books; but it is because the fundamental fault with the enforcement of prohibition is that it has been a political football. A lot of honest women are being fooled by politicians. The President of the United States sent the Woman's Christian Temperance Union what seemed to me to be a meaningless telegram. The members of that organization were perfectly honest and perfectly sincere and seemed to be satisfied, because they do not know what is really going on. I want to call to their attention the fact that nothing has been done to oust many of the crooked politicians from office and nothing is going to be done about it, because the Republican national committeemen are going to insist that they have the appointments. I do not know whether the Republican national committeeman of my State insisted that Mr. Herbert be sent out to Montana, but I do know that the rank and file of people in that State and the rank and file of the Republicans do not want any carpetbaggers from Washington or from any other State sent out to Montana for the purpose of enforcing their laws.

There are a lot of honest, sincere men and women of that State who are interested in the enforcement of the law. They are anxious, if you please, to see it enforced. There are a lot of men out there who are capable of enforcing the law, who know the conditions in the State, and who, if appointed to this position, would honestly and faithfully enforce the law.

So, Mr. President, I felt that this matter ought to be called to the attention of the Senate, because here is a clear case where, if I am correctly informed, the Department of Justice has brought a matter to the attention of the prohibition officers, and when they find that they have evidence disclosing corruption they take the man out of the District of Columbia and send him out to Montana. I want to see a stop put to that practice in this country.

Mr. BORAH. Mr. President, one of the papers, in discussing this matter of sending Mr. Herbert to Montana and Idaho, suggested that he was a protégé of mine.

The first I ever heard of Mr. Herbert was when an investigating officer of the Department of Justice—at least, he so stated—came to my office some few weeks ago and undertook to narrate to me the record of Herbert and Quinn. It was a record of malfeasance and corruption, according to his statement; and he was one of the investigators of the Department of Justice. He stated, further, that he had submitted these facts to Mr. Doran, of the department of law enforcement.

I assumed, of course, that the two gentlemen would be dismissed. I am unable to state anything later than the conversation which the agent of the Department of Justice had with me, owing to the fact that he reported to my secretary the next day after his visit to my office that he had been transferred also and sent to other parts than Washington.

I know nothing about Mr. Herbert, therefore, except what comes to me from the Department of Justice or one of the investigating officers of the department. If the facts as they were given to me be true, this man has no business in Montana or Idaho, or anywhere else outside of the penitentiary. Whether or not they are true it is within the power of the Department of Justice and the law enforcement department soon to ascertain.

FORT BERTHOLD INDIANS OF NORTH DAKOTA

Mr. FRAZIER. Mr. President, I desire to call up a joint resolution that is on the calendar, Senate Joint Resolution 30, authorizing an appropriation of $2,000 out of the tribal funds of the Fort Berthold Indians of North Dakota, to be paid through the Secretary of the Interior for expenses connected with a claim that is being considered by the Court of Claims under a bill passed by Congress. It is the Indians' own money. The money is being spent and needs to be spent, and they are very anxious to have this authorization for it.

Mr. SMOOT. It is an authorization for an appropriation?

Mr. FRAZIER. It is an authorization for an appropriation of $2,000 out of the Indians' own funds.

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

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 30) authorizing the use of tribal moneys belonging to the Fort Berthold Indians of North Dakota for certain purposes, which was read, as follows:

Resolved, etc., That the Secretary of the Interior is hereby authorized and directed to use not to exceed the sum of $2,000 from the tribal funds of the Forth Berthold Indians of North Dakota in the Treasury of the United States, upon proper vouchers to be approved by him, for costs and expenses already incurred and those to be incurred by their duly authorized attorneys in the prosecution of the claims of said Indians now pending in the Court of Claims, Docket No. B–449, including expenses of not exceeding three delegates from said tribes, to be designated by the business committee representing said Indians, who may be called to Washington from time to time with the permission of the Commissioner of Indian Affairs on business connected with said claims, said $2,000 to remain available until expended.

Mr. McKELLAR. Mr. President, was there any difference of opinion in the committee?

Mr. FRAZIER. No; there was no difference of opinion, and there is a favorable report from the department.

Mr. McKELLAR. Was there a unanimous report of the committee?

Mr. FRAZIER. Yes; in fact, a good part of the money, at least, has been spent by the department, and they need this authorization.

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

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.

The VICE PRESIDENT. Will the Senator from Montana send up his changed amendment?

Mr. WHEELER. Yes; I send the amendment to the desk and ask to have it stated.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. In lieu of the matter proposed by the committee insert:

Page 183:

"PAR. 1301. Filaments of rayon or other synthetic textile, single or grouped, and yarns of rayon or other synthetic textile, singles, all the foregoing not specially provided for, 35 per cent ad valorem; and in addition, yarns of rayon or other synthetic textile, plied, shall be subject to an additional duty of 5 per cent ad valorem. Any of the foregoing yarns if having in the singles, 11 turns twist per inch, but not more than 32 turns twist per inch, shall be assessed at the rate of 45 per cent ad valorem; twisted more than 32 turns per inch, 50 per cent ad valorem."

Mr. WHEELER. Mr. President, when the rayon schedule was being considered heretofore, and before it was continued at the request of the Senator from Utah [Mr. SMOOT], I went into the subject at considerable length, pointing out how probably in no other industry in the United States was there such a powerful combination in control as in the rayon industry; and I should like to have the attention of the Senator from Tennessee [Mr. MCKELLAR].

The Senator from Tennessee the other day called to the attention of the Senate the fact that there might be something in this schedule that could be called farm relief. I am sure he had not made any very serious investigation into the situation, because if there is one schedule in this whole bill that is going to take millions upon millions of dollars out of the pockets of the American farmer and put it in the hands of the greatest trust in the world it is the rayon schedule. If they can come here and ask for a tariff upon rayon to benefit the Courtaulds, of London, if they can come here and ask it for the American Viscose Co., which has piled up millions upon millions of dollars and has paid tremendous dividends in cash, as well as stock dividends, and they can come here in the name of the American farmer, then I say, God help the American farmer! We ought to draw away the mask and say, "We are not here legislating for the American farmer, but we are here legislating in the interest not only of the great trusts of this country but of the Courtaulds, of London, this foreign-owned and controlled American Viscose Co.," that has for its emblem, if you please, the British crown. That is the emblem of the American Viscose Co.

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

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

Mr. WHEELER. Yes.

Mr. MCKELLAR. As I recall, what I said was that these various companies—and there are many of them, some of them owned by German capital and some of them owned by American capital, and the English company is just 1 of about 20, now—all of them together use about 230,000 bales, or 115,000,000 pounds, of cotton linters; and that is a very important item. As the Senator knows, cotton linters is a small fiber, taken off the seed, that used to be thrown away, and now is used for this purpose; and to that extent it benefits the cotton farmers.

Mr. WHEELER. I understand that; but the tariff does not benefit the cotton farmers in the slightest degree, and I challenge the Senator from Tennessee to point out how a tariff upon rayon will help the producers of cotton linters in the South.

After the statement which I made the other day, and which was carried in some of the newspapers of the country, there was an editorial comment in the Silk Digest Weekly of January 11 which read as follows:

"SAY IT ISN'T TRUE!"

The rayon industry has won its way into the not-so-select circle of industries accused of being operated as monopolies. It was Senator BURTON K. WHEELER who broke the sad, if untrue, news, sinking his brush deep into the black paint of infamy and slapping broad ugly strokes all over the clean, shiny face of America's leading infant industry.

The occasion for WHEELER'S attack was the senatorial discussion of the silk schedule and the proposed new rayon duty rates. In response to the proposed measure asking for increased duty to protect the home rayon industry Mr. WHEELER quite flatly ridiculed the idea, and said that since the American manufacturers of rayon were but stepchildren of European rayon powers, and since they were, like dutiful offspring, earning considerable sums of money for the said powers, it was hardly logical that they be afforded the unneeded protection of increased rates.

That sounds almost feasible and perhaps some credence may have been lent to the Senator's dissertation had it not been for the unconvincing tone of his random figures and for that careless, sweeping tenor in his statement which so often accompanies a poorly founded charge.

Somebody present at the discussion must have also realized the inadequacies of the figures, for it was decided that further treatment of the matter be withheld until additional statistics be obtained from an official source. When the good Senator has filled his belt with this new ammunition it will be interesting to see what effect his fire will have. But you know, even a machine gun can't puncture a doll's house when it is filled only with blank cartridges.

Let us see what the official statements are with reference to it. Let us go back and take the publication of the United States Department of Commerce, and see how much truth there is in the statements which I made upon the floor of the Senate.

I turn now to a publication by the Department of Commerce, R. P. Lamont, Secretary; Bureau of Foreign and Domestic Commerce, O. P. Hopkins, acting director, in which, among other things, the author, Mr. Notz, devotes several pages to the international cartel and combines and trusts in rayon; and he says:

The rapid growth in commercial importance of the rayon industry has been such that while cotton, wool, linen, and silk for centuries maintained their dominating position unchallenged among the textiles used for human clothing, this product of modern science now ranks fourth in volume of production, following cotton, wool, and flax, and outdistancing silk.

The expansion of the rayon industry is reflected by the fact that the world production of this textile rose from approximately 1,320,000 pounds in 1896, when the industry was started, to 265,900,000 pounds in 1927. Moreover, the total capitalization of the leading rayon concerns in the United States, England, Italy, Germany, and France amounts at the present time to more than $445,000,000.

As the industry expanded, a pronounced tendency toward cooperation developed; so much so that to-day it is one of the most interrelated and most centrally controlled among the industries of international character. This centralization of control has been facilitated by the fact that about 10 large concerns share the bulk of the supply of the world's markets among themselves. Most of them have extended their activities beyond national boundaries by means of foreign branch plants. Furthermore, mass production, standardized and simplified methods of manufacture, and particularly the joint use of patented processes have established a common basis for industrial and commercial cooperation in the form of cartel agreements.

Although the number of patents registered in the various countries for the manufacture of rayon runs into thousands, only four processes have been used on a large commercial scale. They are the nitrocellulose, cuprammonium, viscose, and acetate processes. About 3.4 per cent of the European and 10 per cent of the United States production of rayon is made by the nitrocellulose process. According to the cuprammonium process, 7.2 per cent of the European and 2 per cent of the United States output is manufactured. The chief raw material used in connection with it is cotton linters, furnished principally by the United States. On the viscose process are based 81 per cent of the European and 83 per cent of the United States production of rayon. The principal raw material used in connection with this process is wood pulp, supplied largely by Norway, Canada, the United States, Sweden, and Finland.

Then he goes on to point out a price agreement:

In February, 1928, at a meeting held in Vienna by the leading rayon producers of Belgium, Germany, Italy, Austria, and Czechoslovakia, an agreement was reached on sales prices.

"BIG THREE," CENTER OF WORLD-WIDE INTERRELATIONS

The cartel agreement between Courtaulds, Glanzstoff, and Snia Viscosa forms the center of the world-wide network of interrelations in the rayon industry.

Outside this central group are the immediate domestic and foreign affiliations of the three parent companies. Courtaulds have subsidiaries in the United States, France, Canada, and Spain, and a converting plant in India.

The American Viscose Co. is, as a matter of fact, owned and controlled by the Courtaulds of London. They not only own the American Viscose Co., which is the largest producer of rayon in the United States, but they likewise control plants in Austria and Czechoslovakia.

The Glanzstoff concern, which is the German concern, and which also controls at the present time, I understand, the Bemberg concern, has subsidiaries in Italy, France, and the United States.

The Belgian Tubize operates subsidiaries in Hungary, France, and Poland. The Dutch Enka and Breda concerns have subsidiaries in England, Italy, France, Germany, the United States, Belgium, and Spain. Then there are rayon plants founded jointly and companies in which one or the other of the three major concerns hold a part interest in the share capital, though not a controlling interest. In other cases, the interrelationship is based on patent agreements or technical collaboration. Interlocking directorates form an additional bond of union.

The following chart illustrates the interrelationship of the leading rayon producers of the world. [Omitted.]

Showing not only how these three companies control the great bulk of the rayon produced in the United States, but that they likewise control it in France, Germany, Italy, and even in Japan.

These three concerns are all headed up by an international cartel or an international agreement with reference to price fixing, the use of patents, and so on. I read further:

NATIONAL CARTELS

While the above-mentioned groups are international in character, national or local groups and cartels are found in a number of countries. In France 16 of the most important rayon factories are affiliated with the Comptoir des Textiles Artificiels. In Germany the majority of the rayon producers are members of the Viscose Konvention. These national groups are again linked up with international groups.

To a considerable extent the ramifications in the rayon industry rest on the joint use of patented processes. A recent example of this is the "Celta" patent. A holding company, the Deutsche Celta A. G., was formed in 1926, at Elberfeld, for the purpose of exploiting this patent. Leasing rights have been acquired by the Societa Generale Italiana della Viscosa, Rome; Kemil Co. (Ltd.), Petersborough, England; and the Société Generale de Soie Artificielle par le Procédé Viscose, Brussels.

It is a significant fact that the international cooperation so noticeable in the rayon industry is based on comparatively loose forms of contact, consisting largely in joint working of patents and in price understandings.

GREAT BRITAIN

The rayon industry of England has developed so rapidly that it is now about six times as large as the silk industry. It is practically dominated by one firm—Samuel Courtaulds & Co. (Ltd.), of Coventry—which through its secret processes and patents enjoys a quasimonopoly and controls more than 90 per cent of the industry. The progress of that concern, which began manufacture on a commercial scale in 1909, has been rapid. Its capital and reserves are now £26,000,000 and its yearly profits exceed £5,000,000. It operates plants at Huddersfield, Holywell Junction, and Wolverhampton.

Mr. President, when I am asking for a reduction in this tariff, I am not only doing it in the name of the consumers of this country, but I am likewise doing it in the name of the cotton manufacturers of this country, because if there is a man on this floor who knows anything about the manufacture of cotton and the cotton industry he knows that the cotton industry is in the doldrums, he knows that practically all of the cotton manufacturers of this country are hoping and praying that there will be a reduction in the tariff in these rayon schedules, because to-day it has become so necessary in the industry; but I am reliably informed that scarcely one of them has dared to come and point out the fact that he needs it, because he is more or less afraid of this powerful trust, and has a fear that if he does ask a reduction in the tariff on rayon, those combinations will come here and ask for a decrease in the cotton schedule.

Along this line I have a letter, which was sent to me by Mr. John H. Bennett. Mr. Bennett is a member of one of the largest concerns in this country, as I understand it, and his firm controls a great many spindles not only in the North, in New England, but also in the South. He said:

NEW YORK CITY, *January 17, 1930.*

Hon. BURTON K. WHEELER,
Senate Office Building, Washington, D. C.

SIR: I have just read, in the CONGRESSIONAL RECORD of January 9, your speech before the Senate on January 6. I note your observation therein on the absence of protests by the buyers of rayon yarns, and am not surprised that you should remark upon this. Your observation prompts me to send you, inclosed, for what use they may serve, copies of letters and affidavits which I have submitted to the Ways and Means Committee of the House of Representatives, the Senate Finance Committee, Senator ROYAL S. COPELAND, Senator ROBERT F. WAGNER, and the Tariff Commission.

The rayon manufacturers having, as you show, established at a time when their yarns were selling at a high price a specific rate which then equaled a comparatively low ad valorem rate, and now that the prices of rayon yarn have declined constitutes a flagrantly exorbitant ad valorem rate, are striving to have that rate retained so long as possible.

The case which you have presented to the Senate is clear, and if the issue can be guarded from confusion the specific rate in question can not, I believe, be supported.

That the average foreign and the average domestic labor cost in the production of rayon vary by even half the amount of the specific protection in question is not credited by the rayon trade; and as a consumer and a taxpayer I urge that the Senate should not consider the continuance of the present specific rate without calling upon the benefiting manufacturers for their evidence of a corresponding difference in labor cost to be protected. The burden of proof is plainly theirs, and the question is obvious; why, while the Tariff Commission finds means to secure scattered information about costs and quotations in foreign markets, should our august Senate and its committees spend weeks of deliberation on the question of retaining an extremely high tariff for the protection of the nearest to a world-wide monopoly known to commerce, without securing from the few beneficiaries thereof in this country attested figures showing their labor costs?

Yours most respectfully,

JOHN H. BENNETT.

Let me say, Mr. President, that the Tariff Commission has not any figures as to labor costs, they have no figures on the cost of production in this country, nor have they any figures on the cost of production abroad. They have not furnished to the Senate any figures and can not furnish the Senate any.

The manufacturers have not given to the Senate Finance Committee or to any other body or person that I know of, unless it has been done in secret, their costs of production at home and abroad. So the only way we can obtain them is to turn to the reports that were filed with the Treasury Department as to what their labor costs were, then turn to the trade journals and get the total amount of their production, and divide the total amount of their production by the labor cost. If that is done, what do we find the cost to the American Viscose Co. of producing rayon? I quoted the figures the other day obtained by that method—by turning to their cost—and I found that the cost of production in this country was something like 47 cents a pound. That was the actual labor cost involved.

I want to revert to Mr. Bennett's statement in a letter which he wrote to the Senator from Georgia [Mr. GEORGE], in which he said:

NEW YORK, *November 30, 1929.*

Hon. WALTER F. GEORGE,
Senate Office Building, Washington, D. C.

SIR: It is reported that a high rate of duty has been proposed on twisted rayon yarns as extreme as the current rate—45 cents per pound specific—on rayon yarns in general. It appears, therefore, that correct information on the actual cost of winding rayon yarns is, at this juncture, of especial importance. Accordingly, I am submitting herewith, in the form of an affidavit, information on the cost of winding the two chief standard numbers of rayon yarns, that this may be referred to such information as may be available on corresponding costs in foreign countries. I believe that such reference furnishes evidence that the rate in question on twisted rayon yarns as well as the 45-cent specific rate on rayon yarns in general, in effect in the present tariff bill and proposed in the new tariff bill, are among the most exorbitant of the tariff rates under discussion.

Respectfully yours,

JOHN H. BENNETT.

This is not a free trader talking. Mr. Bennett is a protectionist. Anyone who knows of Mr. Bennett or has come in contact with his concern I am sure will testify that he represents one of the oldest and best houses in the textile industry in the United States. The Senator from Rhode Island [Mr. METCALF] is here and, while I am not personally acquainted with Mr. Bennett and have not known him, I am sure the Senator will agree with me as to the standing and credibility of Mr. Bennett. I ask unanimous consent that the affidavit of Mr. Bennett to which I have referred may be placed in the RECORD.

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

The affidavit is as follows:

I, John H. Bennett, am a director of the Warwick Mills, West Warwick, R. I. It is a part of my regular duties and occupation to keep informed as to costs of manufacture. The accounts of the Warwick Mills, West Warwick, R. I., showed, on or about November 25, 1929, costs of spooling, twisting, and winding, as follows:

150-DENIER RAYON

	Labor	Overhead	Total	Total plus 6 per cent
33 turns:	*Per pound*	*Per pound*	*Per pound*	*Per pound*
Spooling	$0.0635	$0.0096	$0.0731	$0.0775
Twisting	.0915	.0481	.1396	.1480
Winding	.0619	.0100	.0719	.0762
	.2169	.0677	.2846	.3017
55 turns:				
Spooling	.0635	.0096	.0731	.0775
Twisting	.1298	.0682	.1980	.2099
Winding	.0619	.0100	.0719	.0762
	.2552	.0878	.3430	.3636

100-DENIER RAYON

	Labor	Overhead	Total	Total plus 6 per cent
33 turns:	*Per pound*	*Per pound*	*Per pound*	*Per pound*
Spooling	$0.0862	$0.0162	$0.1024	$0.1085
Twisting	.1265	.0666	.1931	.2047
Winding	.0902	.0145	.1047	.1110
	.3029	.0973	.4002	.4242
55 turns:				
Spooling	.0862	.0162	.1024	.1085
Twisting	.1702	.0895	.2597	.2753
Winding	.0902	.0145	.1047	.1110
	.3466	.1202	.4668	.4948

These costs cover the conversion of rayon yarn from the skein to the warper in the case of warps, and from the skein to the loom in the case of filling.

JOHN H. BENNETT.

STATE OF NEW YORK,
County of New York, ss:

Be it remembered that on this 30th day of November, in the year 1929, before me, ——— ———, a notary public of the State of New York, personally appeared John H. Bennett, of 9 Washington Square north, city of New York, county of New York, State of New York, to me known and known to me to be the above named, and who made oath that the statements of the foregoing instrument are true to the best of his knowledge and belief.

Witness my hand and official seal the day and year aforesaid.

Mr. WHEELER. Then I want to read a letter from Mr. Bennett which he forwarded to me, and a copy of which he sent to former Senator Sackett, of Kentucky. The letter reads as follows:

NEW YORK, *July 19, 1929.*

Hon. FREDERIC M. SACKETT, *Chairman,*
Subcommittee on Rayon, the Senate Finance Committee,
Senate Office Building, Washington, D. C.

SIR: I thank you for your letter of the 5th instant, informing me that if I desire to place the substance of my letter of the 3d instant on the record of the hearings of the Senate Finance Committee, the statements therein set down should be submitted under oath. In response to that recommendation, my letter to which you have referred is restated, in part as follows and in part in an affidavit inclosed.

The prosperity of the rayon manufacturers of this country and the lack of prosperity of the cotton manufacturers of this country being outstanding features in the field of American industry, I urge the omission from Schedule 13 of House bill No. 2667 of the 45-cent specific duty on rayon yarns which is therein specified, and which is specified also in the tariff act now in effect, on the grounds that it is the equivalent of an extremely high ad valorem rate not contemplated by Congress when it was inserted in the tariff act now in effect. I submit that sound tests of the rayon manufacturers' plea for higher duties than those imposed on cotton yarns are, taking for example the chief item of rayon manufacture—150 denier rayon yarn—a comparison of this specific duty of 45 cents per pound with the duty on cotton yarn specified in House bill No. 2667, and a comparison of the effect of this specific duty of 45 cents at the time when rayon manufacture was an "infant industry" with its present effect. In evidence thereof, I submit the inclosed affidavit.

Yours most respectfully,

JOHN H. BENNETT.

Notwithstanding the fact that the rayon industry has been making more money and is more prosperous than almost any other industry in the United States of America, it is here asking for what amounts to an ad valorem duty of from 79 to 86 per cent. I am informed by others that it runs as high as 112 per cent ad valorem. Is there a Republican in the Senate who will rise and defend any such unconscionable ad valorem duty as 79 to 86 per cent on rayon yarn? It can not be based upon the difference in the costs of production at home and abroad.

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

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

Mr. WHEELER. I yield to the Senator with pleasure.

Mr. HASTINGS. What is the difference in the cost of production at home and abroad? Can the Senator tell the Senate?

Mr. WHEELER. No; I can not tell the Senator what is the difference in the cost of production.

Mr. HASTINGS. Does the Senator know that the statement he has just made is correct, or does he know the facts are quite to the contrary?

Mr. WHEELER. I know the statement I made is correct, because of the fact that I can give the cost at home of the American Viscose Co., and if we apply a 45-cent specific duty upon that product, it would give an ad valorem duty of something like 90 to 100 per cent.

Mr. HASTINGS. I understood the Senator to say it can not be justified upon the difference in the cost of production at home and abroad. I asked if he knows what the difference is, and he said he does not know. Then I should like to know what justification he has for making the statement?

Mr. WHEELER. It seems to me it ought to be perfectly simple to any intelligent individual. In the first place, as I pointed out, the great American Viscose Co.'s own figures furnished to the Treasury Department show that their labor cost is something like 47 cents. They are asking for a specific duty of 45 cents. Does the Senator for one moment believe, and does not common sense tell us, that it would not be humanly possible for any concern, whether it is in Japan or China or Italy or Germany or any other place, to produce rayon yarn for 2 cents? Does not the Senator's common intelligence tell him that, to say nothing of having the actual figures on it?

Mr. HASTINGS. If the Senator would like to have a little information on it before he concludes his speech, I will give it to him now.

Mr. WHEELER. I would be glad to have it.

Mr. HASTINGS. The actual cost in Europe is 42 cents a pound, and the lowest cost in this country is 80 cents per pound.

Mr. WHEELER. I challenge the accuracy of the statement that it is 80 cents a pound, because it is not correct. That was the statement made by the lobbyist for the rayon people before the committee, that it was 80 cents. I can take the figures of the Tariff Commission and prove that they do not show that the cost was 80 cents a pound, but considerably less than that, and they are taking the selling price, too.

Mr. HASTINGS. If the Senator will yield for a moment, I am not quoting from any information coming from any lobbyist. I am quoting——

Mr. WHEELER. I am saying that is the same identical information that was given by the lobbyist for the rayon industry when he appeared before the committee.

Mr. HASTINGS. There is some question about that. I have not heard it expressed before that he did not give accurate information. But the information which I have comes from a small concern which has been carefully managed and from a man who knows the subject matter which he is discussing.

Mr. WHEELER. All the Senator has to do is to take the figures given by the Treasury Department.

Mr. HASTINGS. I would like to know what the figures are of the Treasury Department.

Mr. WHEELER. I can give them to the Senator, and will give them to him a little later. I have them here and will furnish them to him a little later. All the Senator has to do is to take the figures of the Treasury Department and the costs given by the American Viscose Co. and by some other companies, as I have them here and will furnish them to the Senator in a few moments, and divide their costs into the amount of rayon they produce and he will have the cost per yard or per pound. Let me say to the Senator that in no case where they have furnished their cost of production to the Treasury Department does it equal 80 cents.

Mr. HASTINGS. May I inquire of the Senator whether he thinks that is an entirely fair way of figuring when we are discussing here a particular kind of yarn, and I suppose it is true that the Viscose Co. makes several kinds of yarn, varying very greatly?

Mr. WHEELER. The great bulk of their yarn is 150 deniers, and that is what we are talking about in this particular section. I am talking about this grade and no other grade. The grade I am discussing specifically is 150 deniers, and I have the cost of making the 150 deniers. I am taking their figures, and I am including the tremendous amount of money which they have deducted as depreciation, and so forth.

No, Mr. President, the American Viscose Co. and the Du Ponts produce the great bulk of the rayon produced in this country. They have been making millions upon millions of dollars. They have been extracting huge profits, taking them out of the pockets of the American people, and through the American Viscose Co. have poured them into the pockets of the Courtaulds, of London, and the Du Ponts have poured it into their already rich treasury, at the expense of whom? It has been done at the expense of the American laborer, the American farmer, and the Senator from Delaware comes here and picks out, just as every one of the great trusts do, as the Glass Trust did and as the Steel Trust always does, some little inefficiently controlled concern that is not making money and puts it forward as a reason why the American people should be further mulcted in order that this one little bit of a company may be able to make some profits. I challenge him to produce the American Viscose Co.'s figures or the Du Pont Co.'s figures and have them give us a

sworn statement as to their costs of production and what their labor costs are. They had an opportunity when they were before the Finance Committee to give those costs, but did they do it? The Senator from North Carolina [Mr. SIMMONS] asked the question. Did they give him the figures? Not at all. Even the Du Pont Co., when they filed their returns with the Treasury Department, did not give the labor costs. The American Viscose Co. and some of the rest of them did, as I shall point out later.

Mr. President, Mr. Bennett went on to say:

The buying of rayon yarns and their manufacture into cloth, and keeping informed as to both domestic and foreign quotations for rayon yarns, are part of my daily occupation. Tenders have been made me from day to day, within the last 30 days, of 150-denier first-quality rayon yarn of foreign manufacture at prices which, after deducting the 45-cent specific duty and the cost of consulation, customs, and entry charges and transportation, amount to from 52 cents to 57 cents per pound. As to the customs entry of that rayon yarn, the 45-cent specific duty is equivalent to an ad valorem duty of 79 per cent to 86 per cent. The highest duty provided in House bill No. 2667 for the corresponding number of cotton yarn is 20.8 per cent. The highest duty provided in that bill for any cotton yarn is 37 per cent.

I have referred to bills for foreign rayon yarn issued a short time before the passing of the tariff bill now in effect. I find as typical a citation of a bill of August 30, 1922, for 150-denier foreign rayon yarn, grade A, at $2.80 per pound, which, after deducting trade discount, consulation, customs and entry charges, and transportation, is the equivalent of $1.77 per pound. As to the customs entry of that rayon yarn, the 45-cent specific duty was the equivalent of an ad valorem duty of 25 per cent. In antithesis to this, the citation of the first paragraph is repeated; i. e., the 45-cent specific duty on recent quotations for foreign rayon yarn is the equivalent of an ad valorem duty of 79 per cent to 86 per cent.

I find a letter that was written to the Senator from New York [Mr. COPELAND] by Mr. John H. Bennett. He says:

LETTER SENT TO HON. ROYAL S. COPELAND AND HON. ROBERT F. WAGNER, SENATE OFFICE BUILDING, WASHINGTON, D. C.

NEW YORK, *July 3, 1929.*

SIR: As one of your constituents, I want to call your attention to the duties on rayon provided in House bill No. 2667. The minimum demand of the public as voiced in the press—and I think your constituents may reasonably be held to constitute an important part of this public—is that the excesses of the schedules of this bill be removed. I believe that a careful test will prove that the 45-cent specific duty on rayon yarn provided by paragraph 1301 of Schedule 13, which, referred to the present price of foreign rayon, is as to the chief item 150 denier, the equivalent of 80 per cent ad valorem duty, constitutes an outstanding, if not the unique outstanding, eccentricity of the whole bill. I urge your careful examination of this schedule and your best efforts to bring about a reasonable relation between this schedule and the other schedules in the Senate bill.

Yours most respectfully,

JOHN H. BENNETT.

Mr. President, the other day, when the Senator from Utah [Mr. SMOOT] asked me to request that this item go over, he stated that he wanted to get some figures with reference to rayon. Those figures have been sent by the Tariff Commission to the Senator from Utah and a copy likewise has been furnished to me. Those figures do not justify and can not justify a tariff of 45 cents, notwithstanding the fact that they are not based upon the cost of production, but are based upon the list price of American-made goods. The figures prepared by the Tariff Commission will be called to the attention of the Senate by the Senator from Utah in the course of the debate, in order to justify the 45 cents specific duty, but they deal with the selling price of the foreign and domestic yarn, and not with the cost of production. They are therefore really worthless in determining tariff rates. Furthermore, the figures are not a fair comparison, as the American price includes all expenses and the exorbitant profits shown in their tax returns, as, for instance, in the case of one company, 48 per cent net on their gross sales.

I should like now to have the attention of the Senator from Delaware [Mr. HASTINGS]. He will recall, I think, that I pointed out the other day that the American Viscose Co.—this infant industry about which he has spoken, this industry to which he wishes to give higher protection—only paid 48 per cent upon its gross sales, and, as I pointed out the other day, its first investment in the business was not to exceed $10,000,000. That company has declared huge dividends in cash and millions of dollars in stock dividends; yet the distinguished Senator from Delaware would stand here upon the floor of the Senate and ask that the American people be mulcted in high duties in order that that company might go on piling up vast dividends and profits at the expense of the ordinary man, woman, and child in this country.

A few days ago we heard Senators on the other side inveigh against the tariff on sugar; but let me say to them that rayon has to-day become a necessary article, which goes into the manufacture of nearly everything in the way of clothes the housewife uses. Some of the Senators on the other side of the aisle have complained about the tariff on sugar, stating that they could not vote for a tariff on sugar because of the fact that it would be taking something away from the family, and yet, my friends, some of the very Senators who spoke against a tariff upon sugar—and I voted against it, notwithstanding the fact that four or five sugar factories are located in my State—are now demanding a tariff upon rayon, which is more outrageous by far than any tariff that has ever been proposed in the Senate upon sugar or upon any other commodity.

Mr. NORRIS. Mr. President——

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

Mr. WHEELER. I yield.

Mr. NORRIS. Does the Senator from Montana tell us that the rayon corporation to which he referred——

Mr. WHEELER. I referred to the Viscose Co.

Mr. NORRIS. That the Viscose Co. made a profit of 48 per cent?

Mr. WHEELER. The company made a profit of 48 per cent upon their gross sales.

Mr. NORRIS. What percentage would that amount to of the capital which they have invested?

Mr. WHEELER. I am unable to give those figures to the Senator. It is only fair to say they started out with a capital of only $2,000,000; then they increased it to $10,000,000. Whether or not they put in any more capital than that $10,000,000 I do not know, but since that time they have increased their capital by stock dividends until to-day they have a tremendous amount of so-called capital in their business.

Mr. NORRIS. What is the present amount of their capital?

Mr. WHEELER. I can not give those figures to the Senator from Nebraska offhand.

Mr. NORRIS. On what amount did they earn the 48 per cent profit?

Mr. WHEELER. On the amount of their gross sales.

Mr. NORRIS. That means that much profit for the company?

Mr. WHEELER. There was that much profit; they made a net profit of 48 per cent upon their gross sales, after deducting depreciation, taxes, and everything else.

Mr. NORRIS. They are seeking to have the tariff rates increased?

Mr. WHEELER. Yes; they are seeking an increase in the tariff.

Mr. NORRIS. Does the Senator object to this corporation obtaining a profit on gross sales of 48 per cent? Does the Senator think that is too much?

Mr. WHEELER. I certainly think that a profit of 48 per cent on gross sales is an exorbitant profit.

Mr. NORRIS. If we shall cut that down, they will not be able to make contributions or at least so great contributions to campaign committees and to lobbyist activities, and so forth.

Mr. WHEELER. Of course not.

Mr. NORRIS. The Senator would interfere with those activities.

Mr. WHEELER. Let me say to the Senator that the president of the American Viscose Co.—I think it was the president of that company—just recently, since the Senator from Pennsylvania [Mr. GRUNDY] resigned from that position, has been placed upon the American Tariff League to take Mr. GRUNDY'S place, as I understand.

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

Mr. WHEELER. I yield.

Mr. TYDINGS. I was wondering if the condition which the Senator has brought out in reference to that rayon-producing company was generally the situation as to the other rayon companies, or whether that company was one of the more fortunate of those engaged in the business, or represented the average or less than the average.

Mr. WHEELER. The American Viscose Co. is the most fortunate. The Du Pont Co. and the American Viscose Co. control, I think, the great bulk of the output of rayon in this country. As I pointed out when the Senator was absent, the American Viscose Co. is owned by the British trust, the Courtaulds of London, and they are coming here, if you please, asking the Congress of the United States to levy a tax upon the American public, the company being controlled by those across the water. The tax goes into the hands of the British trust, and the American people are to pay the bill. Where is there another such instance; where in the history of tariff making in this country is there such an illustration of our people, by means of the pro-

tective tariff, being compelled to pay profits to those living abroad? Let me call attention to the fact while I am on the subject——

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

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

Mr. WHEELER. I will yield in just a moment. Let me call attention to the trade-mark of the American Viscose Co. The trade-mark of that company is a British crown. Why should they not have the British crown as a trade-mark, for they are owned by the British trust? Why should the British crown not be the trade-mark of the American Viscose Co. when the American people are digging down into their pockets to keep it going?

Mr. TYDINGS. Mr. President, will the Senator now yield?

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

Mr. WHEELER. I will be glad to yield.

Mr. TYDINGS. What percentage, approximately, of the total rayon output that is consumed in America does this concern make?

Mr. WHEELER. I have the figures here somewhere. American rayon production controlled by or affiliated with foreign companies is American Viscose Co., 66,000,000 pounds; Du Pont Rayon Co., 23,000,000 pounds; American Euka, 1,000,000 pounds; American Glanzstoff Co., 5,000,000 pounds; Celanese Corporation, 6,000,000 pounds; American Chatillon Corporation, 1,500,000 pounds.

Every single one of the companies which I have named is affiliated with or owned or controlled by foreign capital and foreign individuals. Just let us stop to think what it is proposed that we shall do here, Mr. President.

Mr. TYDINGS. What I wanted to bring out—and I am very much interested in what the Senator is saying—is to what extent these other companies outside of the Viscose Co. are making money and whether or not the situation which the Senator has pictured prevails generally.

Mr. WHEELER. I will get to that just a little later.

Mr. TYDINGS. I have probably anticipated the Senator.

Mr. WHEELER. The total production of these companies owned or controlled by foreigners or affiliated with foreign concerns is 116,750,000 pounds. The total production of independent companies—if they may be called independent, because while they are independent to some extent they have agreements with reference to prices, and so forth—is the Acme Co., 1,000,000 pounds; the Delaware Rayon Co., 2,000,000 pounds; the Industrial Rayon Co., 6,500,000 pounds; the New Bedford Rayon Co., 2,000,000 pounds; the Belamose Co., 1,750,000 pounds. All others less than 2,000,000 pounds, making a total of 15,250,000 pounds out of a total of 130,000,000 pounds. The source of the information which I am furnishing——

Mr. NORRIS. I think the Senator has given the total wrong. He mentioned a total of 137,000,000 pounds.

Mr. WHEELER. No; approximately 132,000,000 pounds.

Mr. NORRIS. That does not include the 15,000,000 pounds produced by independent companies, does it?

Mr. WHEELER. Yes.

Mr. NORRIS. I was going to ask if the independent production was included in the total?

Mr. WHEELER. It includes all of it. As I said, the information to which I have referred has been furnished me from the Daily News Record of New York and by Fairchild's list of rayon producers.

As I was saying a moment ago, the figures furnished by the Tariff Commission are not a fair comparison, as the American prices include all expenses and the exorbitant profits shown in their tax returns, as, for instance, one company made 48 per cent net on their gross sales, whereas the foreign prices do not include even the importer's cost of doing business, and, of course, no importer's profits.

The theory of protection is in tariff making to give adequate tariff protection to capital and labor. We are not justified in protecting abnormal profits or in fostering monopoly by means of the tariff, especially monopoly controlled by foreign capital, as in the rayon industry, as was fully disclosed in my speech here earlier in January. Sales prices at which foreign yarns are sold, less duty, compared with American prices protected by a monopolistic duty give no more basis for comparison than trying to compare the measurements of a toy balloon before inflation and after inflation. We should not waste our time on figures now presented by the Tariff Commission dealing with rayon yarns. Relative costs of production, especially labor costs per pound, should be our basic starting point in undertaking a sincere study of the question.

The Republican Party, of course, always says, "We must have this because we want to protect the American laborer." I have not any doubt in the world but that Senators will stand here upon the floor of the Senate and plead for this tariff for this foreign-owned monopoly in the interest of the American laboring man.

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

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. Yes.

Mr. COPELAND. What is the number of persons employed in this industry in the United States?

Mr. WHEELER. I will give the Senator the number that the chamber of commerce at Buffalo told the Senator were employed up there, and I will show him how incorrect they were.

Mr. COPELAND. Has the Senator the total number?

Mr. WHEELER. No; I have not. I probably have them here, but I have not them on the tip of my tongue.

Mr. COPELAND. Am I right in being told that there are about 45,000 in the United States?

Mr. WHEELER. I think that is probably true; but let me say this to the Senator on that point—and I am glad the Senator called the matter to my attention: Let not the Senator be misled about the protection of American labor. The rayon manufacturers have had and now have the highest duty of practically any industry in the United States to-day.

As I pointed out, the Du Ponts and the American Viscose Co. and the German concerns, the Bemberg and the Glanzstoff concerns, have been making great fortunes. They have been paying, as I said a moment ago, not only large dividends in cash, but stock dividends in some instances. Notwithstanding that fact, they have reduced the wages of their employees; and, as was pointed out before, the Manufactures Committee of the Senate, of which the Senator from Wisconsin [Mr. LA FOLLETTE] is chairman, they were not paying their labor down there at the Glanzstoff plant, owned by the German concern, enough to keep their bodies and souls together; and they were, if you please, compelling women to leave their babies and go out and work at night in order to make enough money to support their families. And yet will the Senator from New York come before this body and plead in the name of a foreign monopoly who will not permit union labor in their factories? They will not permit union labor to be employed there; and they have been crushing, if you please, the laboring men in their communities.

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

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from New York?

Mr. WHEELER. Yes.

Mr. COPELAND. Has the Senator from New York made such a plea?

Mr. WHEELER. No, indeed; I did not mean to imply that he had.

Mr. COPELAND. Then I should like to say further, since the Senator has referred to the Buffalo Chamber of Commerce, that on Saturday I telegraphed them, asking about the local costs of labor, and the attitude of these concerns toward labor. I have not yet had a reply. I assume that I shall have one during the day.

Mr. WHEELER. I am glad the Senator made the statement; but let me say to him—and the Senator from Wisconsin [Mr. LA FOLLETTE] is here, and will bear out the statement I have made—that I am sure the Senator knows that the Du Ponts are antiunion. If the Senator will take the trouble to read the record that was made before the Manufactures Committee, of which the Senator from Wisconsin is chairman, he will find out how this foreign concern down in Tennessee treated their employees. He will find out, if you please, how, when the American Federation of Labor representatives went down there, they got together and drove the representatives of the American Federation of Labor out of there. I am quite sure that was in Tennessee at these rayon factories.

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

Mr. WHEELER. Yes.

Mr. COPELAND. I am delighted to hear the Senator, because I am very much concerned about this matter. When we had paragraph 1301 before us originally, very little time was spent upon it.

Mr. WHEELER. It was passed over; yes.

Mr. COPELAND. But when we came to paragraph 1302, the Senator from Massachusetts [Mr. WALSH] said of the amendment in lines 7 and 8 of page 184 that this is the basis fiber, and that the matter must be determined in the right way. As to paragraph 1301, however, since the matter was before us I have been seen by the people from Utica. That is the Skenandoa Rayon Corporation.

Mr. WHEELER. They are also controlled by foreign capital.

Mr. COPELAND. I know that it has been so stated; but when I asked that question of the men who came to see me they pointed out to me who the men are, but I should be glad to be further informed by the Senator. I was led to believe that this was an independent American corporation. Of course, the Carlisles are in it, who are in the public-utility business in northern New York. I suppose they are in it because power is used, and I suppose the Carlisle power is used in operating this plant.

Mr. WHEELER. If the Senator will pardon me, let me say to him that my authority for the statement that they were controlled by foreign capital, and that they belong to the international cartel, is the statement of the Department of Commerce upon the subject. I take that from their chart and likewise from a chart entitled "The International Interrelationship of Producers," charted by the Daily News Record and the Women's Wear Daily of New York of September 16, 1929. It shows the connection between the Skenandoa Co. and the foreign concern, as does the chart furnished by the Department of Commerce.

Mr. COPELAND. I have seen this chart, and I had seen it before I talked with these gentlemen. Therefore, I was quite surprised that there was such a chart in existence, and also that this very enlightening chart which I have here, which the Senator has seen, indicates also that this company is affiliated with a foreign company; but I assume that the Senator means by that that it is affiliated by being in the cartel.

Mr. WHEELER. By being in the cartel; and I am told that foreign capital is also invested in that concern.

Mr. COPELAND. Perhaps it will help the Senator's argument—it will certainly help me—if he makes due reply.

When I discussed this matter with these gentlemen from Utica, I took quite extensive notes, as the Senator sees, because we were so confused when the matter was before us that we did not seem to know even how these yarns were made, how the manufacture was carried on; and it was stated to me that of the cost of rayon, 45 per cent represents labor and 25 per cent material.

Mr. WHEELER. The proportion of labor cost is about 33 per cent, I think, as I shall show a little later on.

Mr. COPELAND. That is the average, I assume.

Mr. WHEELER. I think, perhaps, I have the average labor cost here. The labor cost of the Acme Rayon Corporation was 35 per cent; of the American Viscose Co. it was 30 per cent; of the Belamose Co. it was not shown. These figures that I am giving were taken from the statements that were furnished by these companies to the Treasury Department. That is, they showed their total cost of labor, and then we took the trade journals showing their complete production and divided it, showing the labor cost.

The Du Ponts do not show their labor cost. The Industrial Rayon people show their labor cost as 37.8 cents. The cost per pound of the Acme was 70 cents; of the American Viscose Co., 47.83 cents; of the Belamose Co., 60 cents; of the Du Pont Rayon Co., 67 cents; and of the Industrial Rayon Corporation, 59.7 cents.

Mr. COPELAND. Has the Senator the independent prices there? Does the Senator consider this chart reliable—I mean, as to dividing the companies?

Mr. WHEELER. Yes.

Mr. COPELAND. What about the independent companies?

Mr. WHEELER. I just gave the Senator the figures for the Acme Co.

Mr. COPELAND. How much was that?

Mr. WHEELER. The labor cost per pound, according to the return furnished, was 35.29 cents. I have not the figures for the Delaware Rayon, the Industrial Rayon, the New Bedford Rayon, or the Belamose, because I did not find them among the returns that have been made.

Mr. COPELAND. As I told the Senator, I have no knowledge beyond the Skenandoa Co. Their statement was that the labor cost was 45 per cent.

Mr. WHEELER. Let me show the Senator how we can arrive at the figure.

The production of the Acme Co. was 740,250 pounds. Their total wages and salaries paid, exclusive of officers, were $261,178. All you have to do is to divide the 740,250 pounds by the $261,178 and you get the actual cost of their labor.

Mr. COPELAND. I presume we could compare the Acme very well with the Skenandoa, because apparently the output is much the same.

Mr. WHEELER. Yes.

Mr. COPELAND. According to this chart, the output is 1,000,000 pounds for the Acme, and a million and a quarter for the Skenandoa; but, as I say, the statement made to me was that the labor cost was 45 per cent.

Then I went into details. I said, "How much do you pay these people?" They said, "We pay the girls $22 a week for 48 hours, and the men $30"; and then, in contrast, they said that the labor cost in Europe was about 3 francs per hour for skilled labor—about 11 cents an hour.

Mr. WHEELER. Let me say this to the Senator with reference to the difference: That matter came up; and while they do pay less wages in the factories in Europe, I have been perfectly amazed to find out that the cost per unit for turning out cotton goods and other textile goods in these foreign countries is in many instances higher than it is in the United States. That, however, is not true, in my judgment, with reference to rayon. I am in favor of giving the rayon manufacturers a duty. I am in favor of giving them a duty of 35 per cent ad valorem on 150 denier. I am in favor of giving them an additional duty depending upon the various twists; but the thing I am opposed to is giving them a 45 per cent specific duty when it is not justified by the cost, according to their own figures. They can not deny them if they are checked up. You can take these figures and their output, and they can not deny them. I am opposed to giving them this high duty of 45 per cent; and I submit to any fair-minded man who will go over these figures that a duty of 35 per cent ad valorem is sufficient to cover the difference in cost of production at home and abroad.

Mr. COPELAND. What is the rate now?

Mr. WHEELER. They ask first for a 45 per cent ad valorem rate; but they say——

Mr. COPELAND. No; I mean the existing rate.

Mr. WHEELER. The existing rate is 45 cents specific duty. That was perfectly all right when rayon was selling around $2.75, because, while I have not the figures in my mind offhand, it probably amounted to an ad valorem duty of 35 or 45 per cent. I think I have the figures here somewhere.

But by reason of the mass production practiced in the rayon industry in the United States, by reason of the development in the industry itself, the price has come down, as Mr. Bennett points out in the statement I read a moment ago, until to-day instead of being a 35 or 40 per cent ad valorem it mounts all the way from 75 up to as high, I am told by some, as 112 per cent. That is unconscionable, it seems to me, it can not be justified under any circumstances or conditions.

Mr. BROOKHART. Mr. President——

The PRESIDENT pro tempore. Does the Senator yield to the Senator from Iowa?

Mr. WHEELER. I gladly yield.

Mr. BROOKHART. Has not that price been reduced under this rate?

Mr. WHEELER. Of course, but, as I said to the Senator from Iowa just a moment ago, it is reduced because of the fact that there has been mass production. When the rate of 45 cents was placed upon this article, it was placed there when it was an infant industry, when there was produced very little rayon yarn in this country, but since that time the development has been almost as great as the development of radio, and the result has been that they have gotten mass production, new machinery, the price has been reduced. They still want this 45 cents specific duty, notwithstanding the fact that they have piled up huge fortunes, have reduced the hours of labor, and most of the companies are either owned or controlled by foreign trusts.

Mr. BROOKHART. That is all very true, but, notwithstanding that, the price did come down.

Mr. WHEELER. Of course.

Mr. BROOKHART. I call the Senator's attention to the fact that there are 4,025,000 cotton linters used in the manufacture of this product, and there are 4,500,000——

Mr. WHEELER. Mr. President, is the Senator giving me those figures for the purpose of justifying himself in voting for these foreign-owned trusts, which have crushed American labor in this country, and are robbing the American people?

Mr. BROOKHART. No——

Mr. WHEELER. I have no patience at all with anyone who will stand on the floor of the Senate and plead for the greatest international trust the world has ever seen, and do it in the name of the American farmer. It can not be justified under any circumstances or conditions.

Mr. BROOKHART. We have a Farm Board which we hope will give the farmer his share.

Mr. WHEELER. If the Senator hopes the farmers are going to get something out of that Farm Board, he is the only farmer in the United States I know of who has an expectation of getting anything from them.

Mr. COPELAND. It has already blown up, has it not?

Mr. WHEELER. If it has not blown up, it is so near to it that it is not of much value.

Mr. BROOKHART. Nobody pointed out the blowup more in detail than I, but I do not intend to quit until they do something. In every case where farm products have been involved, I have voted for a higher rate.

Mr. WHEELER. This is perfectly silly. If this were an effort to get a rate upon linters, I would say there was something to the argument; but if the Senator's theory were correct, then, if you please, these concerns like the American Viscose Co., which have piled up millions upon millions of dollars, should be paying the farmers more money for their linters; but they have not done it and they will not do it. The tariff will not make one particle of difference in what they pay these unfortunate cotton farmers of the South, and the man who stands upon the floor of the Senate arguing for this tariff in the name of the cotton farmer of the South, in my judgment, is doing it from an entirely mistaken viewpoint, or he is being completely fooled by the du Ponts and the Viscose people and the rest of the crowd who have been lobbying here ever since this bill was put over, lobbying here continually for this high tariff, to further swell their fortunes, and they would take the money away from whom? They would take it away from the Iowa farmers.

Mr. BROOKHART. Mr. President, it seems to me these cotton farmers of the South and the corn farmers of Iowa are entitled to demand their rights from the Farm Board, and it is the business of the Farm Board to give them their rights, and I intend to insist on that. I voted for the debenture because I wanted the farmers to get the benefit of it, and I wanted the Farm Board to see that they got the benefit of it. I have based every one of my votes on the tariff bill on that theory. I admit that without the debenture and without the action of the Farm Board most of these tariff rates as to agriculture are false pretenses and will do no good.

Mr. WHEELER. Not only that, but this is not a tariff upon linters, and I want the Senator from Iowa to get this straight. Would the Senator stand here justifying an exorbitant tariff upon cotton textiles in the name of the cotton farmer of the South? Would he stand here and ask for a tariff upon the great packing industry of the country in order that the pig growers out in Iowa might get more money? Would he stand here and ask that the woolen manufacturers of the country, Mr. GRUNDY's organization, get a higher tariff because of the fact that he thought the woolgrowers of the country would get something more?

Mr. BROOKHART. No; and I will tell the Senator what I have done as to every one of those matters. I have offered the only amendment to this bill that will meet that situation. I have offered to take all their profits down to 5 per cent. Will the Senator support a provision of that kind? If so, there will be no argument between him and me.

Mr. WHEELER. Mr. President, I am not willing to commit myself to some theory of the Senator when he stands here defending the greatest international combination the world has ever seen, and doing it in the interest of the American farmer.

Mr. BROOKHART. There is no theory about it——

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

Mr. WHEELER. I yield.

Mr. BLAINE. I want to ascertain if I have the situation properly formulated in my mind. As I understand, even under the present tariff rate the profits of this foreign cartel, this foreign trust, have mounted higher and higher, until they have received 48 per cent on their production.

Mr. WHEELER. Yes.

Mr. BLAINE. While, on the other, the economic status of the farmers who produce corn during the same period has been constantly depressed more and more.

Mr. WHEELER. Of course.

Mr. BLAINE. Then I think I understand the Senator's argument to be that if you further increase the tariff, you further enhance the profits of the foreign trust, that nothing else can follow in logical order than that the position of the producer of corn will be no better than it is now, and probably he will be further depressed, because he must pay a higher price for the things he and his family use.

Mr. WHEELER. Mr. President, it seems to me that that is the natural and practical conclusion that must follow, and it seems to me that it is so simple that if my 10-year-old boy did not understand it, and came home from school and wanted an explanation of it, I would take him over my knee and spank him and send him to bed.

Mr. BLAINE. If the Senator will yield, Is not that about what has been happening?

Mr. WHEELER. Of course, it has been happening, and is happening, and will go on happening. I say that for some of these friends of the farmers and the friends of labor to stand on the floor of the Senate and appeal for a high tariff for the greatest international cartel and trust the world has even seen, is the greatest kind of hyprocrisy.

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

Mr. WHEELER. I yield.

Mr. HASTINGS. I would like to know upon what theory the Senator would give a 35 per cent ad valorem duty.

Mr. WHEELER. I am coming to that, and I will be glad to state the reason, because I have the figures.

Mr. COPELAND. Mr. President, will the Senator yield to me before he comes to that?

Mr. WHEELER. Certainly.

Mr. COPELAND. In looking over my correspondence I find that I have a letter from Mr. Hubert D. Kernan, the president of the Skenandoa Rayon Corporation, of Utica. Mr. Kernan's grandfather was a Democratic Senator from New York in the old days. I want the RECORD to show this, because the Senator will make a reply to it, but I am anxious to have Mr. Kernan's statement, which is as follows:

> Our company is entirely American capital with the exception of a small percentage (less than 5) which was paid to Doctor Bronnert at Strasbourg (in Germany) for information to start the industry. We believe that all the American companies, except American Viscose and American Celanese, have foreign relations only as we have.

I simply want that in the RECORD.

Mr. WHEELER. Did he say the American Viscose Co. does not have foreign relations?

Mr. COPELAND. No; he said:

> We believe that all the American companies, except American Viscose and American Celanese, have foreign relations only as we have.

Meaning, I assume, that the American Viscose and the American Celanese have foreign relations such as have been suggested by the Senator from Montana.

Mr. WHEELER. Let me say to the Senator that I have not found anybody who has made a study of this international cartel who does not disagree with the statement of the gentleman to which the Senator has referred, and it seems to me that the Department of Commerce of the United States would not publish this book and give it out as authentic information unless they definitely had the facts and the figures to back it up.

In this report it is pointed out how this international cartel divides up the territory of the world. This comes from the Department of Commerce, and this book was compiled under the direction of the present President of the United States, Mr. Hoover, during his administration of the Department of Commerce, and I assume it was compiled at his direction. It is pointed out that in Italy, for instance, those connected with this cartel are directed to sell their products in the Orient. They have simply divided up the world.

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

Mr. WHEELER. I yield.

Mr. COPELAND. If the Senator will permit me to say so, I am more interested in the argument about the rates than I am about the ownership, because even though the ownership were 100 per cent foreign, it would still mean, since the plants are here, that they are operated by American workmen.

Mr. WHEELER. That is true; but let me point this out to the Senator. I have been accused of not being friendly to the cotton-textile industry, but if the Senator would consult those interested in the cotton-textile industry in his State, if the Senator from Massachusetts would consult the cotton-textile manufacturers of his State, and if the Senator from North Carolina would consult those engaged in the cotton-textile industry in his State, they would find that they are all interested in seeing this exorbitant rate adopted, notwithstanding the fact that the high protectionists are all practically in accord that this tariff upon rayon, a specific duty of 45 cents, can not be justified. There are thousands upon thousands of men and women engaged in the manufacture of rayon goods, as distinguished from rayon yarn. Those people who are manufacturing rayon goods are, of course, vitally interested in seeing a reasonable tariff upon this important part of their industry.

As I said a moment ago, I am interested in it from the viewpoint of the consumer. The only reason in the world why I took up the item is because of the fact that it was assigned to me by the progressive group who got together early on the tariff bill. I do not think that anyone who looks into the subject from a fair and impartial standpoint, who is not simply guided by the selfish interests of the people in his local community or State, can possibly come to any other conclusion than I have. If one takes the meager figures given to the Senator from Utah [Mr. SMOOT] by the Tariff Commission, he can not justify a 45-cent specific duty.

I want to read now from a bulletin issued by the United States Department of Commerce upon this matter, in which it is said:

International cooperation in the rayon industry is mainly a postwar movement. Costliness of plant set-up and technical problems are largely responsible for it. The success of producers depends to a large extent on large-scale production, which necessitates big capital investments. In order to protect themselves against overproduction, dumping, and price wars, recourse is taken to price agreements and allocation of markets, also to exchange of patents and of technical and commercial information.

In the early part of the first decade of the present century the German Glanzstoff concern of Elberfeld got into touch with the new rayon industries which were beginning to spring up in Great Britain and France and thus initiated the movement for international cooperation. But while there had been, prior to the war, working arrangements between the leading British, German, and French groups, they were friendly understandings rather than definite agreements.

The war, and the consequent disorganization of markets, caused these earlier agreements to lapse. However, since the early part of 1927 the cartel movement has assumed new and larger proportions, so that at present more than four-fifths of the world's production of rayon is controlled by a combination of the leading viscose-producing concerns. In February, 1927, a working agreement was established between the leading manufacturers of viscose rayon, viz, the British Courtaulds concern, the German Vereinigte Glanzstoff-Fabriken, and the Italian Snia Viscosa concern. Later the Dutch "Enka" and the Belgian Tubize concerns also joined the combine.

INTERNATIONAL CARTEL AGREEMENT

Under this agreement each member party is to confine its production to its particular specialty. Domestic markets are reserved for domestic industries, and underselling in foreign markets is to be eliminated.

The linking together of these groups has been made closer through joint-stock ownership and interlocking directorates. The major part of the rayon industry has thus been brought under the control of a limited number of persons, who shape policies and control production. In accordance with this centralized policy, the individual plants are to specialize in the production most profitable to them and are allotted markets accordingly.

This is not my statement. This is not the statement of some manufacturer who is seeking to get a lower rate. This is not the statement of some importer who might be specially interested. This is the statement of an unbiased body, made following an unbiased and careful study by the Department of Commerce itself and under the direction of a former Secretary of Commerce, now President of the United States, Mr. Hoover:

The lowest-priced product is to be used to open up new markets—for example, Italy's exports to eastern Asia—while high-grade types are to seek new classes of consumers. It is expected that under this agreement all attempts to dump will be effectively stopped.

For the Snia Viscosa the new compact meant the coming to an end of a serious financial crisis and the possibility of consummating a badly needed reorganization. This was effected with the aid of financial support furnished by the Glanzstoff and the Courtaulds interests. Both these concerns made considerable loans to the Snia, receiving Snia shares in return. Courtaulds had already previously held a considerable quantity of Snia shares.

Thereby they took into their control the Italian concern. Courtaulds had already held a large number of shares in this company.

Moreover, one representative from the German and one from the English group were given membership on the board of directors of the Snia.

The original agreement covered viscose rayon only, though arrangements have been made later covering acetate rayon also.

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

The PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from New York.

Mr. WHEELER. I yield.

Mr. COPELAND. I think there is no question that we must be on our guard in this country about the cartels. It is true of the chemical industry, as to fertilizer and many other products that might be named, that there are such cartels where, by combination between the countries, they divide the earth just as the Senator has suggested. But I want him to know what is the attitude of Mr. Kernan on that subject. I quoted from Mr. Kernan, the treasurer of the Skenandoa Rayon Corporation, a moment ago. I now quote further as follows:

Some of the larger and older companies, who have built up their factories out of earnings when the industry was entirely new, may just meet such competition, but under those conditions the business would revert to several such companies and the foreigners who, as you know, are all more or less combined in what are called "cartels." In other words, we would be playing directly into the hands of the large companies here and the foreign trusts, with a tendency to develop price agreements and other abuses which such conditions have invariably developed.

I wanted the Senator to know what is the attitude of this one particular company which is in this table put down as affiliated with foreign manufacturers of rayon.

Mr. WHEELER. Relative costs of production, especially labor cost per pound, should be our basic starting point in undertaking a sincere study of the question.

But how sincere has been the study of this matter by those recommending the rates proposed throughout Schedule 13? How sincere was the request for delay in determining the rates in paragraph 1301 until the Tariff Commission could prepare "recent figures"?

As previously stated, the report of the Tariff Commission contributes figures which give absolutely no basis for determining rates. But time was required to collect and prepare the figures. What has gone on in that time?

Pressure has been exerted from every possible side to bring influence to bear so that votes on the question would be "safe." The representatives of the leading producers rushed to Washington shortly after January 8—for what purpose? Did they undertake to prove that the rates of duty they requested were justified by differences in cost of production, or did they give essential information as to the relative difference in cost of labor per pound of rayon yarn produced in this country and abroad? Not so far as I have heard.

Let me say I have been reliably informed that during the time of the delay the lobbyists and the representatives of the Du Ponts and the American Viscose Co. immediately came to Washington and got busy and had the different little companies in the different States wire to their Senators urging them to support this obnoxious and unjustifiable tariff upon rayon. I am not unmindful of the tremendous power which the rayon industry of the company can command. I am not unmindful of the financial power it can command in this country, and I am likewise not unmindful of the political influence which it exerts in the country. I realize that when some concern in the State in which a Senator lives, whether he be a Republican or a Democrat, wires him and practically commands him to help this industry, whether it belongs to a group in the international cartel or to the American Viscose Co. or to the Du Ponts, there is an urge upon the part of the Senator to comply with the request and to overlook for the moment the great consuming masses of the country.

But I say to Senators here to-day that there is no rate in the whole tariff bill that is more unjustifiable than the one the committee is seeking to put upon rayon. Senators may talk about the interests of the cotton farmers of the South, but any sane and sensible man knows that not one dollar of the tariff will ever reach the pockets of the poor unfortunate cotton farmers. Senators can stand in their places and talk if they will about the laboring man and the benefit to the laboring man, yet every Senator knows that it is the purest kind of bunk that is being issued when they talk about the laboring man being benefited in the event this tariff is placed upon rayon.

As I previously said, the report of the Tariff Commission contributes figures which give absolutely no basis in determining the rates, but time was required to collect and prepare the figures, and what has gone on during that time? What has gone on since the time they were asked for figures? As I said a moment ago, the rayon people have gotten busy; they have urged every Senator they could command to line up for this duty. The representatives of the leading producers of rayon rushed to Washington shortly after January 8, and for what purpose did they come here? Did they come here to enlighten the committee? Did they attempt to give the Finance Committee any information as to costs when they were before the committee and when the committee had this subject before it? Not at all. One can read the record and he will find that it is practically bare of any facts. Did they undertake to prove that the rates of duty requested were justified by the difference in costs of production or did they give essential information as to the relative difference in costs of labor per pound of rayon yarn produced in this country and abroad? Did they furnish any kind of information to that effect? Not a particle.

In fact, I have been told specifically that the American rayon manufacturers when asked could not justify their rate requests, but lamely hid behind the feeble statement that "while they don't need them now, they may need them in the future." But they could not sustain even the possible future need, as costs of production are being reduced each year.

Of course, I can not know all the pressure that has been brought to bear to carry this matter along in true "logrolling" style, but here is one example. The papers featured a telegram

sent by the Buffalo Chamber of Commerce which was reported in the Daily News Record, January 14, 1930, as follows:

BUFFALO, January 13.—Rallying to the support of Du Pont Rayon Co. and Duffy Silk Co. (Inc.), silk throwsters for some of the largest full-fashioned hosiery mills of the country, the Buffalo Chamber of Commerce has filed formal objections to proposed decreases in rayon tariff schedules. The rayon and silk industry in Buffalo employs more than 7,000 workers, the chamber of commerce said in its telegram of protest sent to ROYAL S. COPELAND. It was stated that with lower tariff schedules applying to rayon there would be increased competition with foreign producers. The telegram added: "We are deeply concerned at the threat of tariff reduction, which will affect approximately $10,000,000 annual pay rolls in this area and injure retail trade in Buffalo and the Niagara frontier area. We strongly urge no interference with present schedules, upon which our plants depend."

The statement is inaccurate, misleading, and unworthy of as high standing a body as the Buffalo Chamber of Commerce. The impression is given in the article that Du Pont Rayon Co. and Duffy Silk Co. have a pay roll of $10,000,000 and employ 7,000 people. Directories show that Duffy Silk Co., who are not rayon producers, are capitalized for $100,000 and employ 200 people. Rayon is stated to be only part of their business; in other words, their importance is small in the present picture. The Du Ponts have three factories, of which the largest is stated to be in Old Hickory, Tenn., one in Richmond, Va., and one in the Buffalo district. At the latter point they are reported to have not over 4,500 employees in the manufacture of rayon and cellophane. The latter product is not covered in paragraph 1301, so the employees active in cellophane can be disregarded.

If all of the Du Pont rayon were made in the Buffalo district, and they and Duffy Silk Co. employed 7,000 people, as the telegram would have us believe, the average wage per worker would be $1,422.87 per year. Every fact refutes such an average wage. The Department of Commerce figures for labor in American rayon plants showed $1,088 per capita in 1927.

While later figures of the Department of Commerce are not available, my understanding is that there has been a reduction of the wages of the employees since that time. I know there has been such a reduction in some of the factories, if not in all.

Mr. HASTINGS. Mr. President——

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

Mr. WHEELER. I yield.

Mr. HASTINGS. Am I to understand from the Senator's statement that the Du Pont Co. is not interested in paragraph 1301 and that therefore it ought to be eliminated?

Mr. WHEELER. No; if the Senator so understood he did not understand me correctly. He might have so understood, but that was not my statement.

Mr. HASTINGS. But was not the Senator making some such statement as his own or quoting it as coming from somebody else?

Mr. WHEELER. No.

Mr. HASTINGS. Would the Senator mind rereading it?

Mr. WHEELER. The statement I read was:

If all the Du Pont rayon were made in the Buffalo district, and they and the Duffy Silk Co. employed 7,000 people, as the telegram would have us believe, the average wage per worker would be $1,422.87 per year.

The Senator from Delaware, I think, referred to the statement previous to that.

Mr. HASTINGS. Yes.

Mr. WHEELER. That statement is as follows:

The Du Ponts have three factories, of which the largest is said to be in Old Hickory, Tenn., one in Richmond, Va., and one in the Buffalo district. At the latter point they are reported to have not over 4,500 employees in the manufacture of rayon and cellophane. The latter product is not covered in paragraph 1301, so the employees active in cellophane can be disregarded.

Mr. HASTINGS. Is it stated how many are employed?

Mr. WHEELER. No.

Mr. HASTINGS. I understood the Senator to say the number was 4,500.

Mr. WHEELER. Oh, no; the number given represents a part of the employees; but I am giving the figure because of the fact that the Buffalo Chamber of Commerce included all of them and misrepresented the facts as to the number of employees. Of course, however, that is typical of most chambers of commerce which send telegrams to Senators and to Members of the House of Representatives.

Mr. HASTINGS. There is nothing to show how serious that misrepresentation was, whether it was 2 per cent, 10 per cent, or 50 per cent?

Mr. WHEELER. I have pointed it out in my statement. I mean it is typical of chambers of commerce to send in telegrams which contain inaccuracies. I do not think, however, that very many Senators pay much attention to telegrams which are so sent in, because they know how they are generally framed. Some man comes along and suggests that a telegram be sent to a Senator by the chamber of commerce. Nine-tenths of the members of the chamber of commerce do not know anything about the matter upon which they are called upon to vote, but because somebody asks them to vote they do so and send a telegram to their Senators or their Representatives in Congress purporting to set forth certain facts. I think that most of those telegrams probably wind up in the wastebasket.

But, as I have said, if all the Du Pont rayon were made in the Buffalo district and they and the Duffy Silk Co. employ 7,000 people, the average worker would receive $1,422.87 per year. Every factory refutes such an average. However, it is considered unquestioned that additional labor-saving devices have decreased the average return per laborer since 1927, at the same time increasing the number of pounds of rayon produced per operator.

If I may have the attention of the Senator from Delaware who is so vitally interested in the laborers employed in the rayon industry, I should like to emphasize the statement, which I think he will not attempt to refute, that, with the reduction in wages which has occurred since 1917 and the increased use of machinery, the cost per unit has decreased since the figures were given by the Department of Commerce.

To summarize, labor is being used in this instance as a stalking horse. On the one hand, we find what? We find the rayon manufacturers appealing to southern Senators on the ground that an increase in the tariff on rayon is going to help the cotton farmer, and we hear them appealing to northern Senators on the ground it is going to help the laboring man. As I said a while ago, and want to repeat and emphasize, during all the time that the American Viscose Co. and the Du Pont Co. have been piling up huge dividends, huge fortunes, they have not thought of the farmer; they have not given him any increase in the prices of product which he produces and which they use, but, as a matter of fact, 83 per cent of the rayon produced in this country is produced by the viscose process and approximately the same amount of foreign rayon is made by the same process.

Nor have they done anything for the laboring man excepting to reduce his wages all during this time. It is only, if you please, when there is a tariff bill before the Congress, it is only when they are asking for special privilege at the hands of Congress, only when they are asking for a chance to put their hands in the pockets of the American people, that they knock at the door of the Congress and plead for the poor down-trodden laboring man and for the poor down-trodden farmer.

Recently the president of the American Viscose Co., Mr. Samuel Salvage, has become a member of the executive committee of the American Tariff League, of whose activities we have heard so much, and we now learn that on June 17 the secretary of the league telegraphed a Mr. Dingley:

Your list subcommittee chairman received this morning. Disagrees violently with all previous information and newspaper accounts. Please wire immediately with absolute accuracy chairmen of subcommittee schedules on chemicals, tobacco, silk, and rayon.

What was their interest in having such information? What use did they want to make of it? Certainly, it was not to protect the interest of the American consumer.

There have been continuous requests since the pending tariff bill came before us that the question of the tariff be handled on the basis of the difference in the cost of production of rayon here and abroad. I think that labor is the only item that really needs protection from foreign competition. The statement has been made that labor costs in the United States in the manufacture of 150 denier rayon are not over 32 cents per pound, as against 21½ cents per pound in Holland. I will say——

Mr. HASTINGS. Mr. President, I will inquire who made that statement?

Mr. WHEELER. I will say to the Senator that a Mr. Waldo, who was connected with the Stevens Yarn Co., gives me the information that the cost of labor on the part of the Holland manufacturers is 21½ cents a pound. The other figure of 32 cents was arrived at in the way I pointed out a moment ago, by taking the figures of the American Viscose Co. and the other manufacturers of this country as furnished by them to the Treasury Department.

Mr. HASTINGS. Did Mr. Waldo testify before the Finance Committee?

Mr. WHEELER. I understand that he did.

Mr. HASTINGS. Does the Senator know where his testimony may be found?

Mr. WHEELER. I am not sure that he testified; I am not a member of the committee, but the Senator from Utah [Mr. SMOOT] is, and he probably will be able to give the Senator the information. However, I have letters from Mr. Waldo, and I will be glad to read them; but I do not know whether he testified or not.

Mr. SMOOT. Mr. President, I do not recall whether or not Mr. Waldo testified before the committee.

Mr. WHEELER. My attention has been just called to the fact that Mr. Waldo did testify before the committee when this schedule was under consideration, and his testimony appears at page 1, Schedule 13, under the date of Monday, July 8, 1929.

Yet the domestic manufacturers insist upon demanding a continuance of the specific duty of 45 cents per pound. However, they have been unwilling to give any accurate figures supporting their request. The type of information given by the domestic manufacturers in the hearings as to relative cost production is illustrated by the sworn testimony of Mr. Hiram S. Rivitz before the subcommittee of the Committee on Finance on Schedule 13, pages 60 to 61 of the hearings. Mr. Rivitz gave his testimony as the representative of the Rayon Institute and not as the representative of the Industrial Rayon Co., of which he is president. I quote from his testimony:

Mr. RIVITZ. I want to give you some facts if you have not got them. I want to give you some glaring cases right here in this country that will substantiate those facts. If I were writing this tariff, I would write it more than 45 per cent and more than 45 cents. I would write it at least 50. The only reason we have not asked for 50 is the fear of being turned down.

Of course, Mr. Rivitz, representing the Rayon Institute, undoubtedly would ask for 50 cents. He would ask for a dollar. He would ask for every dollar that the traffic would bear, and he would do it regardless of the American consumer or the interest of the great mass of the American public. He would do it like every one of these men that came down here. They are looking after their own selfish interests and their own selfish interests alone; and there are men in this body who, I am sorry to say, are willing to take their viewpoint without giving it very much consideration or investigation.

That is illustrated, I think, by the fact that there are so few people on the floor of the Senate who are apparently the least bit interested in what the tariff on rayon is and how it affects the great masses of the people of this country.

The Senator from North Carolina [Mr. SIMMONS] then asked Mr. Rivitz this question:

Why do you think you ought to have 50? Is it because of present conditions or because of anticipated conditions?

Mr. RIVITZ. Because of present conditions. Our costs in this country are more than twice the costs of foreign manufacturers.

Senator SIMMONS. Are you simply talking about labor?

Mr. RIVITZ. No, sir. I am talking about the final product before it reaches the public, our actual cost.

Senator SIMMONS. Why can you not give us those two items? If you want to segregate it, all right, but we would like to get you to give us the cost of the goods.

Mr. RIVITZ. I can give you that.

Senator SIMMONS. Not only labor but the other cost abroad and the cost of production here, without any profit added at all.

Mr. RIVITZ. Our costs are about 80 cents a pound.

Senator SIMMONS. Without any profit?

Mr. RIVITZ. Without any administrative or selling expenses whatever. I think it is with depreciation. The costs abroad, in Germany, are possibly 40 cents a pound.

That is the kind of information on which the Senator from Delaware would hold up the American people and say that they were entitled to a 45-cent specific duty. He does not give you a fact; he merely draws upon generalities and conclusions conjured up in his mind and taken out of the air, but with no basic statement or figure to base it upon.

Mr. HASTINGS. Mr. President——

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

Mr. WHEELER. Yes.

Mr. HASTINGS. That was just the complaint I had of the Senator from Montana. His whole speech is generalities, with no specific information.

Mr. WHEELER. I am giving some specific information, of course.

Let us analyze this information in accordance with information obtainable from other sources. For instance, on page 1248 of the RECORD you will find that the American Viscose Co., the largest producer of rayon yarns in the United States, indicated in their income-tax return these figures, which I quoted from the income-tax statement the other day:

The largest producer of rayon yarn in the United States indicated in their income-tax return figures a cost per pound of goods sold of 47 cents. This does not include depreciation.

Carrying further the analysis of income-tax statements of various companies we find, on analysis, the following:

I call attention to an analysis of the cost of labor per pound and the cost per pound of goods sold, as revealed by the income-tax returns for 1928 of five domestic companies, whose combined output represented 80 per cent of the total domestic manufacture of rayons in that year. I am giving you their combined output, which represented 80 per cent of the combined output of rayon yarns for the year 1928. Three of the companies are small independent units, while two are controlled by or affiliated with foreign interests.

Labor cost and cost of production per pound of Viscose rayon yarn, analyzed from income-tax returns for 1928, in a statement by the Commissioner of Internal Revenue in response to Senate Resolution 108, relative to furnishing the Committee on Finance with statements of profits and losses of certain taxpayers affected by the pending tariff bill:

Labor costs: The American Rayon Corporation labor cost, 35.29 cents. Will the Senator from Delaware or anybody else dispute the fact that that is the labor cost of that company—35.29 cents?

American Viscose Co., 30.4 cents.

Belamose Corporation, not shown. They do not give their labor cost.

Du Pont Rayon Co.: For some reason they did not give their labor cost.

Industrial Rayon Co., 37.8 cents.

The industrial cost, which includes the labor cost and cost per pound of goods sold: This does not include depreciation, repairs, or administration; but the cost per pound was 70.8 cents for the Acme Rayon Co. For the American Viscose Co. it was 47.83 cents.

Mr. President, as I said a moment ago, the American Viscose Co. is the largest producer in the United States, if not in the world, and part and parcel of the Courtaulds. You want to give them 45 cents specific duty upon a product that costs them 47.83 cents as their industrial cost. What does it mean? Why, it means that you want to give them something like ninety-odd per cent. You say you are basing this upon the difference in cost of production at home and abroad. I submit, Mr. President, that it is inconceivable, and there is not a man upon the floor of this body who will stand up here and say that the industrial cost to the foreign manufacturer is only 2.83 per cent; but that is what you want to give them.

The industrial cost of the Belamose Co. was 60 cents, and you want to give them 45 cents. The industrial cost of the Du Pont Rayon Corporation was 67 cents; and the industrial cost of the Industrial Rayon Corporation was 59.7 cents.

The above figures are determined in the following method:

The Acme Rayon Corporation in that year produced 740,250 pounds. Their total wages paid were $261,178. The cost of their goods, according to the statement furnished to the Internal Revenue Department, was $523,987.

The American Viscose Corporation produced 54,000,000 pounds. Their total wage cost was $16,414,162. The total industrial cost of their goods was $25,832,344.

The Belamose Co. produced 1,650,000 pounds. Total wages and salaries paid, exclusive of officers, were not shown; but their industrial cost was shown to be $996,150.

The Du Pont Rayon Corporation produced 18,161,000 pounds. They failed to show their labor cost, but they did show their industrial cost as being $12,186,699.

The Industrial Rayon Corporation produced, that year, 4,250,000 pounds. Their total wages and salaries paid, exclusive of officers, were $1,608,809; and their total industrial cost was $2,538,905.

By dividing those figures, according to their own figures, and taking their total production as given by them to the trade journals for that year, you get exactly their labor cost and exactly their industrial cost without it being camouflaged, without their having a possible chance of inflating it or deflating it for purposes of debate upon the floor of the Senate; and I challenge any Senator upon the floor of the Senate to dispute the figures which I have furnished.

You say that you want facts and figures, and you do not want generalities. I challenge you to dispute these figures. I challenge you to dispute the figures of the American Viscose Co. of 47 cents as their total industrial cost. I challenge you to dispute the figures that 30.40 cents was their labor cost.

If the purpose of this bill is to protect labor when the labor cost was 30 cents, how can you justify a 45-cent specific duty

on a labor cost of 30 cents? How can you justify a 45-cent specific duty upon a labor cost of 37.8 cents; or how can you ask for a 45-cent specific duty upon a labor cost of 35.29 cents?

I am wondering, Mr. President, just what figures will be handed in. I am wondering what figures the representatives and the lobbyists of the Du Ponts and the American Viscose Co. and the Industrial Rayon Co. will produce for the benefit of the Senate. Oh, yes; I am wondering what the Fair Tariff League, of which the junior Senator from Pennsylvania [Mr. GRUNDY] was recently the head, will produce in the Senate. I am wondering why it was that they did not testify under oath, when they had an opportunity, before the Finance Committee, as to what their labor costs were, because I should like to compare their sworn statement with the statements that have been taken from the records of the Treasury Department and the statement that they have given out as to the amount they produced.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

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

Mr. WHEELER. I yield.

Mr. LA FOLLETTE. The Senator is making a very illuminating argument; and, if he will yield for that purpose, I should like to suggest the absence of a quorum.

Mr. WHEELER. I yield.

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

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

Ashurst	George	Keyes	Simmons
Barkley	Gillett	La Follette	Smith
Bingham	Glass	McKellar	Smoot
Black	Glenn	McMaster	Steck
Blaine	Goff	McNary	Steiwer
Blease	Goldsborough	Metcalf	Sullivan
Borah	Gould	Moses	Swanson
Bratton	Greene	Norbeck	Thomas, Idaho
Brock	Grundy	Norris	Thomas, Okla.
Brookhart	Hale	Nye	Townsend
Broussard	Harris	Oddie	Trammell
Capper	Harrison	Overman	Tydings
Carraway	Hastings	Patterson	Vandenberg
Connally	Hatfield	Phipps	Wagner
Copeland	Hawes	Pine	Walcott
Couzens	Heflin	Ransdell	Walsh, Mass.
Dale	Howell	Robinson, Ind.	Walsh, Mont.
Dill	Johnson	Robsion, Ky.	Watson
Fess	Jones	Sheppard	Wheeler
Fletcher	Kean	Shipstead	
Frazier	Kendrick	Shortridge	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. A quorum is present. The Senator from Montana will proceed.

Mr. WHEELER. Mr. President, just before the quorum call I was giving some figures, which I want to repeat because of their importance in this discussion.

If we are to enact a tariff law upon some kind of a scientific basis, if Senators on the other side of the aisle are honest and sincere, and if those who favor a tariff on this side of the aisle are sincere when they say that they want to have a tariff, but that they want to have it for the benefit of the American farmer and the American laboring man, then I hope they will bear these figures in mind, which to my mind are indisputable, and I again issue the same challenge that I issued a moment ago. I appreciate that there are some in the Senate who do not care how high a duty there is, or perhaps are not interested in seeing the consumers of the country protected, but if there are those who are earnestly and honestly seeking to give protection to the American manufacturer, then I want to call their attention to these figures, and I would like particularly to direct the attention of the Senator from Iowa [Mr. BROOKHART] to them, if he will give me his attention. I read them a moment ago when he was out of the Chamber.

The labor cost per pound for the Acme Corporation of America was 35.29 cents. The American Viscose Co. labor cost was 30.4 cents. The Du Pont Rayon Co. did not show their labor costs. The Industrial Rayon Co. labor cost was 37.8 cents.

I assume that the Senator from Iowa is interested in protecting American laborers so that they may be fully paid. As a matter of fact, I feel that the only thing we should take into consideration is the difference between the labor costs at home and those abroad, but if we give a 45-cent a pound specific duty, think what we would be doing. With a labor cost of 35 cents a pound, if we gave them 45 cents per pound protection, the manufacturers in Europe would have to produce the commodity 10 cents below nothing in order to come in under this tariff. The same thing is true as to the American Viscose Co.

Mr. BROOKHART. Mr. President, in the labor cost there is not figured the labor that goes into the making of the machinery, and the indirect labor. But I want to say this to the Senator: There is no such thing as obtaining justice or equality for the farmers by raising or lowering tariff rates. The profits in a lot of these industries are unequal and are extortionate, and you are not going to get at them by cutting down rates or by putting up rates. You have to go at them directly, and that is what I propose doing in this matter. If we will regulate the profits of these institutions we will not have any trouble about rates from then on. It is a ridiculous thing to say that without regulating the profits we can control these industries by the imposition of 35 per cent, or any other percentage. We have sent over to the Treasury and have gotten several volumes on profits. Everybody has howled about the profits of these industries, and then when we come to do something direct and effective, everybody runs away from the proposition.

I am thoroughly disgusted, as far as I am concerned, with all of this tariff making. I know it is unequal, and I know this bill is going to be filled with injustice from one end to the other, and would be even if the Senator from Montana wrote it himself, unless he put a provision in it for the regulation of the profits of these industries. That is where I stand on this proposition.

These little technical things do not interest me. But the matter of controlling the profits of these protected industries, which we have a right to do, does interest me, and when the Senator comes here with something along that line he will find me standing with him, but until he does, I am going to vote for all these schedules which protect farm products, whether it is cotton or whether it is corn.

Mr. WHEELER. Mr. President, of course that is the specious argument that is always used when one wants to justify himself for voting for some unjustifiable rate. When one says he is willing to vote for any kind of a high duty regardless of how much it robs the American consumer, and then says the only remedy is to take the profits away from them, after he has voted to give the profits to them by special legislation, seems to me to be the height of foolishness.

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

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

Mr. WHEELER. I yield.

Mr. BARKLEY. In the beginning I will say that I have not studied the plan of the Senator from Iowa [Mr. BROOKHART] about regulating profits, but I understand he proposes to regulate the situation by taking all of the profits above a certain figure and turning them over to the Government and then devoting those profits to public use. Assuming that the increase in the tariff on many of these products enables the producer to increase his output and assuming that the plan of the Senator from Iowa were put into effect, what guaranty would we have that the excess over and above a reasonable profit taken from the average consumer would ever be turned back to him?

Mr. WHEELER. None, of course.

Mr. NORRIS. Mr. President——

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

Mr. WHEELER. I yield.

Mr. NORRIS. I am in sympathy with what the Senator from Iowa wants to do. I think we have a right to take away and regulate the profits of corporations and men who are getting subsidies from the Government of the United States. I am not disputing, but I am in sympathy with him in what he is trying to accompiish. However, it does not follow, as I look at it, because we want to regulate profits that we should allow anybody to have a tariff rate that goes clear to the skies. If we will look up the great fortunes, not all of them it is true, but many of them, of many of the millionaires and of the men with incomes of millions, it will be found that they have to a great extent been able to make their money and to build up their enormous fortunes because of unreasonable, outrageous tariff schedules. I speak as a protectionist just as much opposed to an outrageously high and sinister tariff as I would be opposed to free trade. The Senator from Iowa even if he could carry out his plan ought not, it seems to me, to turn his back upon any effort like that which is being made by the Senator from Montana to reduce enormously high tariff rates.

If it is for the benefit of the farmer that we are considering these matters, then it seems to me we ought to stand behind the Senator from Montana because what he is trying to do will have a tendency to increase the consumption of rayon. If the farmer has an interest in the products that go into the manufacture of rayon then he is interested in having more rayon produced and more rayon consumed, and therefore it seems to

me that it would be to his benefit to try to reduce the enormous tariff rates which have been proposed on rayon instead of trying to increase them.

Mr. WHEELER. I am glad to have the observation of the Senator from Nebraska because, as I was going to say, the truth about it is that 83 to 85 per cent of the rayon manufactured in this country is made according to viscose process, which is the wood process. The same thing is true in Great Britain. There is a small per cent of it made of cotton linter. Let us just follow the logic of the argument of the Senator from Iowa and see where it leads.

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

Mr. WHEELER. In just a moment. He would place a duty so high as to give the international trust any kind of a tariff they want in the name of the American farmer. By so doing he would stop the consumption and use of rayon which is becoming quite general, and thereby he would hurt the American farmer, because there is not going to be any market or any demand for his cotton if the use of rayon is curtailed and the prices are high. Rayon can be made extremely cheap. It goes into the manufacture of the hosiery and underwear and other clothing that the poorer classes of the country use, that the farmer's wife is using to-day, and yet the Senator from Iowa argues that he would take it out of the pockets of the farmers of Iowa, take it out of the pockets of the workingmen of Iowa, and turn it over to the international trust and then enact a law saying "We are going to take the profits away from them and put it into the hands of the Government."

If we should get that money into the hands of the Government, what would happen to it? What has happened to it in the past? We can only determine the future by what has taken place in the past, and history constantly repeats itself. We would get an immense amount of money into the hands of the Government and then it would be, as it has been in the past, expended wastefully. I am in favor of keeping as much of it as possible in the hands of the farmers and the laboring classes rather than giving it to the trusts and then taking chances on getting it away from the trusts and putting it into the Treasury of the United States.

I yield now to the Senator from Iowa.

Mr. BROOKHART. The argument in favor of the Senator's rate of 35 per cent ad valorem is just as vulnerable as every other argument he has made. He can not claim that these huge profits will not continue under a rate of 35 per cent. If there is any logic in his position at all, why not put rayon on the free list? His proposal will not meet the inequalities of the situation. The matter of raising or lowering tariff rates can not meet the inequalities of the tariff system. The only way to meet them is to regulate the profits, and I defy the Senator to point out any other system that will regulate them at all. As long as it is on the present basis, I am not going to quibble about the thing when it is a farm product which we are endeavoring to protect.

Mr. WHEELER. The foolishness, as it seems to me—I do not know any other term to use—of saying that we will give the international cartel a tariff and give the manufacturer a tariff and that it will help the farmer who produces the linters is very apparent. If we cheapen the product to the consuming public, there is more of it consumed, and it seems to me it is only logical and there is only one logical conclusion to reach, and that is that there is going to be more of the linter used. But the fact of the matter is that there is less than 13 or 14 per cent of linters used in the manufacture of rayon.

Mr. President, I want to cite these figures. The labor costs have been stated. The cost per pound has been given. In other words, the industrial cost for the Acme Co. was 70.8 cents, for American Viscose 48.3 cents, for the Belamose Co. 60 cents, for the Du Ponts 67 cents, and Industrial Rayon 59.7 cents. Of all the factors in the production of rayon, labor alone needs protection. These figures, while not including depreciation, show clearly why the domestic manufacturers have refrained from giving labor costs or production cost figures to substantiate the figure of 80 cents, or to justify their request for rates of duty which work such a hardship upon the American consumer and take away from our people millions in profits, most of which does not go even to the American manufacturer, but goes to the foreign owner. It goes to the foreign owner and not even to the American owner.

Mr. BROOKHART. Mr. President——

Mr. WHEELER. I yield to the Senator from Iowa.

Mr. BROOKHART. I will not register another protest against this profits argument until the Senator gets in a state of mind so he is willing to control and regulate the profits.

Mr. WHEELER. The Senator talks about getting in a state of mind with reference to regulating profits. I am not trying to propose something that I know, as the Senator knows, we could not get five men on his side of the Chamber to approve. In the meantime I want to give the American consumer some relief. The difference between the Senator from Iowa and myself is that he is perfectly willing to offer some impractical plan which he knows he can not get five Members of the Senate to vote for, and in the meantime he is willing to let this great international rayon cartel go out and rob the people of his State while he is advocating a proposition which he knows has not a chance in the world of even getting out of a committee of the Senate.

Mr. BROOKHART. The plan of regulating profits is no more impractical than the Senator's rate of 35 per cent. He has not told us how a rate of 35 per cent is going to regulate the situation.

Mr. WHEELER. The Senator has not been here listening to my argument, and for that reason he knows little about what I have been telling the Senate. For that reason he feels I have not said anything about the practicability of it. It is the same argument that has been used by those that have been urged by the rayon people to vote for this high duty. I will show the Senator in the course of a very few minutes how the 35 per cent ad valorem duty would protect the American manufacturer.

I am not advocating putting rayon on the free list because of the fact that I have never been a believer in absolute free trade. I have always felt that there are industries in the country which need protection against foreign competition. I am not advocating this reduction as a free trader. I have never done such a thing in my life. I was born and raised in the State of Massachusetts, in the industrial center up there, and I know that there are manufacturers in the country who do need a tariff in order to protect them; but what I am protesting against is taking out of the pockets of the great masses of the consuming public more than is necessary to protect American industry and American workers and to protect the manufacturer himself and turning it over to the British Courtalds of London.

The figures which I have given show the total labor cost for making a pound of rayon to be 30.4 cents to 37.8 cents. It is safe to assume the average price of yarn on 150 deniers because of the fact that 150 deniers is to-day the one yarn that is used more than all the rest of them put together. The labor cost per pound of 150-denier yarn made in Holland is 21.5 cents. As I said a moment ago, that information was given to me by Mr. Waldo, who, I understand, is treasurer of the Stevens Yarn Co. I have just casually met him, but there are men here, probably the Senator from New York [Mr. COPELAND], who would know whether or not he is a reliable citizen. I maintain that the Finance Committee or the Tariff Commission or some other governmental body has had full authority for gathering this information in even greater detail during the time the question has been under consideration. The Treasury agents have been going abroad even to the point of creating embarrassing relations with foreign countries in some instances in their activities in ascertaining the costs of production.

I maintain that the majority of the Finance Committee, the Tariff Commission, or some other Government body have had full authority for gathering this information in even greater detail during the time the question has been under consideration. Treasury agents have been active abroad even to the point, in some instances, of creating embarrassing relations with foreign countries in their efforts to ascertain the cost of production. The rate for rayon yarn, now standing at a minimum of 45 cents a pound, has been used to create untold millions of dollars of profit for foreign stockholders in American rayon plants, and those profits have been instrumental in the same foreign interests gradually establishing a world monopoly in rayon, so that to-day there is probably no industry more centrally organized and completely controlled than is the rayon industry; and it has been built up, to a large extent, in this country by exorbitant tariff rates.

Mr. President, I want to call attention to the figures furnished by the Tariff Commission to the Senator from Utah [Mr. SMOOT], a copy of which was furnished to me. On 150-denier yarn, which this rate affects, the average dutiable value per pound is 74 cents; transportation and insurance, 5 per cent, or 3.7 cents; landed cost, except duty and importer's charges, 77 cents; landed cost, including importer's charges and expenses—8 per cent—but no duty, 84.4 cents.

List price in the United States, $1.15; net selling price of domestic yarn, less 2 per cent cash discount and 5 per cent quantity discount, $1.07.

Margin between the net price of domestic yarn and imported yarn—omitting duty on imported yarn—22.6 cents.

The net result of ad valorem duties added to imported yarn is that a duty of 30 per cent ad valorem would be equivalent to 22.2 cents, and would cover the difference; that a duty of 35 per cent ad valorem would be equivalent to 25.9 cents; if it were 29.6 per cent a 40 per cent ad valorem duty would be

equivalent to 29.6 cents; and that a 45 per cent ad valorem duty would be equivalent to 33.3 cents.

These prices are figured on published list prices of domestic rayon, which prices frequently are very much reduced in actual sale. In spite of this, the average net profit per pound, after deducting taxes and all charges of every nature, shown by the income tax returns of the majority of domestic manufacturers is as follows:

The American Viscose Co. produced in 1928, 54,000,000 pounds; its percentage of the total production in the United States in 1928 was 54.4; its net profit was $31,645,901 and its net profit per pound was 58 cents.

The Du Pont Rayon Co. produced in 1928, 18,161,000 pounds; percentage of total production in the United States in 1928, 18 per cent; net profit was $6,924,591, or a net profit per pound of 31 cents.

The Industrial Rayon Co. produced 4,250,000 pounds; their percentage of total production in the United States was 4.3 per cent; their net profit was $1,608,027, and their net profit per pound was 37.8 cents.

The Tubize Co. produced in 1928, 8,500,000 pounds; their percentage of total production in the United States was 9.1; their net profit was $1,957,567, and net profit per pound 20.6 cents.

The Belamose Co. produced in 1928, 1,650,000 pounds, or 1.4 per cent of the total domestic production; their net profit was $115,822, and they made a net profit per pound of 7.2 cents.

The Acme Rayon Co. produced 740,250 pounds; they produced 0.8 of 1 per cent of the United States production; their net profit was $45,974, and their net profit per pound was 6.2 cents.

It should be called to the attention of the Senate that the Acme Co. is located in Cleveland, Ohio; that they make 300 deniers, and are selling their product much below the market price because of the fact that they are producing a very inferior quality, as I am told.

However, the four great concerns in the country—the Viscose, the Du Pont Co., the Industrial Rayon Co., and the Tubize Co.—all made from 20 per cent to 58 cents profit per pound. I ask that the table from which I have quoted may be placed in the RECORD at this point.

The VICE PRESIDENT. Without objection, it is so ordered. The table is as follows:

Type of yarn	Average dutiable value per pound	Transportation, insurance, etc., 5 per cent	Landed cost except duty and importer's charges	Landed cost including importer's charges and expenses (8 per cent), but no duty	List	Price of domestic yarns,[1] net selling price less 2 per cent cash discount and 5 per cent quantity discount
150 A	$0.740	$0.037	$0.777	$0.844	$1.15	$1.07
150 B	.657	.033	.690	.75	1.10	1.024
300 A	.571	.029	.60	.652	1.00	.931
300 B	.490	.024	.514	.558	.95	.885

Type of yarn	Margin between net price of domestic yarn and imported yarn (omitting duty on imported yarn)[1]	Net result of ad valorem duties added to imported yarns			
		30 per cent	35 per cent	40 per cent	45 per cent
150 A	$0.226	$0.222	$0.259	$0.296	$0.333
150 B	.274	.197	.229	.263	.296
300 A	.279	.171	.199	.228	.257
300 B	.326	.147	.171	.196	.22

[1] These prices are figured on the published list prices of the domestic rayon, which prices frequently are very much reduced in actual sales. In spite of this, the average net profit per pound, after deducting taxes and all charges of every nature, shown by the income-tax returns of the majority of the domestic manufacturers is as follows:

Name of concern	Pounds produced in 1928	Percentage total production in United States in 1928	Net profit	Net profit per pound
American Viscose	54,000,000	54.4	$31,645,901	$0.58
Du Pont Rayon	18,161,000	18	6,924,591	.31
Industrial Rayon	4,250,000	4.3	1,608,027	.378
Tubize (nitro cellulose)	8,500,000	9.1	1,957,567	.206
Balamose Rayon	1,650,000	1.4	115,822	.072
Acme Rayon	740,250	.8	45,974	.062

Without considering production costs, it is clear from these selling prices that a specific duty of 45 cents per pound is unjustified.

Mr. WHEELER. Mr. President, let me call the attention of the Senator from Utah to the fact that in taking these figures given by the Tariff Commission it should be borne in mind that they are not based upon the cost of production but they are based upon list prices. We can not get a fair basis for rate-making purposes when we take the selling price, as the Senator from Utah well knows, because if we should use that basis, and they should add $10 to their selling price, we would then be asked to provide a tariff rate upon an increased selling price of $10, and naturally they could get almost any tariff they desired; but taking their own figures, based on the selling price, if we should give them an ad valorem duty of 35 per cent, it would give them a specific duty of 25.9 cents, when, according to the figures that I have here, 22.6 cents per pound specific duty would cover all that is needed.

I am not asking that the rate be reduced to the basis of 22.6 cents; I am only asking that it be reduced to the figure that will give them 25.9 cents.

I appreciate, Mr. President, that I have taken much more time than I intended to take when I started upon this argument, and I wish to summarize and call attention to five reasons to which I have already referred why the tariff rate on rayon should not be increased.

The first reason is that a specific rate of duty has no place in the rayon schedule.

Second, a 45 cents per pound specific duty is merely a screen to conceal an exorbitant tariff rate. It would amount, as has been pointed out by Mr. Bennett, as has been demonstrated by the figures furnished by the Tariff Commission, as has been pointed out by Mr. Waldo, of the Stevens Yarn Co., and as has been pointed out by everyone with whom I have consulted about it, that it would amount to all the way from 70 to 112 per cent.

The third reason is that the American rayon manufacturers do not need this protection.

Fourth, 150-denier rayon constitutes but 70 per cent of the country's total consumption, and was selling at $2.75 a pound when the minimum specific duty of 45 cents a pound was imposed in 1922. The price has been reduced 60 per cent, with the result that a speecific duty of 45 cents a pound would be an increase of 150 per cent when figured on an ad varolem basis. In the face of this change, what justification can be given for asking for a 45 cents specific duty. So far as the printed record shows, no domestic manufacturer of rayon has furnished the committee one single reason or any specific facts upon which to base a 45-cent specific duty.

As I said a moment ago, I am not unmindful of the pressure and the economic power of the Du Pont people, nor am I unmindful of the power of the American Viscose Co. and the other manufacturers of rayon in the United States; I am not unmindful of their power both industrially and politically, and I know, Mr. President, that it is difficult to stand up here and vote for a lower duty when a manufacturer in a given State is asking his representatives in the Senate and the House to vote for a higher duty, when he sends an appeal to them and causes the little chamber of commerce in the community where he lives to appeal likewise to them; but the question involved is, Are we going to let the rayon manufacturers who have been making tremendous profits further burden the American consuming public, or are we going to give them a rate which is justified, which is honest, and which will fully protect them and more than protect them, in view of the difference of cost of production at home and abroad.

Mr. HASTINGS. Mr. President, I have listened with considerable interest and with very much concern to the address of the distinguished Senator from Montana [Mr. WHEELER]. Of course, it is not necessary for me to call the attention of the Senate to the fact that there are manufacturing interests in this country which are demanding of Congress a greater tariff than is necessary. No man of any experience can escape the conclusion that that happens to every Congress where a tariff is in the making.

The Senator from Montana has made more than one speech relative to the pending tariff bill, but this is the first time I have ever heard him make an attack upon the foreign manufacturer. He comes here pleading that he is interested in the consumer and anxious to protect the consumer, and, in order that the consumer may be protected, he insists on as low a tariff as possible so that the foreign manufacturer may be able to send his products into this country. To-day is the first time I ever realized that the Senator from Montana was for any tariff on anything.

He made the statement a little while ago that the tariff here ought to be 35 per cent ad valorem. He certainly gave, it seems to me, no satisfactory figures for that particular rate.

I do not think an attack ought to be made upon the foreign investor who has come to America and expended his money in building plants in America where the American wage earner is

employed. I think it is true that the Viscose Co. came to America first and engaged in this business; and I think it is also true that it is owned by British interests.

My recollection also is that they were protected when they came here by an American patent which prohibited other people from engaging in this kind of business, and they did make tremendous profits, and for all I know, they continue to make tremendous profits; but I see no particular reason why they should be attacked on that account. I see no particular reason why Congress should be prejudiced against the Viscose Co. because the owners live in England and because they have made a lot of money in America.

So far as I know, there is nothing that appears in the record that shows whether that money that is being made is solely made in America, or whether it is being made in the great factories of the Viscose Co. in other parts of the world; but it is impossible for America, because of that, to refuse to protect the interests of its own manufacturing concerns, owned by American people. In this argument that is made here, however, we find this great English trust being attacked in the first place, and the Du Pont interests being attacked in the second place.

I wish it might be true that we could get away from the idea of being prejudiced against people because they happen to have more money than certain Senators sitting around here have.

The statement was made by the Senator from Montana that since the time this question was first discussed upon the floor of the Senate and the present time, the Du Pont interests and the other interests got their lobbyists busy, and came to Washington to bear down upon Senators in order that they might save this rate in this bill. I do not know whether that is true or not, and I doubt very much whether the Senator from Montana knows whether it is true or not.

If the Du Pont interests are interested in rayon at all or in this rate at all, I repeat what I said a few days ago when some other section of this bill was being considered—that no member of the Du Pont Co. had mentioned it either to my colleague or to myself.

Ah, but there is in Delaware a corporation that is greatly interested, because only a few years ago they made an investment. They heard about the great profits that it was possible to make in the rayon industry, and they took their chances, and they built a plant in Delaware, and they employ no lobbyists here. Whatever lobbying they do, they do themselves; and they do it, so far as I know, through the representatives of their own State. What they are trying to get is nothing more than that which will enable them to conduct their business upon a basis that will return a reasonable profit.

The fact that the Viscose Co. has been engaged for a long time in this business, and is enabled, perhaps, to make more money per pound out of it than some other concern can make; the fact that the Du Pont Co. has back of its corporation large investments, a great amount of capital, and perhaps can buy cheaper and manufacture cheaper than this small company, is no reason why the Congress should not give to the small company a reasonable protection.

It was impossible for me to follow the figures that were given to the Senate a few moments ago by the Senator from Montana [Mr. WHEELER]. They are so different from the figures which have been furnished me by the Delaware Rayon Co., a reputable concern employing a great number of people in Delaware, and paying them good wages, that I can not help but believe that they are talking about different subjects.

As late as January 9 this company wrote me this letter:

> The main point of contention seems to be on the 45 cents per pound minimum tariff under which we have been operating since 1922, and with which we are satisfied, even though the imports show an increase every year. The importers naturally want this lowered, so that they can sell cheaper than the American manufacturers' cost; and they are endeavoring to have this rate changed to 45 per cent of the importer's invoice price.
>
> When you take into consideration that in Europe, due to their very low labor rates, rayon yarn may be produced as low as 42 cents per pound, and that the average cost of production here is about 80 cents per pound without selling cost, you can appreciate that a minimum to-day of 45 cents per pound is none too much, and any reduction in same will very seriously impair the operation of the rayon industry in this country.

Mr. President, it seems to me that the consumer can have no particular complaint with respect to this rayon industry when we remember that in 1922, when this very tariff—the tariff that is now being demanded by the rayon industry—was put upon the statute books, this material was selling for $2.75 per pound. All the way from that time until the present time it has been constantly reduced, until to-day it is selling for $1.15 per pound.

Can it be charged, therefore, that the high tariff placed upon this material by the American Congress has been an unfortunate thing for the consumer? Has it been unfortunate for the consumer that that tariff was placed there in 1922? I have no doubt that the Senator from Montana complained about it then the same as he is complaining to-day; but the truth is that with all of the industry, with the English concern and all the other people of Europe interested in it in this country, the American manufacturer has gone in there with this protection, and has brought down the price from $2.75 to $1.15.

I ask, in the face of that, how is it possible for the American consumers to complain that they have not been treated fairly in this industry by the manufacturer?

There is another thing that I want to call to the attention of the Senator from Montana.

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

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Nebraska?

Mr. HASTINGS. I do.

Mr. NORRIS. I was interested in the letter from which the Senator quoted. What was the name of that company?

Mr. HASTINGS. The Delaware Rayon Co., of New Castle, Del.

Mr. NORRIS. Has the Senator figures to show what their profits were per pound, and the amount of production, and so forth? I think perhaps the Senator from Montana gave that information; but if he did, I have forgotten it.

Mr. HASTINGS. I will say to the Senator that that does not appear in that particular letter.

Mr. NORRIS. Has the Senator that information? I should like to get an idea, if I can, about their capitalization, the amount of their production, their profits, and so forth, if the Senator has it.

Mr. HASTINGS (reading):

> Inclosed you will find the report of our costs for the year 1928, plus a reasonable profit, which gives a total of $1.08 per pound, as against the selling price for that year of approximately the same figure.
>
> You will find inclosed our balance sheet of December 31, 1928. Our net profits during this period were $177,312. Dividends paid were $100,000. In taking these figures into consideration it should be remembered that since that time, during the year 1929, there has been a 23 per cent reduction in the sales price of rayon yarn in this country, which will naturally affect our earnings for this year.

Mr. President, I was about to call the attention of the Senate to the fact that in France the spinner——

Mr. NORRIS. Mr. President, if the Senator will permit me, what is the capitalization of the company? Has the Senator that information?

Mr. HASTINGS. The capital stock outstanding December 31, 1928, of all classes, was $2,595,000.

In France the price paid to the male spinner was $7.50 per week, as against $34.50 paid in the United States; to the female spinner, $4.50 per week, versus $19.50; and to the sorter $4.50, against a wage of $19.25 in the United States.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Delaware further yield to the Senator from Nebraska?

Mr. HASTINGS. I do.

Mr. NORRIS. I hope the Senator will pardon me for interrupting him so often; but there is a little more information with regard to that corporation that I should like to get, if the Senator has it. Is the capitalization of the company represented by the cash investment? Has there been any stock dividend; and when and how long has the company been in operation?

Mr. HASTINGS. I do not know whether there is any information here that shows; but my recollection is that it has been in operation some three or four years—only a very short time.

Mr. NORRIS. Has the capital stock changed in that time?

Mr. HASTINGS. I do not think so. I will send to the Senator a balance sheet as of December 31, 1928.

Mr. NORRIS. Does that show how the capital was made up? What I am trying to get at is this: I should like to know whether the capitalization of the company is represented by actual cash investment. In other words, how much has been invested in the business by this company?

Mr. HASTINGS. I am sorry I can not give the Senator any more information. I was only quoting the letter in the first place to show the cost to this particular company of this yarn. I did not have in mind the other when I started to address the Senate; so I am not sufficiently familiar with it to give the Senator all the information that might be desirable.

Mr. President, it seems to me that there are two important things to be considered in connection with this rate, and the history of it in connection with it.

In the first place, as I pointed out, there has been a reduction in the price from $2.75 until it has reached $1.15; and that was under the present tariff rate, which, I understand, is not changed at all in this bill. Certainly it is not changed so far as this particular item is concerned. The rate of 45 cents per pound, as I understand, was placed in the law in 1922 under a provision that it should be the minimum; that nothing should be less than that. It was all on an ad valorem basis. In the hearings this can be found on page 1798. These figures show that the pounds had increased from 1,072,040 pounds in 1919 to 12,158,219 pounds in 1928, with the values shown there. The value per pound has been reduced from $4.12 to 86.4 cents. The equivalent ad valorem duty in 1928 was 53.77 per cent, and per pound 46.3 cents.

It seemed to me that one would get the impression from the address of the Senator from Montana that an effort was being made by this industry to reduce the rates, but that is not true. What they are endeavoring to do is to have the rates remain where they are in order that the industry may continue to prosper, and they continue to pay the wages they have been accustomed to paying.

My attention has been called by my colleague to the fact that during the same period the prices in foreign countries, where the wages are approximately 22 per cent of those prevailing here, have dropped from $1.60 per pound to 50 cents per pound, so that the 45 per cent ad valorem rate would represent a duty of only about 20 cents per pound. The 45 per cent ad valorem would only give that for the present, and that makes it necessary to keep the 45 cents per pound specific duty in the bill.

Mr. President, the important thing for us to consider, it seems to me, is to what extent we want to permit the foreign manufacturer to send his goods here in competition with us, taking away from our manufacturers and our laborers the opportunity to make that much of this material.

In 1922 the foreign manufacturers were sending to this country 2,087,000 pounds. In 1929, with the same tariff, they were sending here 16,119,989 pounds, or about 13 per cent of all that being used in this country.

I am not convinced, and I do not believe it is true, that a reduction of this tariff rate to 35 per cent ad valorem, which is demanded by the Senator from Montana, would have any particular effect upon the American consumers of this particular article.

I believe that there is keen enough competition among the American producers themselves to bring the price down to a point where it will not be an imposition upon the consumer at all. I am satisfied that the competition in the United States, without any competition from abroad, will take care of that situation.

The American is in a different position from the investor in Europe, for this reason. The Viscose Co. have their plants all over the world now; I do not know in just what parts of the world, but at least they have many of their plants in Europe. They have their plant in the United States. The tariff rate affects them very little. They are able to compete on either side of the ocean. They are in a different position from other manufacturers, and what might be called the American manufacturers, and I think it might be said to the great credit of the manufacturing industry of the United States that they had pluck enough and courage enough to go into this business when it no longer was a monopoly, although the Viscose Co. had a great advantage over them. I think it was to their great credit that they established plants in all the various States of the Union, furnishing labor an opportunity for a good wage, and giving to the people of the South, the producers of cotton, an outlet for their cotton that is of great value to the producers of that great product.

I think the Congress ought to hesitate, and ought to hesitate long, before putting around this industry anything that could in any way strangle it or prevent it from progressing.

Mr. President, I ask leave to have inserted in the RECORD, without reading, a statement regarding this subject.

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

RAYON INDUSTRY

(Par. 1301)

This industry was not established upon a practical basis in the United States until 1910, and for the ensuing 10 years remained the monopoly of the American Viscose Co., operating under British patents.

Since the expiration of the basic patent in 1920, 12 American-controlled companies have entered the field, thereby expanding the industry to 14 States and setting up effective domestic competition.

The States in which the industry is located are: Massachusetts, Rhode Island, New Hampshire, Connecticut, New York, Pennsylvania, Ohio, Delaware, Maryland, Virginia, West Virginia, North Carolina, Tennessee, and Georgia.

The bill before the Senate is essentially the same as the existing law—45 per cent ad valorem on yarn of 150 denier, with a proviso that the duty should amount to not less than 45 cents per pound.

The chief development of the domestic industry was during the earlier years of the act of 1922, when the 45 per cent ad valorem, applying to a European price of $1.60 per pound, gave a duty of 72 cents per pound.

Domestic competition has reduced the American price of 150 denier from $2.75 per pound in 1922 to $1.15 per pound in 1929, a record surpassing that of any other domestic industry.

In the same period, however, foreign prices, under wage scales approximately 22 per cent of those prevailing here, have dropped from $1.60 per pound to 50 cents per pound or under, so that the 45 per cent ad valorem rate renders a duty of only about 20 cents per pound.

Testimony before the congressional committees showed domestic costs of production to be from 82 cents to $1 per pound, so that with the catchall clause, providing that the minimum duty shall be 45 cents per pound, the domestic industry faces ruin.

The total capital invested in the domestic industry is upward of $260,000,000.

Wage earners employed exceed 45,000, with wages of upward of $51,000,000 per year.

The industry purchases American raw materials to the extent of $20,000,000 per annum, these purchases including 115,000,000 pounds of cotton linters and 120,000,000 pounds of corn sugar.

While American production has increased from 25,000,000 pounds in 1922 to 120,000,000 pounds in 1929 (or by something less than four times), imports have increased from 2,100,000 pounds in 1922 to 18,000,000 pounds in 1929, or an increase by nearly nine times.

Although the business was profitable up to and during the earlier years of the act of 1922, both domestic and foreign competition have served to reduce these profits to normal with the original company, while newer concerns have not yet paid a dividend.

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

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). The clerk will call the roll.

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

Ashurst	Gillett	La Follette	Simmons
Barkley	Glass	McKellar	Smith
Bingham	Glenn	McMaster	Smoot
Black	Goff	McNary	Steck
Blaine	Goldsborough	Metcalf	Steiwer
Blease	Gould	Moses	Sullivan
Borah	Greene	Norbeck	Swanson
Bratton	Grundy	Norris	Thomas, Idaho
Brock	Hale	Nye	Thomas, Okla.
Brookhart	Harris	Oddie	Townsend
Broussard	Harrison	Overman	Trammell
Capper	Hastings	Patterson	Tydings
Caraway	Hatfield	Phipps	Vandenberg
Connally	Hawes	Pine	Wagner
Copeland	Heflin	Ransdell	Walcott
Couzens	Howell	Robinson, Ind.	Walsh, Mass.
Dale	Johnson	Robsion, Ky.	Walsh, Mont.
Dill	Jones	Schall	Watson
Fess	Kean	Sheppard	Wheeler
Fletcher	Kendrick	Shipstead	
Frazier	Keyes	Shortridge	

The PRESIDING OFFICER. Eighty-two Senators have answered to their names. There is a quorum present.

The question is on agreeing to the substitute amendment offered by the Senator from Montana [Mr. WHEELER] to the amendment of the committee.

Mr. NORRIS. Mr. President, I have been told that the junior Senator from Georgia [Mr. GEORGE], who is a member of the Committee on Finance, desires to address the Senate on this matter, but he is not present.

Mr. SIMMONS. Mr. President, the Senator from Georgia has been in charge of this matter for the minority, and he notified me this morning that on account of illness in his family he would not be able to remain here to-day. I do not think it is the purpose of the Senator from Georgia to engage in any discussion of the matter at this time. He discussed it to some extent when it was up before.

Mr. WHEELER. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMITH. Mr. President, may we not have the amendment stated?

The PRESIDING OFFICER. The clerk will report the amendment.

The CHIEF CLERK. On page 183, paragraph 1301, the Senator from Montana proposes in lieu of the committee amendment to insert the following:

PAR. 1301. Filaments of rayon or other synthetic textile, single or grouped, and yarns of rayon or other synthetic textile, singles, all the

foregoing not specially provided for, 35 per cent ad valorem; and in addition, yarns of rayon or other synthetic textile, plied, shall be subject to an additional duty of 5 per cent ad valorem. Any of the foregoing yarns if having in the singles 11 turns twist per inch, but not more than 32 turns twist per inch, shall be assessed at the rate of 45 per cent ad valorem; twisted more than 32 turns per inch, 50 per cent ad valorem.

Mr. SMITH. Mr. President, I do not want to delay the vote, but I want to know whether the committee amendment raises the duty above that in the present law. Does it change the duty, and if so, to what degree does it change it?

Mr. SMOOT. Mr. President, it does increase it.

Mr. SIMMONS. The present law is 45 cents a pound, is it not?

Mr. SMOOT. It is.

Mr. SIMMONS. The rate provided in the House text is 45 cents?

Mr. SMOOT. Yes.

Mr. SIMMONS. And in the bill as reported the rate is 45 cents; that is, the 45 cents a pound is the minimum. In other words, the rate, no matter what the value might be, on an ad valorem basis shall never be less than 45 cents a pound.

Mr. WHEELER. In reality it amounts, according to the figures I have, to about 80 or 90 per cent ad valorem.

Mr. SMOOT. Of course, there is a dispute about that.

Mr. WHEELER. I appreciate there is a dispute about it, but the Senator can not take the figures of the Tariff Commission and arrive at any other conclusion about it because of the fact that if we give them 35 per cent ad valorem duty, basing it upon their own figures, we give them the protection on the 150 deniers that they want.

Let me say, inspired by the question asked by the Senator from South Carolina [Mr. SMITH], that the 45 cents per pound specific duty amounts in reality, according to practically every figure that has been given on this product, to from 75 to 112 per cent. The rayon manufacturers have never furnished any figures to the committee at all to show the costs of production at home, to say nothing about the costs of production abroad. This is not in the interest of labor, because I have shown beyond peradventure of doubt that the labor costs in the United States of the Viscose Co. are about 33 cents, as I recall it, and of the Holland Co. about 21 cents.

It can not be classified as a tariff for the benefit of the cotton farmer because of the fact that if we reduce the price of rayon to the consuming public it means that more of the cotton linters are going to be used. It can not be justified either on the ground of benefiting labor or the farmer.

The only way it can be justified, and let there be no mistake about it, is on the basis of the fact that the Du Pont interests and the American Viscose Co. interests have been fighting and lobbying for it. When the continuances were asked about two weeks ago, so we could be furnished with certain information, their representatives immediately moved down to the Capital for the purpose of lobbying to get the bill through. They have gone out and tried to get chambers of commerce and other organizations to help them. I do not see how it is possible for any Senator on this side of the Chamber to justify his vote for an increased duty upon rayon products.

Mr. FLETCHER and Mr. CARAWAY addressed the Chair.

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

Mr. WHEELER. I yield first to the Senator from Florida, who rose first.

Mr. FLETCHER. I want to ask the Senator two questions: First, he mentioned what the ad valorem duty would amount to under the committee amendment. What would the ad valorem duty be under his proposed amendment?

Mr. WHEELER. I am proposing to give an ad valorem duty of 35 per cent; and in addition to that I propose to give 5 cents, in accordance with the present law, for certain additional twists.

Mr. FLETCHER. The Senator has contended that the whole industry is under the control of large foreign interests?

Mr. WHEELER. Yes.

Mr. FLETCHER. British or Holland, or interests from elsewhere?

Mr. WHEELER. Yes; German and French.

Mr. FLETCHER. How would it be to the interest of the foreign people to have a duty on rayon?

Mr. WHEELER. Simply because of the fact that by having such a duty they can keep up the price to the American consuming public, as they are doing, and continue taking our money in profits. The Viscose Co., which is a British-owned concern, can raise the price to the American public. By keeping up the price of rayon in this country they will continue to make their large profits which they send back to Great Britain. It has developed to the extent that there is now a great international cartel in the rayon industry. I read extensively earlier in the day from a report which was furnished by the Department of Commerce.

I realize the pressure that has been brought to bear by the rayon industry to put across this schedule, but in my judgment, and I say this without fear of successful contradiction, this is one of the most nefarious items in the whole tariff bill. If the Democratic Party and its leaders are going to stand for this kind of a tariff upon rayon, then we might as well disband and say we are for a tariff representing the difference in the costs of production at home and abroad. I challenge any Senator to give any figures or any facts that will show that the American Viscose Co. is not producing it in this country at 47 cents.

I yield now to the Senator from Arkansas and apologize for keeping him waiting so long.

Mr. CARAWAY. I was going to call attention to the extreme activity of the people who are interested in a higher duty on rayon. The women's committee which is studying the cost of living, as soon as they gave out their statement with reference to rayon, were visited by representatives of the industry and told what powerful people are interested in it. They were told that they were flying in the face of the President's program, and every means possible was employed to make them recant. They were told that they were threatening prosperity. The women's committee were told that these people represented chambers of commerce who had protested against their stand. But upon investigation every such representation was found to come from somebody who was the hired agent and propagandist of the manufacturers of rayon. No argument was too utterly foreign to the truth for them to refrain from indulging in and using in trying to make these women retract their statement that the bill was hurtful in the matter of rates on women's clothing to the women of America and opposed by our women everywhere.

Mr. WHEELER. Let no Senator be mistaken about this. Let no one ever go out of this Chamber and say he wants to put a tariff on a given manufacture to cover the difference in the cost of production at home and abroad and think that his statement is going to be believed by the American people if he votes for a 45-cent specific duty upon this industry. Let no Senator be fooled, because the American people are going to know just exactly how he voted and they are going to know the reasons for Senators having voted upon this matter.

Mr. DILL. Mr. President, as I understand, the Senator's amendment will give a rate of duty of 35 per cent on rayon?

Mr. WHEELER. Yes.

Mr. BARKLEY. Mr. President——

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

Mr. WHEELER. I yield.

Mr. BARKLEY. The Senator may have given this information to the Senate earlier in the day, but I should like to inquire whether it is true, as I have heard it stated, that the foreign manufacturers of rayon in the United States produce about 65 per cent of all rayons produced in this country.

Mr. WHEELER. That is correct. I had the figures here and gave them this morning. The American Viscose Co., which is the largest producer, is owned by British capital. As a matter of fact, their trade-mark is the British Crown. The report of the Department of Commerce for 1928 or 1927 shows absolutely how practically the great bulk of American concerns are tied up and interlocked with, if they are not absolutely controlled by foreign concerns. It is generally conceded to be the greatest international cartel that has ever been organized in the United States. Then to hear Senators say, "I am doing this in the interest of the American farmer or in the interest of American labor," or to have some expert say this or that, is to my mind appalling. The Tariff Commission has no figures that would possibly justify a 45-cent specific duty on 150 denier. No tariff expert has testified before any committee that it was justified.

Mr. BARKLEY. If we might assume that there does exist some isolated independent producer of rayon who might make a fairly reasonable case in favor of an increased tariff to meet his particular situation, yet we could not grant that rate without at the same time benefiting the large producers who need no greater protection than that provided in the Senator's amendment?

Mr. WHEELER. Exactly. There are one or two concerns that made only a small profit, one a profit of 6 per cent on gross sales and another one 7 per cent, but the big concerns made all the way from 20 to 45 per cent upon the gross sales.

Mr. SMOOT. Mr. President, I desire to call the attention of the Senate to the ad valorem rates in the act of 1922, in the

House text, and in the bill as reported by the Senate Finance Committee, all as reported to us by the Tariff Commission. In the act of 1922 the rate on singles was 54.02 per cent ad valorem; the rate on plies was 56.57 per cent; the total was 54.09 per cent. The House rate is 54.52, or one-half of 1 per cent increase over the present law. On ply the House rate is 53.68, and the total is 54.5.

By the bill as reported to the Senate the rate on singles is 55.23; on ply, 53.68, the same as in the House bill, and a reduction from the act of 1922; and the total is 55.19.

So far as the bill as reported to the Senate is concerned, the rates of duty are 0.1 of 1 per cent higher on the total; that is all; in other words, 55.19 as against 55.09 in the act of 1922, and on plies the duty in the act of 1922 was 56.57, and as the bill has been reported to the Senate the rate is 53.68, or a reduction.

On the singles the duty in the act of 1922 was 54.02, and in the Senate bill it is 55.23, less than a 2 per cent increase.

Mr. FLETCHER rose.

Mr. SMOOT. Mr. President, just a moment. I desire to complete this statement.

Let us see what the effective duties are. The effective duty on 150 denier singles remains at 45 cents a pound; the effective duty on fine singles, valued at over $1 per pound, is increased from 45 per cent to 50 per centum ad valorem. That is the 5 per cent increase. The effective duty on ply yarn valued at less than $1 a pound is decreased from a rate of 50 cents a pound to a minimum rate of 45 cents a pound.

Those are the rates carried in the bill, as the Senate Committee on Finance has reported it, and on which the vote is to be taken.

Mr. NORRIS. Mr. President, I shall detain the Senate for only a very short time and shall probably say what I have previously said, but it seems to me that it ought to be said as to the particular item which is before us.

I myself do not claim to have sufficient information to enable me to fix tariff rates. Necessarily we have to depend to some extent, at least, I do with my limited capacity, on others. I have listened to the argument. I have heard the Senator from Montana [Mr. WHEELER] and I have listened to the replies that have been made to his argument; but, with due respect to those who are opposed to the position taken by the Senator from Montana, I desire to say that it seems to me they have utterly failed to refute the argument that he has presented this afternoon to the Senate.

It is of very small importance, of course, to the Senate how I shall vote on this particular amendment. I desire to say, however, that I believe, despite the fact that the argument of the Senator from Montana, in my judgment, stands practically unanswered, probably there are enough organized votes in the Senate to defeat his motion, and it is going to be done by main strength and not by argument.

Mr. President, it seems to me that the burden of proof is on those who want to retain the rates reported by the Finance Committee in face of the argument made this afternoon in favor of the motion of the Senator from Montana, the effect of which would be to reduce the duty on rayon to 35 per cent ad valorem. That is the main part of the motion; that there shall be imposed a duty of 35 per cent ad valorem on the kind of rayon that enters into most of the manufactures which are the products of rayon yarns. A duty of 35 per cent, Mr. President, upon a practical necessity of life is quite a burden for the consumer to bear. At the risk of repeating what I have previously said, I desire to say that it seems to me we are forgetting one part of this equation, and a very important part.

No one has raised his voice, except the Senator from Montana, in favor of protecting the interests of the consumer of rayon. Is it true that the great rayon corporations, having in their grip, as has been said, as remains undisputed, and as has been shown by the Senator from Montana, control over the industry—is it true that in order to live they must have more than 35 per cent ad valorem duty, to be wrung from the toil and sweat of the consumers?

It stands uncontradicted, Mr. President, here to-day that one corporation, which makes more than 50 per cent of the total production in this country, made last year between 50 and 60 cents a pound profit on every pound of rayon which it produced. Are we going to add to the burden of the consumers? Must these great corporations that are controlling the legislation, too often in their own interest, going to be given a clean bill of health here by the Senate of the United States, notwithstanding the showing that has been made and practically uncontradicted in behalf of the lower rate of duty proposed by the Senator from Montana? Is a 35 per cent ad valorem duty too small? Are we going to burden the consumers with a larger rate than 35 per cent, which is more than one-third of the value of the article? Are we going to continue to burden the people of this country on what is now practically a necessity and is being used more and more in daily life by the common people of our country?

Mr. FLETCHER. Mr President——

Mr. NORRIS. I yield to the Senator from Florida.

Mr. FLETCHER. It seems to me the danger in the committee amendment lies in the proviso which says that the duty shall in no case be less than 45 cents a pound. It seems to me that is the questionable part of the amendment. The other rates may not be unnecessarily high; but the proviso establishes a high rate.

Mr. NORRIS. It does not make any difference what the other rate may be——

Mr. FLETCHER. The proviso stipulates that no rate shall be less than 45 cents a pound.

Mr. NORRIS. It may be said that the rates proposed are very low if the proviso be not mentioned, but, in view of the proviso, it does not make any difference what they are. I am not an expert on this question, but I think, from the argument, that it is practically conceded that the other rates in the paragraph are lower than 45 cents; so the rate fixed by the proviso is the only rate.

Mr. FLETCHER. The Senator from Utah did not seem to me to answer the Senator from Montana as to what the proviso would mean.

Mr. NORRIS. It means 45 cents a pound.

Mr. FLETCHER. Yes; but how much in an equivalent ad valorem does it mean? That is what I want to know—what ad valorem it represents.

Mr. NORRIS. The statement has been made by the Senator from Montana that the rate in the proviso represents an ad valorem of from 80 to 90 per cent.

Mr. FLETCHER. Yes. That is what I wanted to ask the Senator from Utah—what does it mean in terms of an ad valorem rate?

Mr. SMOOT. The duty on fine singles valued at not over a dollar is increased from 45 to 50 cents a pound by this bill.

Mr. NORRIS. Mr. President, why does not the Senator from Utah answer the question of the Senator from Florida? What will the rate in the proviso of 45 cents a pound mean on the kind of yarn that is in general use—as an ad valorem rate? That is the question which has been asked, and the statement of the Senator from Montana stands uncontradicted that that means from 80 to 90 per cent ad valorem. Nobody as yet has challenged that statement.

Mr. WHEELER. Mr. President——

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

Mr. SMOOT. I will say to the Senator that the lowest price is 76 cents a pound, and 45 per cent ad valorem on 76 cents a pound would be 60 per cent ad valorem.

Mr. WHEELER. The Senator is not correct in those figures because of the fact that he is taking into consideration the American selling price.

Mr. SMOOT. I am not considering the American selling price at all.

Mr. WHEELER. The Senator is taking the American selling price when he says it will be necessary to have 60 per cent ad valorem, but he can not justify 45 per cent even upon the American selling price at $1.15.

Mr. SMOOT. The Senator from Florida asked me what 45 cents specific would represent in equivalent ad valorem, and I have told him.

Mr. WHEELER. The Senator is not correct, I believe, in his figures.

Mr. SMOOT. Seventy-six cents a pound is the price at which these goods come into this country, and 45 cents a pound on that price is 60 per cent.

Mr. WHEELER. Yes; but the figures as to landed cost, excepting the duty and importers' charges, are 77.7 cents a pound.

Mr. SMOOT. I say 76 cents; that is the figure I was taking.

Mr. WHEELER. The landed cost, including the imported charges and expenses of 8 per cent, but no duty, is 84.4 cents.

Mr. SMOOT. The rate is 60 per cent on a basis of 76 cents. Any Senator can figure it in a moment. If the price is 76 cents, 45 cents a pound represents 60 per cent ad valorem. That is what it is.

Mr. WHEELER. That depends entirely upon what the calculation may be based.

Mr. SMOOT. I am basing it on 76 cents; not on 83 cents. If it were based on 83 cents, it would be very much less; it would be 52 per cent.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. WHEELER. Mr. President, let me call attention to the figures prepared by the Tariff Commission.

On 150 deniers the average dutiable value per pound is 74 cents; transportation, insurance, and so forth, 3 cents; landed cost, excepting duty and importer's charges, 77.7 cents; landed cost, including importer's charges and expenses of 8 per cent but no duty, 84.4 cents. The list price is $1.15. The price of the domestic yarn, less 2 per cent cash discount and 5 per cent quantity discount, is $1.07 and the margin between the net price of the domestic yarn and the imported yarn, omitting the duty on the imports, is 22.6 cents.

Computing the ad valorem duty upon that basis, 30 per cent would give 22.2 cents duty, and would cover the spread. A duty of 35 per cent would give 25.9 cents and would cover it, as I have provided in the amendment. A 40 per cent ad valorem would give 29.6 cents; and a 45 per cent ad valorem would give 33⅓ cents specific duty.

The point I am trying to make is that we can not possibly, even taking the selling price in the United States and the figures which the commission has given, figure out how 45 cents specific duty is needed. It is simply unconscionable.

I read here this morning—there were very few Senators here—the labor costs. There is not anybody on this floor who is going to dispute these labor costs.

Here are the labor costs. Let me direct the attention of the Senator from North Carolina to them.

The labor cost of the Acme Rayon Co. was 35.29 cents per pound. For the American Viscose Co. it was 30.4 cents per pound. The figures are not shown for the Du Pont Co. For the Industrial Rayon Corporation the labor cost was 37.8 cents per pound.

The industrial cost for the Acme Rayon Co. was 70.8 cents per pound. For the American Viscose Co.—and I want the Senate to bear these figures in mind—the actual industrial cost of the American Viscose Co. was 47.83 per cent; and now you propose to give them 45 cents specific duty. A 45-cent specific duty based upon the industrial cost of the American Viscose Co. would mean close to 100 per cent. Let me ask the Senator from Utah whether there is any question about that.

Mr. SMOOT. I do not know anything about the cost.

Mr. WHEELER. I am giving the Senator the cost. Will the Senator contradict it?

Mr. SMOOT. I have no figures to contradict it, nor do I think the Senator has any official figures.

Mr. WHEELER. The Senator says I have not any official figures. I have figures that were taken from the Treasury Department, showing the amount of money that they put in their report, showing their labor cost; and I took the amount of production that they gave, divided it by their labor cost, and get 47.83 cents. There is not anybody here who can dispute that fact, and I challenge the Senator from Utah or anybody else to do it.

Mr. SMOOT. The Senator may have taken just the absolute figures there and divided them without any overhead, any taxes, or any of the other expenses of maintaining the business. I do not know whether he did or whether he did not.

Mr. WHEELER. I am just taking their own figures.

Mr. SMOOT. That may be; but taking simply what they paid for their labor and dividing it by the number of pounds that were produced does not give you any of the taxes that were paid. It does not give you the overhead. It does not give you the interest paid upon borrowed money, or anything outside of just the labor.

Mr. WHEELER. But I first took the labor cost—if the Senator had listened, he would have known this—I first took the labor cost, divided the labor cost as given by the American Viscose Co. by the number of pounds of production, and that gives you 30 cents. I then took the total cost per pound of the goods sold, known as the industrial cost—not simply labor, but their industrial cost—and the industrial cost of the American Viscose Co. was 47.83 cents.

In the case of the Du Pont Rayon Corporation it was 67 cents.

In the case of the Industrial Rayon Corporation it was 59.7 per cent.

In the case of the Acme Rayon Corporation it was 70.8 per cent; but you want to give them a tariff, and you want to give it to them upon an American sales price. That is what you are doing when you take the 115 per cent in figuring it out.

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

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

Mr. WHEELER. I do.

Mr. BRATTON. The Senator from Montana has given a great deal of thought and much research to this question. His splendid address to-day reveals that fact. I desire to ask him whether any expert testimony was given before the committee to justify, in sound economics, the rates proposed by the committee.

Mr. WHEELER. None whatever, so far as I have been able to find. The only testimony that I see touching upon the matter was given by Mr. Rivitz, and he said, when questioned by the Senator from North Carolina [Mr. SIMMONS], that they would like to have a specific duty of 50 cents, but that they would not ask for that because of the fact that they thought they could not get it. He said that their cost was 80 cents, and he did not appear as the president of the Industrial Rayon Corporation; but let me show you that the Industrial Rayon Corporation, of which he is president, says that its cost was not 80 cents, but 59.7 cents.

Mr. SIMMONS. Mr. President——

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

Mr. WHEELER. I do.

Mr. SIMMONS. Did I understand the Senator to say that I made that statement?

Mr. WHEELER. No; the Senator from North Carolina asked the president of the Industrial Rayon Corporation, Mr. Rivitz, as to what his costs were.

Mr. BRATTON. Mr. President, I should like to ask the Senator from Utah whether the committee had any expert testimony justifying these rates as being economically sound.

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

Mr. WHEELER. I yield.

Mr. SMOOT. Mr. President, the testimony that was given before the committee was the testimony to which the Senator refers; and the cost of the goods as testified to before the committee was approximately 80 cents a pound, I think. The committee reduced the rate on ply yarn from the present law and from what the House gave, and let the other rates remain just as they are in the present law.

Mr. WHEELER. In other words, the committee has increased the duty to the rayon manufacturers, notwithstanding the fact that the net profit per pound of the American Viscose Co., which is a British-controlled company, was 58 cents a pound.

I heard the Senator from Utah say under his breath that that is perfectly absurd. Can he dispute it, or has he any figures to show? I am simply taking their own figures.

Mr. SMOOT. Does the Senator think, then, that that company could make that product for 12 cents a pound and then sell it at cost?

Mr. WHEELER. I am simply taking their own figures that they furnished to the Treasury Department and dividing them.

Mr. SMOOT. The Senator's figures mean this: If that is the case, then they are perfectly willing to make that product and sell it for 12 cents a pound. That is what the statement means.

Mr. WHEELER. Not at all.

Mr. SMOOT. If they made so much per pound, what does the Senator say they made? They made 58 cents?

Mr. WHEELER. I said that they produced, in 1928, 54,000,000 pounds.

Mr. SMOOT. And what did it cost per pound?

Mr. WHEELER. Their net profit was $31,645,901 after their deductions and everything else; and if you divide that by 54,000,000 you get 58 cents per pound as their net profit. Can the Senator dispute that?

Mr. SMOOT. They made it for 58 cents and sold it for 70 cents?

Mr. WHEELER. They did not sell it for 70 cents. Why does the Senator say they sold it for 70 cents? The Senator has not any evidence to the effect that they sold it for 70 cents.

Mr. SMOOT. I understood the Senator to say that.

Mr. WHEELER. Not at all.

Mr. SMOOT. What did they sell it for?

Mr. WHEELER. The list price is $1.15.

Mr. SMOOT. That is quite a different proposition.

Mr. WHEELER. I have never made the statement that they sold it for 70 cents; and yet the Senator sits over there and says, under his breath, "Why, that is perfectly absurd." I say to the Senator that when you analyze these figures—and that is what the Senator has not done, and that is what nobody else is willing to do upon the floor of the Senate—when you analyze the figures of the American Viscose Co. and you show by their net profit—not their gross profit, but their net profit—that it was $31,645,000 upon 54,000,000 pounds, and that they had a profit of 58 cents a pound, yet the Senator from Utah comes here and asks that the Senate of the United States approve of an increased tariff upon rayon——

Mr. SMOOT. No; I have not done that.

Mr. WHEELER. When, on top of that, the company is owned by the British Courtalds, and the great bulk of the money and the profits go over to Great Britain.

Mr. SMOOT. The Senator from Utah has not asked for an increase.

Mr. HASTINGS. Mr. President——

Mr. WHEELER. Oh, yes; the Senator has asked for an increase, and he has an increase in the bill.

Mr. SMOOT. Taking the whole schedule, Mr. President, it is a decrease from the present law and from the House bill.

Mr. WHEELER. Is there any decrease in the 45 cents specific duty?

Mr. SMOOT. No; not in the 45 cents specific duty.

Mr. WHEELER. The 45 cents specific duty is what controls.

Mr. SMOOT. O Mr. President——

Mr. WHEELER. All right. Let me make a proposition to the Senator.

Mr. SMOOT. Then, if its price were $1 per pound, an ad valorem duty of 45 per cent would be 45 cents per pound, would it not? The Senator says they sold it for more than a dollar per pound.

Mr. WHEELER. I say the list price is more than a dollar per pound. I do not know what they sold it for, because I have not the figures as to what they sold it for. I have their figures, and all I have is their figures; and you can not dispute their own figures unless they have put in a false return to the Treasury Department. Their own figures show that they made 54,000,000 pounds. Their net profit from the manufacture of this product was $31,645,901. Divide that, and you have a net profit per pound of 58 cents. I do not care what they sold it for or what they manufactured it for; there are the cold facts that neither the Senator nor anybody else can dispute.

Mr. HASTINGS. Mr. President——

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

Mr. WHEELER. I just want to call attention likewise to the Du Ponts.

The Du Ponts show a production of 18,161,000 pounds, or 18 per cent of the total. The net profit that they made in 1928, according to their own sworn statement filed with the Treasury Department, was $6,924,591, or a net profit of 31 cents per pound.

The Industrial Rayon Co. is headed by Mr. Rivitz, who came down here saying that he would like to have a duty of 50 per cent. Let us see what his company made. His company produced 4,250,000 pounds of rayon, or 9.1 per cent of the rayon manufactured in the United States. They had a net profit of $1,608,027, or a total net profit per pound of 37.8 cents.

That was the concern of which Mr. Rivitz is the president, who came down and testified, and the committee took his testimony at face value as to what he ought to have and what they should give them. He asked for a specific duty of 45 cents, and they gave it to him; that is all. They just gave him what he asked. They did not require him to produce any figures. They did not get any figures from the Treasury Department or from anybody else, and now they are asking the Senate of the United States and the people of this country to carry this burden in the interest of these great rayon producers.

Mr. HASTINGS. Mr. President——

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

Mr. WHEELER. I shall be glad to yield.

Mr. HASTINGS. I think the hesitancy that some of the Members of the Senate have in agreeing with the figures which the Senator from Montana has given us are because of the way he has arrived at them. I am not disputing that the method he has taken would produce that result; but I desire to inquire whether, in basing tariff rates upon profits which a corporation makes, anybody is willing to take whatever information he can get from a tax report and go no further into the subject than that?

As an illustration, is there anything here that shows how much cash the Viscose Co. had invested in some securities on which there might have been a large income? Does the Senator know—and I ask him this specific question—that the figures he gives are based upon profits upon an actual investment by the Viscose Co. or the Du Pont Co.?

As an illustration, take the Du Pont Co.——

Mr. WHEELER. Mr. President, I yielded for a question, not for a speech. Is the Senator asking me a question or does he want to make a speech?

Mr. HASTINGS. I want to do both.

Mr. WHEELER. If the Senator is asking a question, I will yield for that purpose.

Mr. HASTINGS. I would just as soon as not do both at one time, if the Senator is willing; but, if he understands the point I am making, I will sit down until he answers it.

Mr. WHEELER. I understand the point, I think, that the Senator is making.

Of course, I could not say how much actual money was put in the hands of the American Viscose Co. My understanding of it is, based upon what I deem to be good authority, that they originally put in $2,000,000. Then they increased it to $10,000,000. Then they paid stock dividends. I had the figures, and I think I put them in the RECORD the other day, of the stock dividends they paid. I am not sure about these figures, but, as I recall, they have a valuation now of about $100,000,000.

When they give their labor costs, as they have given them in this statement, when they say "Our labor cost is so much," and give the number of pounds produced as so much, can we not get at the cost per pound of that concern?

Mr. HASTINGS. Mr. President, is the Senator asking me a question?

Mr. WHEELER. Yes.

Mr. HASTINGS. Let me answer it. I say that it is important that we find out whether or not they had income from other sources than from the manufacture of rayon in order that we may determine how much profit they make per pound. It is impossible to determine that, I submit, unless we do know those facts.

Mr. WHEELER. Is the burden of proof upon the people of this country, upon the Members of the Senate, or is the burden of proof upon the man who comes here asking for special privileges?

Mr. HASTINGS. The burden is upon a Senator when he makes a statement to satisfy the Senate that it is correct.

Mr. WALSH of Montana. Mr. President——

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

Mr. WHEELER. I yield.

Mr. WALSH of Montana. I suggest to my colleague, in view of the interrogatory propounded to him by the Senator from Delaware, that perhaps these people have been speculating on the stock market and made some profits that way; they might possibly have made some money on a horse race, or something of that kind; but this is their business, and if there is a profit it is a very reasonable inference that they made the money out of their business.

Mr. WHEELER. Mr. President, when they give their labor costs and you divide them by the amount of production, I can not conceive how anyone can say that that does not give their labor cost per unit. Then when you take that labor cost and take the other figures they have presented you find that their net profit is so much, after deducting depreciation and taxes and everything else. It will be noted from an examination of their records that their depreciation is in every instance a tremendous amount, and it is rather startling to think that they can put in such a tremendous figure for depreciation as they give, but if you take that at the face value, take the depreciation and take the net cost at the face value as they have given them to the Treasury Department for the purpose of paying their income tax, you will find their net profit per pound as 58 cents.

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

Mr. WHEELER. I yield.

Mr. COPELAND. Is there no fear that the plan the Senator proposes would really have the effect of driving this business into the hands of the cartels? The Viscose Corporation and the Celanese Corporation of America, according to the advices I read, are undoubtedly affiliated with the foreign concern, but if we lower the tariff to the extent of putting these independents and nonaffiliated concerns out of business, are we not in danger of doing exactly the thing which the Senator wishes to avoid, putting ourselves wholly into the hands of the foreign group?

Mr. WHEELER. Mr. President, I am glad the Senator asked that question. Of course, if we are to proceed on the theory that we have to protect every little individual in this country who is inefficient or incompetent, or who turns out an inferior grade of goods, if we have to protect him and let a concern that manufactures 54 per cent of the products in the United States share in the benefit, then, of course, probably the Senator would say that we ought to have a 45 cents specific duty. But when we look at the matter from the point of protecting the consumers of this country, whom the Democratic Party is supposed to look after and supposed to represent, if we are going to look after the interests of the consumers, as we go out and tell the people on election day that we are doing, we can not possibly justify this 45 cents specific duty and permit these great trusts to build up the fortunes and the profit they are building up.

Let us be honest with the people. If we are going to vote for this high specific duty of 45 cents, let us go out and say to them honestly and frankly, "We have abandoned our theory of the tariff. We have abandoned the idea of a tariff representing the

difference between the costs of production at home and abroad. We have turned about and become just as high protectionists as the highest protectionists on the Republican side." Let us be honest with the American people and say that is going to be our policy. That is what you have to do if you are going to vote for this 45-cent specific duty.

I am not willing to do that, but if the rest of my colleagues want to do it in the name of agriculture, when they know it is not going to do the American farmer any good, if they want to do it in the name of labor, when they know it is not going to do the American laborer any good, of course, let us go out and say to the people of the country, "We have abandoned these theories of protection entirely and now we are doing the same thing the Republican Party has done; we are standing to-day for identically the same thing the Republican Party stands for, because of the fact that the Du Ponts and the Viscose Co. and the other rayon people want to do it." Let us be fair and be honest with the people.

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

Mr. WHEELER. Gladly.

Mr. COPELAND. What is the total consumption of rayon?

Mr. WHEELER. I have not figured it out exactly.

Mr. COPELAND. Will the Senator from Utah give us the figures?

Mr. WHEELER. I had the figures as to the total consumption.

Mr. COPELAND. Let us take it that the total consumption is about 130,000,000 pounds.

Mr. SMOOT. That is the total production in the United States in 1929.

Mr. COPELAND. If the Senator from Montana will indulge me, let us concede that the American Viscose Corporation produces 66,000,000 pounds and that the Celanese Corporation produces 6,000,000 pounds.

Mr. WHEELER. And the Du Ponts 23,000,000 pounds.

Mr. COPELAND. Yes; and the Du Ponts 23,000,000 pounds. That makes a total of 95,000,000 pounds produced by corporations which come under the criticism of the Senator because of their foreign ownership and affiliation. However, that leaves about 60,000,000 pounds produced by independents and nonaffiliated companies.

Mr. WHEELER. No; the independents, according to this chart, produce about 15,250,000 pounds.

Mr. COPELAND. I am including among the independents the group referred to by Mr. Kernan, who denied that these concerns, other than the Viscose, the Du Ponts, and the Celanese, were actually foreign in their control of their affiliation, because of conditions similar to those pertaining to his own concern, the Skenandoa, as to which only 5 per cent of the ownership is foreign, and he explains how that happens, that the chemist in Strasbourg received 5 per cent for what he had done for the company. So that leaves about 40,000,000 pounds of rayon, a very substantial amount, made by independents and nonforeign affiliated concerns. Are we not in danger, if the Senator's amendment is adopted, of destroying these independent or semi-independent concerns, and putting all of the business in the hands of the foreign-controlled establishments?

Mr. WHEELER. I do not think so at all, if the Senator wants my view about it, for this reason, that the independent manufacturers, or most of the independent manufacturers, can survive with a 35 per cent ad valorem duty. I have not the slightest desire, let me say to the Senator, to injure any manufacturer of rayon. I am perfectly willing to give them any reasonable duty they need. I think that 35 per cent ad valorem, according to the figures I have, is sufficient, but I would be willing to give them even more than that rate, but I am not willing to see the Senate of the United States give them a duty of from 60 to 70 or 100 per cent ad valorem. I think that is unjustifiable. I do not want to injure them, I do not want to put them out of business, I do not want to hurt any company. I not only want to see them prosperous, but I want to see them make money. But I do not think anybody can justify this 45 cents specific duty.

The Senator was talking about the independents. Let me say to the Senator from New York that all of them get together. They not only get together nationally in the United States to fix prices, but they likewise get together internationally for the purpose of fixing prices and dividing up territory.

Here is a magazine entitled "Rayon." The preferred stock of this magazine is all owned by the rayon textile manufacturers, every bit of it, and the magazine is their spokesman. This is what they say:

> One word more about the price situation: Fortunately, all gossip about price reduction has been set at rest by the very definite declarations published by the heads of the leading rayon manufacturing concerns. We can not see any benefit at all to be derived from another price reduction. It would be most harmful, especially at this time of the year with stocks of yarn and inventories on hand. It certainly would not help manufacturers to move their goods.

Here is a magazine that is the spokesman and boasts of being the spokesman of the companies which own all of the preferred stock of the magazine, advising them not to reduce their prices, showing conclusively that they do have an understanding as to price fixing in the United States.

Mr. CARAWAY. The very declaration was that they announced that they would not reduce the price, yet they have all done it at the same time.

Mr. WHEELER. Again I quote from their magazine:

> Anyhow, business was extremely brisk in all industries and the rayon industry got its appropriate share of this prosperity. Sales records were broken left and right during the months of September and October, until the Wall Street crash put a sudden stop to it. Then it seems that orders were stopped or canceled right along the line, from the small retail outlet up to the manufacturer. This slowed up shipments of yarn when along came the usual year-end of retrenchment on the part of all manufacturers to take care of inventory.
>
> However, we fully expect to be back to normal right after January 1, and all rayon manufacturers no doubt are following their plans for factory expansions laid out one or two years ago and there is no doubt that business will revive as usual, about the middle of January, with a bang. As a matter of fact, it never had slowed up to any noticeable extent in the knitting industry.

That does not look as if the rayon industry was in the slightest degree suffering, but that on the contrary they are going ahead with an enormous business, practically the only prosperous industry that there has been in the United States in the last few months. I submit again, Mr. President, that my amendment should be adopted and that we should do away with the 45-cent specific duty.

Mr. COPELAND. Mr. President, if I were to do the popular thing I have no question I would vote for the amendment offered by the Senator from Montana [Mr. WHEELER]. He has developed a powerful argument. I know that he is interested in the people, truly interested in them, and that he is a friend of labor.

My disposition has been to vote for a much lower duty upon rayon than is outlined in paragraph 1301. But a few days ago I had a telegram from the mayor of Utica, N. Y., asking me to see some gentlemen who are connected with the Skenandoa rayon factory in that city. They came here and I found one of them to be Mr. Kernan, a grandson of a very distinguished predecessor of mine, former Senator Kernan, of New York, a distinguished member of my party. Mr. Kernan and the other gentlemen with him presented to me the situation as regards the plant in Utica.

I regret that I have no figures relating to other plants in my State. I had the telegram which was mentioned by the Senator from Montana, from the Chamber of Commerce of Buffalo asking me to support the pending committee amendment. Then some one else asked that I might find out from the chamber of commerce exactly what are the conditions in Buffalo as regards labor and whether labor has shared in the profits of the rayon industry of that city. I am sorry to say that up to this moment I have had no reply from the chamber of commerce.

But here is a concern in Utica, the chief industry of that city which, if I am properly advised, will be put out of business unless it can have the rate which is suggested by the committee amendment. For these reasons——

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

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

Mr. COPELAND. I yield.

Mr. FESS. In looking over the industry statistics I find the figures indicate $260,000,000 of capital invested——

Mr. COPELAND. Yes; in the United States.

Mr. FESS. With probably $55,000,000 of wages paid and probably 50,000 people employed; that up to 1920, before the patents owned by the British had expired, we had virtually nothing here in the industry. Since that time there has been an increase until in 1922 the figures indicated about 24,000,000 pounds of production, and by 1929 production had increased something like 400 per cent. On the other hand, in the imports from 1922 to the present time there has been an increase of 700 per cent above what they were when we began to manufacture.

It seems to me that here is a young industry which is growing by leaps and bounds, and if we do not give it some protection against the cheaper production abroad it will ultimately be seriously injured and it might be driven out of business. On the other hand, the opposition is being heard; but if one company is British owned, that fact does not have any effect on

me if it is British capital employed in America and employing American labor and producing a certain per cent of our production. Our chief concern is to maintain our own production notwithstanding the fact that there may be some foreign capital invested. It seems to me it is a splendid case for protective argument.

Mr. COPELAND. I thank the Senator for what he said. The figures I have in my possession are practically the same as those given by the Senator from Ohio. The total capital invested in rayon plants in America is about $260,000,000, wage earners about 45,000, and wages about $51,000,000 per year.

But this is not all. These concerns consume a tremendous amount of American raw material. Last year their purchases included 115,000,000 pounds of cotton linters, and I am advised that that makes a very reasonable demand and a good price for cotton linters, which were more or less waste material before.

Besides this, about 120,000,000 pounds of corn sugar are used in the industry. That in itself is a thing not to be despised because of the great demand it makes for American corn and the possible effect upon a favorable price for that corn.

I want to say in this connection just a word about foreign affiliation. For a long time I have been concerned about the foreign-controlled cartels which are affecting American markets. Cartels have come into the chemical field and into the fertilizer field. My attention was recently called to a tartaric-acid cartel, a combination between the Italians and the Germans to control the tartaric-acid output of the world.

The disagreeable thing about the cartels is that they apportion a part of the world to one country and another part to another country. The problem of the cartel is a matter which must receive the serious attention of the Congress.

But the indiscriminate charge has been made in other days that the rayon business is in charge of foreigners.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from New York yield to the Senator from Montana?

Mr. COPELAND. I yield.

Mr. WHEELER. The charge that I made was one which I read from a report of the Department of Commerce to the President.

Mr. COPELAND. I know the Senator had official documents upon which to base his charge, but in my letter from Mr. Kernan he makes an interesting statement. I wish to recall to the attention of the Senate that the Skenandoa Co., of Utica, is a company composed entirely of American capital, with the exception of a small percentage—less than 5 per cent—which was paid to Doctor Bronnert, of Strausburg, for information which he gave at the foundation of the industry. I am told also that the American companies, except American Viscose and American Celanese, have only such foreign affiliations as the Skenandoa Co. has. If Mr. Kernan's statement is to be depended upon, and it is influential with me because I know the man and have confidence in his integrity, it means that out of 132,000,000 pounds of rayon produced in the United States, 66,000,000 came from the American Viscose Co., 6,000,000 from the Celanese corporation, and then, as the Senator from Montana has asked for the Du Pont Rayon Co. figures, 23,000,000 pounds produced by that company. But the independent companies, the nonaffiliated companies, produced about 40,000,000 pounds of the 132,000,000 pounds total. That is a very substantial amount. It would be a sad thing if anything should be done by the Congress which would destroy those concerns and throw all of the business either into foreign importations, enabling concerns abroad to import their materials into this country, or into the hands of foreign-owned or foreign-controlled establishments.

Mr. WALSH of Montana. Mr. President, will the Senator yield?

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

Mr. COPELAND. I yield.

Mr. WALSH of Montana. The Senator, or possibly my colleague, ought to be able to give us, because I have not been able to get it from the Summary of Information furnished by the Tariff Commission, a statement about what is the value per unit of rayon goods.

Mr. COPELAND. Does the Senator mean the sale price?

Mr. WALSH of Montana. Yes; per pound.

Mr. COPELAND. The Senator from Massachusetts [Mr. WALSH], I think, could answer that question, or the Senator from Utah [Mr. SMOOT]. I can answer it to this extent——

Mr. WALSH of Montana. I got the impressions that it is somewhere near a dollar a pound. We ought to get it from the importations.

Mr. SIMMONS. It is $1.15.

Mr. WHEELER. That is the selling price. The importations laid down in New York vary from 76 to 77 cents, and if we add to that certain other costs it runs up to 84 cents.

Mr. WALSH of Montana. Let us say $1.

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

Mr. COPELAND. I am glad to yield to the Senator from North Carolina.

Mr. SIMMONS. The average dutiable value per pound of imported material is 74 cents. That is without any duty and without any freight. The freight makes it 77 cents and the duty would run it up to about $1.07. The usual profit of 8 cents would run it up to $1.15 per pound. That is the price at which the foreign article sells in the American market and also the price at which the domestic article is sold.

Mr. WALSH of Montana. That includes the duty of course?

Mr. SIMMONS. Yes; the duty of 45 cents a pound.

Mr. WALSH of Montana. The import price is perhaps 75 cents and the selling price $1.15. For convenience of computation let us say it is $1. Thirty-five per cent of that would be 35 cents. If we only had the total poundage and the total wages we could easily compute how much of the dollar goes for wages. I can not conceive that it is more than 35 per cent. In other words, I suppose no one will contend that of the total price there can be more than 35 per cent goes to labor?

Mr. COPELAND. The Skenandoa Co., to which I referred, state their labor cost to be 45 per cent.

Mr. WALSH of Montana. That is very high, but let us take that figure. If they get a 35 per cent duty that is within 10 per cent of their total labor cost.

Mr. COPELAND. Yes; but let me call the attention of the Senator——

Mr. WALSH of Montana. And of course the difference in the labor costs here and abroad can not be that much.

Mr. COPELAND. But I desire to call the attention of the Senator to the fact that foreign yarns have been imported at as low a price as 51 to 53 cents. "You can see," says the letter which I have received from the Skenandoa Co., "that with the 45 cents specific rate they can make a price below our present cost. Further, if the 45 per cent ad valorem duty is applied on a price of 51 cents, the duty would be 22.95 cents, and they could put yarn into this market at 73.95 cents plus freight and insurance, and they could quote it lower than we can hope to reduce our price at all." That is the statement of Mr. Kernan.

Mr. SIMMONS. Mr. President, I think the Senator is correct. That is probably the price of 300 deniers B; that is about 49 cents a pound landed in New York.

Mr. COPELAND. Anyway, Mr. President, it may be seen that with this testimony from a reputable concern in my own State, and rayon being the chief industry of one of New York's large up-State cities, it would be extremely difficult for me to vote for any amendment which would tend to put this concern out of business. I know how difficult it is for us to generalize and to formulate legislation which shall be just to everybody. I thought when we got through with paragraphs 1302 and 1303, having fixed that rate in those paragraphs below the rate suggested we had settled this problem.

Yet I hesitate to vote for a measure which apparently will lessen the protection anywhere from 25 to 30 per cent below the present rate. I fear it would hazard the future of going concerns and would put all the business into the hands of cartels and the foreign-controlled establishments of this country. Therefore I feel that I must vote against the amendment.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Montana [Mr. WHEELER], on which the yeas and nays have been ordered.

Mr. SIMMONS. Mr. President, I shall detain the Senate for only a few moments. Of course, it is known that rayon is a new industry; it has developed in this country only in recent years, but it has grown with great rapidity. I think it is true that a large part of the capital that is invested in the rayon business here is foreign capital. I regret that it is not all American capital, but I do not think we ought to deprecate the fact that foreigners are willing to come and invest their money in this country in developing the production of a very essential commodity. The communities in which rayon factories are located benefit just as much, I suppose, where the money is provided from sources outside the United States to construct and operate plants as where the money is furnished by American citizens. I do not see any particular difference so far as the effect upon the community is concerned.

When this industry started in this country, because of the limited production here at that time and in the world it was able to demand and receive a very large price for its product. The price then was $3 a pound, I believe, and then it got down

to $2.75 a pound, and for a while it remained at about that figure. Then the price began to drop; it has been dropping ever since, and I think it is going to continue further to drop. Its selling price has dropped at the present time to about $1.15 or $1.12, with the discount off.

Mr. SMOOT. In the first 10 months of 1929 the invoice value of rayon goods coming into this country was only 75.8 cents; it has dropped to that point.

Mr. SIMMONS. That is to say, that the foreigner can land rayon in the city of New York at a price of 75 cents a pound. The prevailing domestic price is $1.15 a pound. That makes a very broad difference, a difference of about 40 cents a pound.

There has been some controversy as to the cost of production. Unfortunately, Mr. President, we have not been able to get satisfactory figures with regard to the cost of production. I myself have tried to-day to get those figures. I have not been able to give very much attention to this matter, because the Senator from Georgia was looking after it; and I have not been able to get definite figures. Unfortunately, the departments do not seem to be able to furnish them.

In the committee there was very little testimony taken with reference to the cost of production in this country. I discover in the hearings one statement with reference to the cost of production of two plants located in the State of Delaware—the Delaware Rayon Co. and the New Bedford Rayon Co. In the hearings I asked Mr. Ryon, who was a witness, and who testified that he was treasurer of the Delaware Rayon Co. and of the New Bedford Rayon Co., the question:

> What is the difference between your cost of production and the cost of production in the two big plants?

I take it that referred to the Viscose plant and the Du Pont plant.

Mr. Ryon answered:

> I have an affidavit from our auditor covering the year 1928, which I can submit, if you desire to have it, showing that for that time our cost was 89.4 cents per pound.

Then I asked him:

> What is the cost of the big mills?

That is, of the Viscose Co. and of the Du Pont Co. The witness, Mr. Ryon, answered:

> I do not know their cost, except from the statement that has been made that it was 80 cents, plus selling costs.

That is about the only testimony so far as I have been able to read over the hearings to-day, with regard to the cost of production that was developed in the hearings.

Mr. SMITH. Mr. President, may I ask the Senator from South Carolina a question?

Mr. SIMMONS. I myself do not know what the cost of production is. As I have previously stated, I have not been able to ascertain the fact through the department's representatives here.

Mr. SMITH. As I understood, the Senator from Utah said that the foreign price at the port of entry is about 76 or 78 cents.

Mr. SMOOT. The average is about 77 cents.

Mr. SIMMONS. That is adding the cost of transportation?

Mr. SMOOT. No; that is merely the invoice price.

Mr. SMITH. What I want to get at is this——

Mr. SIMMONS. I think .74 cents is the invoice price and when the cost of transportation is added it is 77 cents.

Mr. SMOOT. I was just giving the price of rayon of 150 deniers.

Mr. SIMMONS. That is of 150 A. The price of 150 B is only 65 cents at the port of New York.

Mr. SMOOT. The great bulk of the imports are of 150 deniers.

Mr. SMITH. The invoice price is about 77 cents a pound.

Mr. SIMMONS. I beg the Senator's pardon; the invoice price of 150 deniers A class is 74 cents and of 150 B it is 65 cents, but to that must be added transportation charges.

Mr. SMITH. Then, adding all costs incident to putting it on the market or delivering it here, outside of the tariff, but including all port charges, it would be about 75 cents—somewhere in that neighborhood.

Mr. SMOOT. Without duty it would be about 76 or 77 cents?

Mr. SIMMONS. Yes; without the duty.

Mr. SMITH. According to the testimony which the Senator from North Carolina has read the cost of production of the two smaller plants, I take it, was about 80 cents.

Mr. SIMMONS. In the smaller plants it was about 89¼ cents, as I recall, while in the large plants the cost was 80 cents. For the two plants which I mentioned and which are located in Delaware the cost was 89.4 cents a pound. The witness said that he had affidavits from the auditor of the two companies to that effect.

Mr. SMITH. Then, there would be something like 12 or 14 cents a pound difference between the cost of production here and abroad so far as our market is concerned.

Mr. SIMMONS. Oh, no; the Senator has that confused.

Mr. SMOOT. The figures given do not represent the cost abroad but the invoice price here. That invoice price represents the cost plus profit and freight here. The profit of the foreign manufacturer is included in that price whatever it may be.

Mr. SIMMONS. The Senator from South Carolina has the figures as to the cost of production in this country, but he is comparing them with the invoice price at New York of the foreign article.

The invoice price at New York for the article designated A is 74 cents and for the article designated B it is 65 cents; that is the invoice price for 150 deniers at New York and that includes the profit of the foreign manufacturer. That is not the cost of production abroad; the cost of production abroad is, according to the only information I have been able to obtain, about 42 cents.

Mr. SMITH. From what source have we obtained the cost of production here? Is it from the producers themselves or from investigation made by some department or officials of the Government?

Mr. SIMMONS. I have stated twice, Mr. President, I have tried to ascertain through the representatives of the department here the figures as to the cost of production in this country, but I have not been able to secure them, because they said they could not furnish them. But I gave the statement of a witness as to the cost of production at two relatively small factories in the State of Delaware.

Mr. SMITH. Do those companies——

Mr. SIMMONS. I think it is accurate to say that the great Viscose Co. filed statements showing that its cost of production was 80 cents a pound, or 9 cents a pound less than that of the smaller mills. I do not suppose that the Viscose Co.'s cost of production is quite 80 cents. I think that was probably an overestimate of the cost of production. The Viscose Co. controls a valuable patent that enables it to manufacture its product for much less than the smaller companies.

We have heard a great deal about the cost of production and the profits of the Viscose Co., the powerful international company which possesses the valuable patent that enables it largely to control the cost of production and the price at which it will sell its product and especially the cost of production. The smaller companies can not get the use of that patent until after it shall expire. Would it be right in fixing a duty upon this product to regulate it entirely by the cost of production of the Viscose Co., with its patent, and disregard the higher cost of the other companies that do not enjoy that great benefit?

Mr. SMITH. If the Senator will allow me to reply to that, if there is a patent that is so efficient that it enables these larger companies to produce at a much lower cost, I do not think we are justified in increasing their profits out of all reason during the lifetime of their patent, and imposing that burden upon the American people on the assumption that otherwise these smaller companies can not exist. By reason of the very fact he has stated, they can not compete now; and if they can not compete now, why not allow these companies to have a monopoly until the life of the patent shall run out, but reduce the tariff to a point where we can have some little relief from importations until such time as the independent companies can avail themselves of this efficient patent?

Mr. SMOOT. May I suggest that it is the volume of production that makes it cheaper for the Viscose Co. to produce as against the smaller companies. In other words, the Viscose Co. manufactured 66,000,000 pounds out of 130,000,000 pounds. The New Bedford Rayon Co. manufactured 750,000 pounds.

Mr. SMITH. Yes; but the point I am making is that it is not so much a question of volume, if I understood the Senator from North Carolina correctly, as it is a question of the possession and monopoly of a patent that is more efficient than the processes used by the independents.

Mr. SIMMONS. I said that that patent was possessed by one company. There are many hundreds of rayon companies in this country that do not possess it; and what I said was that we ought not to fix a rate based upon the cost of this one company, or the profits of this one company, and disregard the costs of these goods made by other companies in this country and the lower profits made by these other companies. That is what I said. The Senator must have misunderstood me. But, Mr. President, I will say to the Senator that I am not in a condition to get into a controversy, and I did not rise for the purpose of getting into any controversy.

Mr. SMITH. I do not care for any controversy in regard to it. I merely asked for information. I want to know if these companies, in reporting their incomes, have shown a profit, and what was the profit shown on this product. Has the Senator from Utah that information?

Mr. SMOOT. I have looked through all eight volumes here, and I can not find that they reported it.

Mr. SMITH. Has the Senator the figures for any of the independent companies? What profit have they made since they have established themselves and have begun to sell rayon in America?

Mr. SMOOT. I have not the figures of the other companies. The Viscose Co. would be the great company, without a doubt, making profits; but I have not the figures. I have asked the Treasury Department for them. I will have them to-morrow, I think, if they can get them ready by that time.

Mr. SMITH. We ought to be governed largely here—at least those who are in favor of these high protective tariffs—by the amount of profit that is being made under the present tariff. They are making a reasonable profit under the present tariff and all the conditions now existing. Why should that tariff be raised? I am simply asking what has been the profit of each one of these companies engaged in the production of rayon.

Mr. SIMMONS. Mr. President, I have no doubt these companies have made money. I think the industry is a very prosperous one, notwithstanding the price has been greatly reduced; but it has not yet reached the bottom. There are going to be further declines. Up to this time the industry has not been able to produce enough of this material to supply the domestic demand for it. The time will come—and I think it will come soon, because these mills are multiplying very fast—when they will be producing much more than is necessary to meet the domestic demand; and then we shall see the prices topple.

The prices have not been maintained in the past four or five years, and the present prices are not going to be maintained in the next five or six years; but the industry is one that ranks very high in the category of American industries. It is an industry that is bringing prosperity to a great many towns and cities and sections of this country that were without that degree of prosperity before the industry came. It has created new uses for certain raw materials in this country.

The linter cotton, which enters into the production of this product as a raw material, was spoken about by the Senator from Montana. Of course, I know that the prices of linter cotton have not been greatly increased. Neither has the price of any staple cotton been increased in this country. The price of our long-staple cotton and the price of your short-staple cotton have gone down and down; and the linter cotton, until this rayon industry came, was begging for a purchaser. The supply was far in excess of any demand for that product. This has created a new demand for that product—a demand that did not exist before—and that is a great benefit to the producer of linter cotton, whether the price be higher or whether the price be lower, because, if there is no demand for the product, there can be no benefit or profit derived from producing it at any price, high or low.

Mr. President, I have been trying to ascertain what is a fair competitive duty upon this product. I am not going to support any duty on this product that I think is above the level of a reasonably competitive rate, allowing a moderate advantage to the American producer in his own markets. After conferring with the experts here, I have reached the conclusion that at least from 38 to 40 cents a pound would be a reasonably competitive tariff, allowing very little, if any, advantage to the American in his own market.

The rate proposed in the amendment offered by the Senator from Montana—an ad valorem rate of 35 per cent—when converted into a specific rate is only 26 cents a pound. That is what the ad valorem rate proposed by the Senator from Montana would be, converted into a specific rate—26 cents a pound. That will not equal the difference in the cost of production in this country and abroad, certainly of all the great companies that are now producing rayon in this country, if we exclude possibly one company, known as the Viscose Co. I can not answer for that company, because I do not know. Although I think the benefits of this exclusive patent are probably exaggerated, I do not know what the benefit is; but I know that it is very great, and it places them in a category altogether out of the range of the category in which the ordinary rayon manufacturer in this country should be placed.

On the other hand, Mr. President, I am inclined to think that the rate fixed by the committee—45 cents a pound—is too high; and, while I can not vote for the rate proposed by the Senator from Montana, if that amendment is voted down I shall ask the Senator from Utah if he will not accept a reduction of the rate proposed by the committee from 45 to 40 cents a pound. If he does not accept it, I think I shall offer, as a substitute for the committee amendment, that amendment.

Mr. SMOOT. Let us vote upon the pending amendment first.

Mr. SIMMONS. Very well.

Mr. WHEELER. Mr. President, let me say just a word in answer to the Senator from North Carolina [Mr. SIMMONS].

So far as I am concerned, if this industry is going to have a specific rate of 40 to 45 per cent, I would just as soon see it have a specific duty of 45 cents a pound, because a specific duty of 40 cents a pound can not be justified any more than a specific duty of 45 cents a pound can be justified, in my judgment. The 45 per cent ad valorem duty that they have now would give them, as I recall the figures, a specific duty of about 33 cents.

Mr. SIMMONS. Twenty-six cents, according to the experts.

Mr. WHEELER. I am speaking from memory. I think a 45 per cent ad valorem duty would give approximately 33 or 34 cents specific duty. Is that correct?

Mr. SMOOT. This is the way it figures out, Mr. President.

Taking the 1928 imports, the singles were 86.1 cents per pound. Thirty-five per cent ad valorem on that would be 30 cents a pound specific duty.

The plies were 90 cents and a little over; and 40 per cent on that would be 36 cents a pound specific duty.

On imports during the first 10 months of 1929 the invoice value was only 75.8 cents; and 35 per cent on that would be only 26½ cents.

Mr. WHEELER. That is on the basis of 35 per cent ad valorem. Is that correct?

Mr. SMOOT. Yes.

Mr. WHEELER. I spoke of 45 per cent ad valorem. I agree with the Senator about the 35 per cent.

Mr. SMOOT. It seems to me, to cover it all, that we ought to have specific duties.

Mr. WHEELER. Of course, if Democrats are going to vote for 40 or 45 cents specific duty, we ought to be frank and honest with the American people, and say that we are for just as high a tariff as the Republican Party, just as high a tariff as the highest protectionist on the other side. We ought not to go out and try to fool the American people and say we are for the difference between the cost of production at home and abroad, because nobody can produce any figures that will justify that statement with reference to that figure.

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

Mr. WHEELER. Yes.

Mr. TRAMMELL. I have been in doubt as to how I shall vote on this question; but I think the Senator is making a pretty broad assertion if he wants to try to make it appear to the country that Democrats who might have to differ from him are trying to fool the American people. In other words, we have to be measured by the Senator's yardstick on everything, or else we are trying to fool the American people! I resent that character of reflection on Democrats who might differ from the Senator from Montana.

Mr. WHEELER. I am not interested in what the Senator from Florida thinks about my characterization of Democrats who might differ from me.

Mr. TRAMMELL. I am not interested in what the Senator from Montana thinks about those who differ from him, either.

Mr. WHEELER. I know that the Senator from Florida is interested in high duties upon everything. That is his right; but I say that the Democratic Party ought not to go out and say, "We are for a low tariff," and then vote for high specific duties on one thing that goes into every American home.

Mr. SMOOT. I call for the yeas and nays on the amendment.

The VICE PRESIDENT. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. SIMMONS (when his name was called). I have a pair with the junior Senator from Ohio [Mr. MCCULLOCH]. I understand that if he were present he would vote as I shall vote. Therefore I will vote. I vote "nay."

The roll call was concluded.

Mr. ROBINSON of Indiana. In view of the statement of the senior Senator from North Carolina [Mr. SIMMONS] I transfer my pair with the Senator from Mississippi [Mr. STEPHENS] to the junior Senator from Ohio [Mr. MCCULLOCH] and vote "nay."

Mr. PHIPPS (after having voted in the negative). I am advised that my pair, the Senator from Georgia [Mr. GEORGE], if present, would vote as I have voted upon this question. I therefore let my vote stand.

Mr. GLENN. I have a general pair with the junior Senator from Arizona [Mr. HAYDEN]. I transfer that pair to the junior Senator from New Jersey [Mr. BAIRD] and vote "nay."

Mr. BROCK. I have a pair with the junior Senator from Kansas [Mr. ALLEN]. I transfer that pair to the senior Senator from Missouri [Mr. HAWES] and vote "nay."

Mr. BLACK. On this vote I have a pair with the junior Senator from Colorado [Mr. WATERMAN], who is absent from the Chamber. I transfer that pair to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

Mr. SHEPPARD. I desire to announce that the Senator from Arkansas [Mr. CARAWAY] and the senior Senator from Arizona [Mr. ASHURST] are necessarily absent on official business.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Illinois [Mr. DENEEN] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Rhode Island [Mr. HEBERT] with the Senator from South Carolina [Mr. BLEASE]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Utah [Mr. KING].

Mr. PHIPPS. My colleague [Mr. WATERMAN] is necessarily absent. He has a pair with the junior Senator from Alabama [Mr. BLACK], as announced. If my colleague were present, he would vote "nay."

The result was announced—yeas 23, nays 52, as follows:

YEAS—23

Barkley	Dill	McMaster	Smith
Black	Fletcher	Norbeck	Steck
Blaine	Frazier	Norris	Thomas, Okla.
Borah	Howell	Nye	Walsh, Mont.
Bratton	Kendrick	Sheppard	Wheeler
Capper	La Follette	Shipstead	

NAYS—52

Bingham	Gould	McNary	Smoot
Brock	Greene	Metcalf	Stelwer
Brookhart	Grundy	Moses	Sullivan
Broussard	Hale	Oddie	Swanson
Connally	Harris	Overman	Thomas, Idaho
Copeland	Harrison	Patterson	Townsend
Couzens	Hastings	Phipps	Trammell
Fess	Hatfield	Ransdell	Tydings
Gillett	Heflin	Robinson, Ind.	Vandenberg
Glass	Jones	Robsion, Ky.	Wagner
Glenn	Kean	Schall	Walcott
Goff	Keyes	Shortridge	Walsh, Mass.
Goldsborough	McKellar	Simmons	Watson

NOT VOTING—21

Allen	Dale	Johnson	Robinson, Ark.
Ashurst	Deneen	King	Stephens
Baird	George	McCulloch	Waterman
Blease	Hawes	Pine	
Caraway	Hayden	Pittman	
Cutting	Hebert	Reed	

So Mr. WHEELER's amendment to the amendment of the committee was rejected.

Mr. SIMMONS obtained the floor.

Mr. SMOOT. Mr. President, if the Senator will yield, while Senators are present, I want to state that to-morrow we were to take up the item of bonnets, hats, and braids. The wife of the junior Senator from Georgia [Mr. GEORGE] is ill, and there are one or two other Senators who will be compelled to leave to-morrow who are interested in this paragraph, so I give notice now that I shall ask that to-morrow the Senate proceed to the consideration of the item of olive oil and palm kernel oil rendered, found on page 264, line 21. Of course, we will have to take up the items covering all the other oils at the same time.

Mr. WHEELER. Mr. President——

The PRESIDENT pro tempore. Does the Senator from North Carolina yield to the Senator from Montana?

Mr. WHEELER. I want to offer an amendment, to increase the rate from 35 per cent ad valorem to 45 per cent ad valorem, if the Senator from North Carolina will yield for that purpose.

Mr. SIMMONS. Mr. President, I do not think I ought to yield for that purpose. I want to offer an amendment myself.

The PRESIDENT pro tempore. The Senator from North Carolina has the floor.

Mr. SIMMONS. Mr. President, I offer an amendment in the nature of a substitute on page 183, line 25, to strike out "45 cents" and to insert in lieu thereof "40 cents."

I do not know what may be the disposition of the Senate about the matter, but I am perfectly willing to have a vote on that now.

Mr. SHEPPARD. Let the amendment be stated.

The PRESIDENT pro tempore. On page 183, line 25, to strike out the figures "45" and to insert in lieu thereof the figures "40," making the duty 40 cents a pound instead of 45 cents a pound.

The question is on agreeing to the amendment proposed by the Senator from North Carolina to the amendment of the committee.

Mr. HEFLIN. Mr. President, I shall support the amendment of the Senator from North Carolina. This is a new industry in the United States which consumes a great deal of cotton in the form of linters, the annual consumption now being something like 115,000,000 pounds. I am in favor of having more cotton goods used by the American people. We make cotton goods now which so resemble silk that it takes an expert to tell the difference. At least 40 per cent of the material which is made into rayon is linters. I think we ought to help the industry. I could not support the amendment offered by the Senator from Montana [Mr. WHEELER], but I believe the amendment offered by the Senator from North Carolina is more in keeping with fair play and therefore I shall support it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from North Carolina to the amendment of the committee.

Mr. WHEELER. Mr. President, can I offer a substitute for the Senator's amendment in the form of the amendment which I offered this morning, with the exception that it would be changed so it would provide 45 per cent ad valorem instead of 35 per cent ad valorem?

The PRESIDENT pro tempore. It may be done later, but it can not be done until the amendment proposed by the Senator from North Carolina has been disposed of.

Mr. WHEELER. I thought I could offer it as a substitute for the amendment of the Senator from North Carolina.

The PRESIDENT pro tempore. No. The question is on agreeing to the amendment offered by the Senator from North Carolina. [Putting the question.] The noes seem to have it.

Mr. WALSH of Montana. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WALSH of Montana. If the amendment of the Senator from North Carolina should prevail, would the substitute which my colleague [Mr. WHEELER] proposes to submit be in order?

The PRESIDENT pro tempore. It would be. The question is on agreeing to the amendment proposed by the Senator from North Carolina [Mr. SIMMONS].

Mr. HARRISON. I demand the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BLACK (when his name was called). I have a pair with the senior Senator from Colorado [Mr. WATERMAN]. I transfer that pair to the Senator from Washington [Mr. DILL] and vote "yea."

Mr. BROCK (when his name was called). I have a pair with the junior Senator from Kansas [Mr. ALLEN]. In his absence I withhold my vote.

Mr. GLENN (when his name was called). Making the same announcement as upon the previous vote, I vote "nay."

Mr. PHIPPS (when his name was called). On this vote I have a pair with the Senator from Georgia [Mr. GEORGE]. Not knowing how he would vote, I withhold my vote. If privileged to vote, I would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the Senator from Vermont [Mr. DALE] and vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair with the junior Senator from Ohio [Mr. MCCULLOCH] to the senior Senator from Arizona [Mr. ASHURST] and vote "yea."

The roll call was concluded.

Mr. SHEPPARD. I desire to announce that the junior Senator from Arkansas [Mr. CARAWAY] and the senior Senator from Arizona [Mr. ASHURST] are necessarily absent on official business.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Illinois [Mr. DENEEN] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Rhode Island [Mr. HEBERT] with the Senator from South Carolina [Mr. BLEASE]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Utah [Mr. KING].

The result was announced—yeas 34, nays 37, as follows:

YEAS—34

Barkley	Frazier	Norris	Swanson
Black	Glass	Nye	Thomas, Okla.
Blaine	Harris	Overman	Trammell
Borah	Harrison	Schall	Tydings
Brookhart	Hawes	Sheppard	Walsh, Mass.
Capper	Heflin	Shipstead	Walsh, Mont.
Connally	Howell	Simmons	Wheeler
Couzens	La Follette	Smith	
Fletcher	McMaster	Steck	

NAYS—37

Bingham	Grundy	Metcalf	Sullivan
Broussard	Hale	Moses	Thomas, Idaho
Copeland	Hastings	Oddie	Townsend
Fess	Hatfield	Patterson	Vandenberg
Gillett	Jones	Ransdell	Wagner
Glenn	Kean	Robinson, Ind.	Walcott
Goff	Kendrick	Robsion, Ky.	Watson
Goldsborough	Keyes	Shortridge	
Gould	McKellar	Smoot	
Greene	McNary	Steiwer	

NOT VOTING—25

Allen	Cutting	Johnson	Reed
Ashurst	Dale	King	Robinson, Ark.
Baird	Deneen	McCulloch	Stephens
Blease	Dill	Norbeck	Waterman
Bratton	George	Phipps	
Brock	Hayden	Pine	
Caraway	Hebert	Pittman	

So Mr. SIMMONS's amendment to the amendment of the committee was rejected.

Mr. FLETCHER. Mr. President, on page 183, in line 24, after the word "valorem," I move to strike out the colon and insert a period, and to strike out the words "*Provided*, That none of the foregoing shall be subject to a less duty than 45 cents per pound."

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Florida to the amendment of the committee.

Mr. SIMMONS. Mr. President, what is the amendment?

The PRESIDENT pro tempore. On page 183, in line 24, after the word "valorem," the Senator from Florida proposes to strike out the colon and insert a period, and to strike out the words "*Provided*, That none of the foregoing shall be subject to a less duty than 45 cents per pound."

Mr. WHEELER. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BROCK. I have a pair with the junior Senator from Kansas [Mr. ALLEN]. I therefore withhold my vote.

Mr. GLENN (when his name was called). I make the same announcement of my pair and its transfer as on the last vote and vote "nay."

Mr. PHIPPS (when his name was called). On this vote I have a pair with the Senator from Georgia [Mr. GEORGE], which I transfer to my colleague [Mr. WATERMAN], and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS], which I transfer to the Senator from Vermont [Mr. DALE], and vote "nay."

Mr. SIMMONS (when his name was called). I transfer my pair as heretofore announced to the Senator from Arizona [Mr. ASHURST] and vote "nay."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Pennsylvania [Mr. REED] with the Senator from Arkansas [Mr. ROBINSON];

The Senator from Illinois [Mr. DENEEN] with the Senator from Nevada [Mr. PITTMAN];

The Senator from Rhode Island [Mr. HEBERT] with the Senator from South Carolina [Mr. BLEASE]; and

The Senator from New Mexico [Mr. CUTTING] with the Senator from Utah [Mr. KING].

The result was announced—yeas 26, nays 48, as follows:

YEAS—26

Barkley	Couzens	Norbeck	Steck
Black	Fletcher	Norris	Thomas, Okla.
Blaine	Frazier	Nye	Trammell
Borah	Howell	Ransdell	Walsh, Mont.
Bratton	Kendrick	Sheppard	Wheeler
Capper	La Follette	Shipstead	
Caraway	McMaster	Smith	

NAYS—48

Bingham	Greene	McKellar	Smoot
Brookhart	Grundy	McNary	Steiwer
Broussard	Hale	Moses	Sullivan
Connally	Harris	Oddie	Swanson
Copeland	Harrison	Overman	Thomas, Idaho
Fess	Hastings	Patterson	Townsend
Gillett	Hatfield	Phipps	Tydings
Glass	Hawes	Robinson, Ind.	Vandenberg
Glenn	Heflin	Robsion, Ky.	Wagner
Goff	Jones	Schall	Walcott
Goldsborough	Kean	Shortridge	Walsh, Mass.
Gould	Keyes	Simmons	Watson

NOT VOTING—22

Allen	Dale	Johnson	Reed
Ashurst	Deneen	King	Robinson, Ark.
Baird	Dill	McCulloch	Stephens
Blease	George	Metcalf	Waterman
Brock	Hayden	Pine	
Cutting	Hebert	Pittman	

So Mr. FLETCHER's amendment to the amendment was rejected.

Mr. SMOOT. I ask for a vote on the committee amendment.

The PRESIDENT pro tempore. The question now recurs on agreeing to the amendment proposed by the committee.

The amendment was agreed to, as follows:

On page 183, paragraph 1301, line 8, to strike out:

Rayon yarn, if singles, weighing 150 deniers or more per length of 450 meters, 45 per cent ad valorem; weighing less than 150 deniers, 50 per cent ad valorem; and, in addition, any of the foregoing plied shall be subject to an additional duty of 5 per cent ad valorem: *Provided*, That none of the foregoing shall be subject to a less duty than 45 cents per pound.

And in lieu thereof to insert:

Filaments of rayon or other synthetic textile, single or grouped, and yarns of rayon or other synthetic textile, singles, all the foregoing not specially provided for, weighing 150 deniers or more per length of 450 meters, 45 per cent ad valorem; weighing less than 150 deniers per length of 450 meters, 50 per cent ad valorem; and, in addition, yarns of rayon or other synthetic textile, plied, shall be subject to an additional duty of 5 per cent ad valorem: *Provided*, That none of the foregoing shall be subject to a less duty than 45 cents per pound. Any of the foregoing yarns if having more than 20 turns twist per inch shall be subject to an additional cumulative duty of 50 cents per pound.

MISSOURI RIVER BRIDGE AT BOONVILLE, MO.

Mr. HAWES. Mr President, I ask unanimous consent for the immediate consideration of the bill (S. 2668) granting the consent of Congress to the Missouri-Kansas-Texas Railroad Co. to construct, maintain, and operate a railroad bridge across the Missouri River at Boonville, Mo., in substitution for and in lieu of an existing bridge constructed under the authority of an act entitled "An act to authorize the construction of a bridge across the Missouri River at Boonville, Mo.," approved May 11, 1872.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Commerce with amendments, in section 1, page 2, line 4, after the word "for," to strike out "and at or near the site of"; on the same page, at the beginning of line 8, to strike out "between the cities of Boonville, in Cooper County, and Franklin, in Howard County, in said State"; and in section 2, page 2, line 17, after the word "to," to strike out "him and the chief of engineers," and insert "the district engineer of the Engineer Department at large in charge of the district within which said bridge was located," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Missouri-Kansas-Texas Railroad Co., a corporation organized and existing under the laws of the State of Missouri, its successors and assigns, to construct, maintain, and operate a railroad bridge and approaches thereto across the Missouri River at Boonville, Mo., in lieu of and in substitution for the present bridge constructed under the authority of an act entitled "An act to authorize the construction of a bridge across the Missouri River at Boonville, Mo.," approved May 11, 1872, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, except as otherwise herein provided.

SEC. 2. When the new bridge and approaches thereto are completed and put in operation the old or existing bridge shall be removed by said Missouri-Kansas-Texas Railroad Co. within a reasonable time to be fixed by the Secretary of War and in a manner satisfactory to the district engineer of the Engineer Department at large in charge of the district within which said bridge is located.

SEC. 3. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the Missouri-Kansas-Texas Railroad Co., its successors and assigns; and any corporation to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 4. The right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

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

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

REPORT ON AGRICULTURAL MARKETING

Mr. NYE. Mr. President, on November 22 last I obtained unanimous consent to have printed in the RECORD a report made by Mr. George E. Farrand to the Federal Farm Board with regard to the agricultural marketing act. Since that time there have been so many demands for this document on the part of

Members of Congress, the chief executives of various States of the Union, and others, that I have been prevailed upon to ask that it may be printed as a public document. I ask unanimous consent that that may be done.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. What is the document?

Mr. NYE. It is the report of the general counsel of the Federal Farm Board to the Farm Board on the subject of agricultural marketing.

Mr. SMOOT. The Senator desires to have it printed as a public document?

Mr. NYE. Yes.

Mr. SMOOT. That is not very often done, but I will not object.

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

EXECUTIVE MESSAGES REFERRED

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

RECESS

Mr. SMOOT. I move that the Senate take a recess until 11 o'clock a. m. to-morrow.

The motion was agreed to; and (at 5 o'clock and 20 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, January 28, 1930, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate January 27 (legislative day of January 6), 1930

FOREIGN SERVICE OFFICER

UNCLASSIFIED

Donal F. McGonigal, of New York, to be a Foreign Service officer, unclassified, of the United States of America.

VICE CONSUL OF CAREER

Donal F. McGonigal, of New York, to be a vice consul of career of the United States of America.

SECRETARY IN THE DIPLOMATIC SERVICE

Donal F. McGonigal, of New York, to be a secretary in the Diplomatic Service of the United States of America.

SURVEYOR OF CUSTOMS

Frank C. Tracey, of San Francisco, Calif., to be surveyor of customs in customs collection district No. 28, with headquarters at San Francisco, Calif.

HOUSE OF REPRESENTATIVES

MONDAY, *January 27, 1930*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, we pray for Thy blessing upon us, upon those who are feeble in faith, upon those whose minds are perplexed, upon those who are weary in body. May all arise to a high conception of Thy Fatherhood. By faith may joy possess sorrow, hope be more than fear, and bring victory out of defeat. We pray that Thy truth may search out all motives and emotions and that we may be made willingly and lovingly inclined to walk in Thy ways. Forgive our sins and our infirmities and help us to cast them out and successfully contend with all evil. In Thy holy name we pray. Amen.

The Journal of the proceedings of Saturday was read and approved.

COMMISSION ON LAW OBSERVANCE AND ENFORCEMENT

Mr. CHRISTOPHERSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter from Hon. George W. Wickersham, chairman of the Law Enforcement Commission, and a reply from Mr. McBain. The reason I ask this is because on last Saturday there was inserted in the RECORD on the Senate side part of this correspondence, and I believe all of it should be submitted. It is not long and this will complete the record.

The SPEAKER. The gentleman from South Dakota asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The matter referred to is as follows:

THE WICKERSHAM REPORT

A LETTER FROM MR. WICKERSHAM

To the EDITOR OF THE WORLD:

In an article published in the World, of January 18, by Mr. Howard Lee McBain, Ruggles professor of constitutional law at Columbia University, entitled "The Wickersham Report," Mr. McBain takes exception to certain provisions in the preliminary report on the observance and enforcement of prohibition made by this commission to the President, and by him transmitted to Congress January 13, 1930 (H. Doc. 252). A few of the principal grounds for attack upon the report call for comment.

1. Mr. McBain refers to the statements which he quotes from the report to the effect that, as the law is, under the Jones law every offender must await indictment before he can plead guilty, etc. He says:

"These declarations disclose a perfectly amazing ignorance of, or indifference to, both the law and the actual practice of district attorneys under the law. In the first place, the Jones law does not make 'every violation of the national prohibition act a potential felony.' * * * The crimes of illegal possession and of the maintenance of a nuisance are not covered by this law."

And after referring to the present practice in some Federal courts, he says:

"In view of these readily ascertainable facts it is palpably untrue to say that, 'as the law is, every offender must be indicted.'"

It is to be regretted that a professor of constitutional law, engaged in criticizing a public document, should not have read the document with some care. Had he done so, he would have observed that the statements which he quotes are preceded by the following statement in the report, to be found under the head of "III. Legal Difficulties and Proposed Remedies," clause "(D) Provisions for relieving congestion in the Federal courts":

"As things are, however, the congestion of prosecutions in the Federal courts for minor infractions caused by the necessity of proceeding by indictment in all cases, except for maintenance of a nuisance or for unlawful possession, is a serious handicap to dealing vigorously with major infractions and makes the handling of the minor infractions perfunctory" (pp. 9–10).

The discussion which follows is all qualified by this preliminary general statement. If Mr. McBain had also read the report supplemental to the preliminary report of November 21, printed in the same document, he would have found on page 20, in discussing the Jones law, the following:

"Hence, since that law every prosecution, even for the most casual or slight violation, except for unlawful possession or for maintenance of a nuisance, requires the action of a grand jury."

2. Mr. McBain further criticizes the report of the commission because in recommending that casual or slight violations of the law be made misdemeanors, punishable as such, the term "'casual or slight violations' certainly needs more specific definition, if only in the interest of 'decent respect for the opinions' of that part of 'mankind' that consists of district attorneys and criminals."

Had Mr. McBain read the supplemental report he would have seen that under the head of "III. Amendments Recommended," on page 17, there is a separate paragraph, entitled, "(C) Definition of 'Casual or Slight Violations,'" in which it is suggested that it would be expedient to define this term, and a paragraph is also suggested which might accomplish this purpose, reading as follows:

"For the purposes of prosecution the following shall be deemed casual or slight violations: (1) Unlawful possession, (2) single sales of small quantities by persons not engaged in habitual violation of the law, (3) unlawful making of small quantities where no other person is employed, (4) assisting in making or transporting as a casual employee only, (5) transporting of small quantities by persons not habitually engaged in transportation of illicit liquors or habitually employed by habitual violators of the law."

3. After expressing his own doubts as to the constitutionality of the measure proposed, Mr. McBain says:

"Our highest court would therefore probably lean over backward to assist in liberating the lower courts from this dilemma."

We may leave the question of constitutionality therefore upon his assumption that the Supreme Court will probably sustain it.

4. I shall not attempt to deal with other provisions of this article. The points above noted are sufficient to characterize it. I might add what Mr. McBain says in closing his article:

"With due respect to the high source of this document, the professor (commission) has at least put the public on guard with respect to the quality of his (its) scientific inquiry."

Very truly yours,

GEORGE W. WICKERSHAM, *Chairman.*

WASHINGTON, *January 18.*

MR. M'BAIN'S REPLY

1. Despite Mr. Wickersham's assumption, I did read with interest and, I think, with both care and comprehension the whole of his pre-

liminary and supplemental reports, including the passages he quotes in his letter. But no point whatever was made in either report of the exception here mentioned, and no reference was made to the extremely important practice of some district attorneys under it, nor to the practice of others who in all minor cases and no doubt many of importance ignore the Jones law entirely. On the contrary, nobody could read these reports without gathering the impression that the national prohibition act is now generally being enforced by way of the indictment process. The entire argument of the report on this point is based upon this assumption, as set forth in the unqualified declarations which I quoted in my article. One of them I requote: "As things are now, the cumbersome process of indictment must be resorted to even in the most petty cases." I repeat this is not true either in law or in practice. The incidental reference in the report to the misdemeanors of unlawful possession and the maintenance of a nuisance makes such unqualified assertions, and the proposals based upon them all the more astonishing.

2. In saying that "casual or slight violations" certainly needs more specific definition I was intending to agree with the report, not to criticize it. Moreover, Mr. Wickersham must have seen that I had read the proposed definition which he quotes, for I digested that definition when I said that the commission proposes "(1) that 'casual or slight violations' be defined so as to cover only such offenses as the unlawful possession, sale, manufacture, or transportation of small quantities."

3. This point requires no comment.

4. If Mr. Wickersham saw fit to reply at all, I think he should have dealt with the other and far more important provisions of my article. Especially would I like to read his defense of the commission's proposal to turn a misdemeanor into a felony after an offender has been summarily tried because he asks for a trial by jury. The fact that I did not expressly state that the commission referred to the misdemeanors of unlawful possession and the maintenance of a nuisance and therefore completely ignored the significance of this is a trivial remissness for which I trust I may be forgiven. I thought my comments were damaging enough without it. This is in truth the only point, despite the four numerals, that Mr. Wickersham raises against me. It may be sufficient to characterize my article with him. I doubt if many others will agree with him. At any rate, I am willing to let my article stand as it was written. I hope Mr. Wickersham does not feel equally satisfied with his report.

HOWARD LEE MCBAIN.

NEW YORK, *January 29.*

PAY OF THE ARMY, NAVY, MARINE CORPS, COAST GUARD, COAST AND GEODETIC SURVEY, AND PUBLIC HEALTH SERVICE

Mr. SNELL. Mr. Speaker, I submit a conference report and statement on the joint resolution (S. J. Res. 7) providing for the appointment of a joint committee of the Senate and House of Representatives to investigate the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service, for printing under the rule.

DANIEL WEBSTER'S REPLY TO HAYNE

Mr. UNDERHILL. Mr. Speaker, I ask unanimous consent to address the House for seven minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. UNDERHILL. Mr. Speaker, yesterday marked the one hundredth anniversary of one of the most notable speeches ever delivered in Congress. It was the reply of Daniel Webster to Hayne, and I think under present conditions we might well pause for just a moment and listen to what he had to say, or a part of what he had to say, on that occasion.

Early in the day a friend approached him and said:

It is a critical time, and it is time, it is high time that the people of this country should know what this Constitution is.

And Webster replied:

Then, by the blessing of Heaven, they shall learn this day, before the sun goes down, what I understand it to be.

He proceeded in his interpretation of the Constitution and, among other things, he said:

Where American liberty raised its first voice and where its youth was nurtured and sustained there it still lives in the strength of its manhood and full of its original spirit. If discord and disunion shall wound it, if party strife and blind ambition shall hawk at and tear it, if folly and madness, if uneasiness under necessary and salutary restraint shall succeed in separating it from that Union by which alone its existence is made sure, it will stand, in the end, by the side of that cradle in which its infancy was rocked; it will stretch forth its arm with whatever vigor it may still retain, over the friends who gather round it; and it will fall at last, if fall it must, amidst the proudest monuments of its own glory and on the very spot of its origin.

When my eyes shall have turned to behold for the last time the sun in heaven, may I not see him shining on the broken and dishonored fragments of a once glorious Union; on States dissevered, discordant, belligerent; on a land rent with civil feuds or drenched, it may be, in fraternal blood. Let their last feeble and lingering glance rather behold the gorgeous ensign of the Republic, now known and honored through the earth, still full high advanced, its arms and trophies streaming in their original luster, not a stripe erased or polluted, nor a single star obscured, bearing for its motto no such miserable interrogatory as "What is all this worth?" nor those other words of delusion and folly, "Liberty first and Union afterward," but everywhere, spread all over in characters of living light, blazing on all its ample folds as they float over the sea and over the land, and in every wind under the whole heavens, that other sentiment, dear to every true American heart—Liberty and Union, now and forever, one and inseparable.

[Applause.]

This doctrine was not at once accepted by certain States, but 30 years later after 4 years of cruel Civil War, it was established for all time, cemented by the blood and tears of the bravest manhood and noblest womanhood of all the land.

We might well imagine this great figure standing to-day in either this Chamber or the one across the corridor giving voice to these same sentiments with reference to late happenings in several States of the Union, and, sad to say, in Congress, oath-bound to defend the Constitution.

Nullification is again raising its gory, ghastly head. Disrespect and disregard of the Constitution is rife and threatening. I think, sir, it is not out of order, nor out of place to call to the attention of the people of the country to-day those words delivered 100 years ago by Daniel Webster, the great expounder of the Constitution, which were so prophetic at the time and which are so applicable to the present.

Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

[Applause.]

GEORGE WASHINGTON MEMORIAL PARKWAY

The SPEAKER. Under the order of the House the Chair recognizes the gentleman from Michigan [Mr. CRAMTON] for one hour.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that I may revise and extend my remarks, and in doing so to include certain quotations and extracts referred to.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CRAMTON. Mr. Speaker, and ladies and gentlemen of the House, the gentleman from Massachusetts [Mr. UNDERHILL] has just referred to some things that are above price, and I desire in this time to talk of certain great assets of the National Capital that are above price, are threatened with destruction, and must be preserved.

Plans most ambitious are now under way for the development of the National Capital. Plans so comprehensive and far-reaching as to challenge the attention of the world. Of this program President Hoover has said:

This is more than the making of a beautiful city. Washington is not only the Nation's Capital; it is the symbol of America. By its dignity and architectural inspiration we stimulate pride in our country, we encourage the elevation of thought and character which comes from great architecture.

Again, in his message at the public meeting arranged by the National Capital Park and Planning Commission, the President again expressed his interest in this planning work for the Capital and said:

It is our national ambition to make a great and effective city for the seat of our Government, with a dignity, character, and symbolism truly representative of America. As a Nation we have resolved that it shall be accomplished.

In his last annual message to Congress President Coolidge also stressed eloquently the vital place of the National Capital in the life of the Nation when he said:

If our country wishes to compete with others, let it not be in the support of armaments but in the making of a beautiful Capital City. Let it express the soul of America.

Thousands and thousands of our citizens, remote it may be from the Capital, very possibly not hoping at all themselves to see its beauties, still echo in their hearts this same desire—that the Capital of the Nation be a beautiful city, the symbol of America, the soul of America.

Washington founded this city and with Jefferson and L'Enfant developed the plans that still prevail. The great Federal building program now under way conforms to the plans of the city's founders.

ON THE THRESHOLD OF GREAT THINGS

The real acceleration of movement toward the fullest possible realization of the L'Enfant plan dates from the McMillan report, and the past 20 years has done much for the development of Washington. Now we are on the threshold of great things.

Measured in money, the figures are quite astounding. Much has recently been completed of great importance—the development of East Potomac Park, the Spanish-American Amphitheater at Arlington, the Lincoln Memorial, preeminent among numerous great gains now accomplished. We have now under construction or authorized for early construction the following highly important and desirable improvements at the sole expense of the Federal Government, and this list is not at all complete:

Botanic Garden	$820,000
National Arboretum	300,000
Congressional Library, additional site	600,000
Walter Reed Hospital buildings	1,012,000
New Army air field	1,010,000
Government Printing Office	1,250,000
Restoration Arlington Mansion	160,000
Completion Tomb Unknown Soldier at Arlington	400,000
Arlington Memorial Bridge	14,750,000
Mount Vernon Memorial Highway	4,500,000
Addition House Office Building	8,400,000
Enlargement of Capitol Grounds	4,912,000
Supreme Court site and building	11,708,000
Triangle land	25,000,000
Department of Agriculture buildings	8,100,000
Archives Building	8,700,000
Department of Commerce Building	17,500,000
Internal Revenue Building	10,000,000
Total	119,122,000

That total includes only projects, permanent improvements, many of great interest, now under construction or now authorized, and paid for by the Nation. But it does not include all of the proposed triangle program of Federal buildings, to which program this administration and the Congress are in effect fully committed and for which authorizations and appropriations are very sure to follow as rapidly as construction is feasible.

As a matter of fact, the Elliott public buildings bill recently passed by the House and now pending in the Senate, no doubt soon to become law, authorizes $100,000,000 additional for buildings in the triangle and $15,000,000 for land south and west of the Capitol, but not in the triangle.

Including the full triangle program in my tabulation of expenditures now under way and committed, the total is above $300,000,000. Possibly L'Enfant never dreamed there would be that much money in this Nation, in his day thinly scattered along a seaboard, only 6,000,000 of them, citizens of several contending and jealous States, jealous of each other, but above all jealous of increase of power in the Federal Government. That people have swept across a continent and beyond, have become a hundred and twenty million, with 48 strong and prosperous States, and a respected and trusted Federal Government, which now is spending its money by the hundreds of millions in the improvement and beautification of the National Capital. And while they could not have dreamed our progress, Washington and L'Enfant planned for the expenditure of this money.

The above figures are strictly Federal expenditures. In addition there are expenditures of the District of Columbia, notably the municipal center, at an estimated cost of $21,500,000 for the four squares of land and the development of two of them. The total cost of that District project will probably run to $30,000,000.

Furthermore, many national organizations as well as church organizations are erecting monumental or memorial buildings, notably the National Cathedral, Episcopal, the total cost of which is expected to reach $32,000,000.

To supplement the figures I have given, you can, perhaps, better visualize the importance of this greater National Capital program if you will view the remarkable series of models and panoramas which have been prepared by Mr. William T. Partridge, an architect of Washington, for the fiftieth anniversary celebration of the firm of Woodward & Lothrop, and will be on view in their windows beginning next Saturday, February 1. The Great Falls panorama now in the Speaker's Lobby of the House is from that exhibition, from which you can judge the unusual merit and the interest of this showing.

The list of models includes: The triangle group, the Supreme Court model, Arlington Bridge and water gate, Monument Gardens, various memorial buildings, Great Falls Bridge, the Capitol Ground extension, George Washington Memorial Building, new House Office Building.

FOR THE MOST BEAUTIFUL CITY NATURAL BEAUTIES MUST BE PRESERVED

But the complete Capital of the Nation can not be alone a man-made city of buildings and boulevards and marble memorials. It must combine in perfection the man-made wonders with the natural charms which came from the Creator.

As expressed in an editorial in the New York Times:

> Other cities may be embellished with as handsome avenues and buildings. Still others may have the equal of the District's parks and natural scenery. But when the present golden age in the development of the Capital is fully achieved, this country may well boast that no other capital so happily unites natural and artificial glories.

"Washington must be the most beautiful city in the world" is frequently the statement of Americans. Washington is now a beautiful city, but there are many beautiful cities in the world. The most beautiful city will not be entirely a man-made city. It must be favored with natural and scenic advantages to justify the highest place. Parks must be provided where the people will have opportunity for recreation and for contact with nature in open places.

This sort of a park idea is not so very old, but has become a prominent feature of American civic development. In the Shoemaker case in the United States Supreme Court, decided in January, 1893, wherein was determined the right of the United States to condemn land in the District of Columbia for the establishment of Rock Creek Park, Justice Shiras said:

> In the memory of men now living, a proposition to take private property, without the consent of its owner, for a public park and to assess a proportionate part of the cost upon real estate benefited thereby would have been regarded as a novel exercise of legislative power.
>
> It is true that in the case of many of the older cities and towns there were commons or public grounds, but the purpose of these was not to provide places for exercise and recreation but places on which the owners of domestic animals might pasture them in common, and they were generally laid out as part of the original plan of the town or city.
>
> It is said, in Johnson's Cyclopædia, that the Central Park of New York was the first place deliberately provided for the inhabitants of any city or town in the United States for exclusive use as a pleasure ground for rest and exercise in the open air. However that may be, there is now scarcely a city of any considerable size in the entire country that does not have or has not projected such parks. The validity of the legislative acts erecting such parks and providing for their cost has been uniformly upheld. It will be sufficient to cite a few of the cases.

It is interesting to remember that the land for Central Park, which was bought in 1857 for $5,000,000 and improved at a cost of $10,000,000 more, was so far out it was urged that the horse-drawn street car was so slow that few people could go from lower New York to the park. The park is now estimated to be worth somewhere between the $580,000,000 estimated by the assessors and $3,000,000,000, the selling price which would be asked by conservative real-estate men if the property were for sale.

Washington located the new Capital in the midst of lavish display of beauties of God's handiwork. At the head of navigation of the great Potomac, in the midst of wooded hills, its many valleys carrying creeks that enliven the landscape. While we make a reality of the dreams of L'Enfant in carrying forward man-made beauties, we must not permit the beautiful scenic realities of Washington's time to become only mourned memories. Washington must have loved the Potomac as it flowed past his home and his great estate, must have been thrilled by Great Falls, where he went so often, must have loved the hills and streams surrounding the site he chose for his country's Capital, or he would not have so chosen. Just as he inspired the L'Enfant plan of development we now promote, he would have preserved those beauties.

Chief Justice William H. Taft, writing in 1915, declared:

> Washington picked a site for the thousands of years which we hope will be our national destiny. * * * The capital of no other nation approaches it in the beauty of its situation.

It is wonderful we are proceeding now so rapidly and so wisely with our architectural development, but delay in this has not been fatal. What was not done 50 years ago may be done now, and the error of 50 years ago may now be corrected.

That which man made man may replace, and when he will. But the beauties of nature man can not restore when once destroyed. Those woods which Washington loved are disappearing; those charming ravines are being leveled; those splendid palisades of the Potomac are daily scenes of blasting that rob them of primeval beauty.

The preservation of all this has had much of thought by our leaders, has been the subject of wise planning, but the plans have been disastrously slow in realization. The beauty is passing and can not be restored.

Mr. DUNBAR. Will the gentleman yield for a question?

Mr. CRAMTON. For a brief question.

Mr. DUNBAR. The gentleman has stated that the pride of George Washington was in the Potomac River—the scenery. I want to ask the gentleman if the bill he has introduced will interfere with George Washington's idea of having a waterway from the Ohio River through to the Potomac?

Mr. CRAMTON. If the gentleman will permit, that question I will reach later on in the discussion. And may I make this request: I have prepared more than I can give, but I will be willing to answer any questions that may be asked in the discussion after I have concluded if I can make the matter any clearer.

H. R. 26 PROPOSES TO SAVE THE NATURAL BEAUTIES

It is to save and preserve these natural beauties of the National Capital that I have introduced H. R. 26:

A bill for the acquisition, establishment, and development of the George Washington memorial parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital.

This bill was first introduced by me in the last Congress as H. R. 15524 on December 18, 1928, and was referred to the Committee on Public Buildings and Grounds, which, under the very conscientious and able leadership of the gentleman from Indiana [Mr. ELLIOTT], has had the responsibility for this entire greater National Capital program. After hearings it was reported by that committee February 14, 1929, and passed by this House unanimously February 27, 1929. Reaching the Senate only four days before final adjournment of Congress, no action was had upon it there, although a public hearing was held.

In this Congress it was reintroduced April 15, 1929, in the identical form in which it formerly passed the House, and a hearing held by the Committee on Public Buildings and Grounds; again reported by the gentleman from Indiana upon unanimous vote of that committee. This report was made to the House December 18, 1929, by coincidence just one year after the original introduction of the bill.

After a hearing by the Committee on Rules a special rule for consideration of the bill has been ordered, and I am anticipating that next Thursday the gentleman from Indiana [Mr. ELLIOTT] will be enabled to bring the bill again before the House for consideration.

ONLY CARRIES INTO EFFECT POLICY HERETOFORE DECLARED BY CONGRESS

While this bill is far reaching in effect, means much to the National Capital in the preservation of its God-given beauties, it is not a new expression of policy which is asked of Congress. It only proposes to make effective the policies heretofore declared by Congress, to carry into realization great plans prepared at the direction of the Congress.

By the legislation of 1924, amended in 1926, Congress created the National Capital Park and Planning Commission. I quote very briefly from the amendatory act of April 30, 1926—

To develop a comprehensive, consistent, and coordinated plan for the National Capital and its environs in the States of Maryland and Virginia; to preserve the flow of water in Rock Creek; to prevent pollution of Rock Creek and the Potomac and Anacostia Rivers; to preserve forests and natural scenery in and about Washington; to provide for the comprehensive, systematic, and continuous development of the park, parkway, and playground systems of the National Capital and its environs,

That is the declaration of Congress for—

The comprehensive, systematic, and continuous development of the park, parkway, and playground systems of the National Capital and its environs.

That is the declaration of Congress for the preservation of "the forests and natural scenery in and about Washington." The National Capital Park and Planning Commission were directed by Congress to prepare, develop, and maintain such a—

Comprehensive, consistent, and coordinated plan for the National Capital and its environs.

PLANNING COMMISSION HAS AUTHORITY BUT LACKS MONEY

It was authorized and directed to acquire lands in the District and adjacent areas in Maryland and Virginia. The law now existing reads:

It is authorized and directed to acquire such lands as, in its judgment, shall be necessary and desirable in the District of Columbia and adjacent areas in Maryland and Virginia, within the limits of appropriations made for such purposes, for suitable development of the National Capital park, parkway, and playground systems.

They have the authority now to buy lands, within the limits of appropriations, in the District and in Maryland and Virginia. Then we have this provision:

The designation of all lands to be acquired by condemnation, all contracts for purchase of land, and all agreements between said commission and the officials of the States of Maryland and Virginia shall be subject to the approval of the President of the United States.

Congress placed the selection of these lands with the commission, subject only to the approval of the Fine Arts Commission and the President, and the quantity subject only to the appropriations available.

As to the payment for such lands, the law now authorizes an annual appropriation in the District of Columbia appropriation act of a sum not exceeding 1 cent for each inhabitant for the continental United States, as determined by the last census, or about $1,200,000. It is further provided that:

The funds so appropriated shall be paid from the revenues of the District of Columbia and the general funds of the Treasury in the same proportion as other expenses of the District of Columbia.

As to lands in Maryland and Virginia, they are authorized to make—

Such arrangements as to acquisition and payment for the lands as it shall determine upon by agreement with the proper officials of the States of Maryland and Virginia.

We leave it to the commission to determine the basis of the contribution of Maryland and Virginia.

Under that authority, under that direction of Congress, this commission started its work. The commission consists of Mr. Frederic A. Delano, of the District of Columbia, chairman; Mr. William A. Delano, of New York; Mr. Frederick Law Olmsted, of Massachusetts and California; Mr. J. C. Nichols, of Kansas City; Major Stuart, as the head of the Forest Service; Mr. H. M. Albright, as the head of the Park Service; Maj. Gen. Lytle Brown, as Chief of Engineers; Major Ladue, as engineer commissioner of the District of Columbia; Senator CAPPER, as chairman of the Senate Committee on the District of Columbia; Representative ZIHLMAN, as chairman of House Committee on the District of Columbia; and Col. U. S. Grant, 3d, as executive officer.

You will note that they are very distinguished men from all parts of the United States. Mr. Frederic Delano is the only one actually a resident of the District.

They have formulated their plans, quite definitely, as to lands in the District of Columbia, and in a general way as to lands outside the District of Columbia.

But under existing conditions they are proceeding so slowly as to land within the District and can proceed not at all as to lands outside in Maryland and Virginia, so that not only are the costs of the desired areas mounting seriously, sometimes to prohibitive figures, but in many important respects the plans never can be matured because of destruction of the natural scenic beauties involved.

It is to save those scenic areas, to make effective the plans prepared in answer to the mandate of Congress that H. R. 26 is proposed.

H. R. 26, AS TO LANDS IN DISTRICT OF COLUMBIA

What are the provisions of H. R. 26? Briefly these:

The bill has two great divisions. First, as to lands in the District of Columbia, it authorizes an advance of $16,000,000 from the Federal Treasury to the District of Columbia, as the National Capital Park and Planning Commission requires it for "the expeditious, economical, and efficient accomplishment of the purposes of the act." This money is to be repaid $1,000,000 a year for 16 years from the District of Columbia treasury without interest.

No additional burden is therefore placed on the District. The advantages to the District are very briefly these:

First. A large saving in ultimate cost, paying $1,000,000 a year for a definite period of 16 years instead of for an indefinite period that would probably run the cost up to $30,000,000 or more.

Second. Saves for use of people of the District areas of importance for recreational use that would otherwise be lost.

Third. Gives the people here the use of the park and playground areas a generation sooner than would otherwise be possible.

Fourth. It relieves the District from any share in the cost of lands to be acquired outside the District, although the present law places the same responsibility on the District for lands outside the District as it does for those within.

SPEEDING UP THE PROGRAM SAVES SCENERY AND SAVES MONEY

As stated in an editorial in the Washington Times, December 18, 1929:

The purchase of these properties in the near future would, it is estimated, save enough money in 16 years to develop park and playground

projects. Real estate in the District has advanced in value at the rate of 12 per cent each year for many years.

Without the aid of the Cramton bill it would be impossible, under the regular functioning of Congress, in local appropriation bills, to acquire these park and playground sites within the next 15 or 20 years, by which time the cost would be almost prohibitive.

It termed the bill "a measure of vast civic importance" and said:

To a remarkable degree it harmonizes with President Hoover's ideas of Federal construction in Washington and of carrying on public works in coming years.

While reiterating its opposition to the present lump-sum contribution of Federal funds to District expenses, the Washington Evening Star urges passage of H. R. 26, saying in part:

One of the steps that Congress can take immediately in pursuance of the fine objective outlined by the President is to pass the Cramton park bill. The machinery now exists to carry to completion some of the great plans already drawn for Washington and its environs. The Cramton bill supplies the money.

* * * * * * *

On the grounds of economy, and because the bill removes certain formidable barriers that have blocked proper park development in the past, the Star has previously placed itself on record as approving the principle of this measure, and again urges that it should be passed.

DOES NOT INVOLVE FISCAL-RELATIONS CONTROVERSY

The bill does not properly involve the much-discussed fiscal-relations controversy between the Federal Government and the District, although the fact that I have heretofore played some part in that controversy has very naturally caused it to be referred to on various occasions.

The District appropriation bill now carries $1,000,000 annually for this same purpose, as one of the expenses of the District government to be shared by the Federal Government as other expenses of the District of Columbia. Whatever may be the basis of determining that Federal contribution in any given year, as to the expenses of the District generally, whether a lump sum or 50–50 or 40–60 or any other proportion, will determine the Federal share in this park-acquisition expense.

As to the Federal Government, the full advance of $16,000,000 is repaid and its final share in the cost of these lands in the District is only that which the present planning act requires through its contribution to expenses of the District generally, and the waiver of interest on the advance of $16,000,000.

The final cost of these lands under House bill 26 is only $16,000,000, but under the present law and practice more than double that will be no doubt eventually paid for a mutilated program, as I will later emphasize.

PRECEDENTS FOR ADVANCE WITHOUT INTEREST

As to the advance without interest for this project in which the Nation has such a keen interest, similar advances have heretofore been made from the Federal Treasury without interest. Notably, in 1910 there was such an advance of $20,000,000 for reclamation of arid lands in the West, which is even now being repaid at the rate of $1,000,000 a year, $11,000,000 now remaining undue and unpaid. In that case the final payment was to come in 30 years, in this in 16 years.

The preservation of essential features of the plan for the Capital City, which is only possible under the program proposed in House bill 26, unless Congress proposes a direct appropriation of the whole amount from Federal funds, fully justifies the waiver of interest.

HOUSE BILL 26 IS NECESSARY TO SAVE PARK VALUES

Perhaps the most important single project in the District plan is the "fort boulevard following the hills and circling the city and connecting the Civil War forts." Of this the commission says in its annual report for 1929:

The Civil War forts around Washington were built on hills and ridges which commanded distant views. The historic interest attaching to the "defenses of Washington" and the remarkable views obtainable from the old forts has led to a demand that these sites should be held by the public for park purposes.

* * * * * * *

This drive has been designated as a continuous parkway wholly within the District of Columbia, and covers within the District a distance of some 22.8 miles from Conduit Road to Blue Plains.

Anyone starting out with his family or with visitors to Washington could pick up such a drive at any point and find himself on a continuous, unbroken, easily followed, wooded road, connecting a succession of historic points, each of which has an unusual view that caused its selection as the site for a military fort. It would constitute the most striking and famous parkway in this part of the country, a really distinctive scenic and historic feature of the National Capital.

* * * * * * *

Changes in the line of the fort drive of a very radical character have had to be made in order to avoid the necessity of purchasing property which has been "improved" since the original estimate.

Unless the program is speeded up, that drive will never be realized, and other park values will be lost.

The commission stress the need of such a program as set up in H. R. 26 as one that—

Would save both money and park values for the people of Washington and of the United States.

The report states:

In view of other urgent needs and practical difficulties in the way of speeding up purchases, even if adequate funds were to be made immediately available, it seems reasonable to allow a period of five years for such an acquirement program. The experience of the commission to date seems to indicate that such land acquisitions if distributed over a 5-year period are likely to cost on the average fully 75 per cent more than the assessed value of the properties at the beginning of the period. Therefore a minimum allowance of $16,000,000 should be made for the above groups. To secure the needful lands within any such sum requires, of course, that the most urgent situations be dealt with first, and that the rate of acquisition be rapid enough to forestall any considerable erection of buildings on the land to be acquired. Unless by some means the funds are forthcoming rapidly enough to do this, the total cost of the needful lands of these classes will greatly exceed $16,000,000.

When the acquisition of park land has so fallen into arrears, further long postponement of purchases, inevitable under a system of limited annual expenditures extended over many years, means the loss of priceless opportunities. More and more of the valleys are being filled and trees cut, so that natural park values are destroyed before the commission can purchase the areas for park purposes. Grading, cutting of trees, and building of houses not only destroy park values but increase the purchase prices.

Real-estate values throughout the District have been increasing annually at an average rate of over 8.85 per cent during the last five years. While this rate is likely to slacken somewhat in the near future, it is precisely in the regions where many of the park acquirements ought to be made that the advances have been and probably will continue to be in excess of the average.

An advance from the Federal Treasury, as proposed by H. R. 26, to be repaid without interest by annual payments from the combined revenues of the District of Columbia equal to the present annual appropriations for this purpose, would save both money and park values for the people of Washington and of the United States.

PRESENT BUYING PROGRAM LESS THAN INCREASE IN PROPERTY VALUES

Note the folly of the present financial program. The estimated present cost of the present program of purchases in the District is $16,000,000, but that cost is going up at least 10 per cent a year or $1,600,000. In carrying forward the program we are now spending $1,000,000 a year. That is to say the cost of the program goes up $1,600,000 a year and we are appropriating only $1,000,000 a year. We are not even keeping up with the annual percentage of increase as compared with the gross cost of the program, and meantime highly desired areas are being destroyed so far as park values are concerned. Only an Einstein could tell us when we could complete even the mutilated program.

It is of the highest importance that the money be available to acquire these lands as expeditiously as the commission can proceed. Necessarily it will take time, three or four years, in any event, to accomplish the program. It is urgent the right kind of a start be made without further delay.

In their 1929 report the commission say:

Many areas included because of fine trees, beautiful valleys, or other park features, are no longer desirable because of "improvement" in the form of cutting, filling, or erection of houses.

The destruction there made possible by delay is final.

As stated in a personal letter to me from Mr. H. P. Caemmerer, secretary and executive officer of the Commission of Fine Arts—

In order that Washington may be truly a great and beautiful National Capital there should be an authorization for parks and parkways on the same great scale as the public-buildings program, and the legislation you propose will bring this about.

So much for the $16,000,000 advance for lands within the District.

H. R. 26, AS TO LANDS ADJACENT IN MARYLAND AND VIRGINIA

Outside of the District of Columbia, while the present law authorizes the commission to plan and to buy, there is no basis of cooperation in the development of these areas laid down in the law, and the commission have not felt certain as to the policies of cooperation desired by Congress. Further, no funds

have ever been made available for cooperation with those States or communities in acquisition of such lands.

As to such cooperation, the commission says in its 1929 report:

REGIONAL PLANNING AND COOPERATION

The environs of the National Capital, for which this commission is expected to develop a regional plan (act of April 30, 1926), was described in the last annual report as embracing "a territory of 1,539 square miles, with an outer boundary having a radius of approximately 20 miles from the White House." The region most responsive to influences of the dominant center (Washington) is well included in Prince Georges and Montgomery Counties, Md., and Arlington and Fairfax Counties, Va. The execution of the plans of the commission for this area thus requires the cooperation of the Federal Government and the States of Maryland and Virginia.

In Maryland the area immediately adjoining the District of Columbia on the north and northwest is now under the planning jurisdiction of the Maryland-National Capital Park and Planning Commission (act of April 26, 1927), with whose members and staff this commission is in close contact and has steadily cooperated. The Maryland-Washington metropolitan district is now zoned and plans are under way for highways and parks. Like the Washington Suburban Sanitary Commission, the jurisdiction of the Maryland Planning Commission does not extend to the area southeast of Washington nor westward to Great Falls. Planning problems in these areas and relating to their connections with the District of Columbia urgently cry for some practical means of securing the benefits of planning for them and agency with the powers necessary to coordinate their needs with the rest of the region. This need has already been informally brought to the attention of Governor Ritchie and of various local authorities.

The commission has also cooperated with the Virginia Park and Planning Commission, but the extent of such cooperation has necessarily been limited by the lack of authority of that commission. The possibility of establishing a planning commission for the Virginia metropolitan area with powers similar to that in Maryland has been suggested by the governor's commission.

Pending this more general planning work, the zoning commission organized in Arlington County under the act of April 11, 1927, is active in the preparation of a zoning ordinance and map for the county. The early adoption of the zoning plan will clear the way for work on other elements of the city plan.

* * * * * * *

REGIONAL PARKS

After careful study as described in the last annual report, five major park projects beyond the limits of the District of Columbia were selected by the commission as most important for the extension of the park system of the District into the surrounding country. These five are:

(a) The lower Potomac project, involving the public control of both banks of the river from Washington to Mount Vernon; and including the Mount Vernon Memorial Highway, the land between the boulevard and the river except at Alexandria; and Forts Hunt, Washington, and Foote as parts of the general park scheme.

(b) The upper Potomac project calling for the preservation of the unusual natural scenery of the gorge and Great Falls of the Potomac, together with the picturesque and contrastingly quiet beauty of the Chesapeake & Ohio Canal.

(c) The extension of Rock Creek Park into Maryland constitutes a third project definitely committed to the care of the commission by the provision of the basic act of June 6, 1924, which provides that the commission shall "preserve the flow of water in Rock Creek."

(d) The rare beauty of the valley of the Northwest Branch has suggested the importance of a large reservation to protect and to preserve the beauty of that area.

(e) The commission favors the extension of the Anacostia Park system up the valley of Indian Creek, opening the possibility of an attractive connection between Washington and Baltimore with a development similar to the Bronx Valley Parkway in New York.

These projects have been included in the bill (H. R. 26) together with a proposal for the financing of purchases.

* * * * * * *

The Maryland-National Capital Park and Planning Commission already has funds from the State and from local taxation to meet a Federal contribution in the case of projects within its territory and has already prepared detailed plans for the extension of Rock Creek Park in consultation with the National Commission. * * *

The commission has received a generous offer to dedicate a large tract of land in the vicinity of Great Falls, Va. Pending the passage of some such legislation as that proposed in the Cramton bill, however, no method is available for the acceptance or maintenance of such a park.

The commission has formulated a splendid program for these regional parks outside the District area, and sees them daily encroached upon and slipping away from this important national use, but is powerless to act. Congress told them to plan and buy. It has planned but can not buy. Its hands are tied by the failure of Congress to name the basis of financial cooperation and the failure to provide any appropriations for this purpose.

PRECIOUS SCENIC AREAS ARE BEING DESTROYED

Meantime the precious scenic beauties and recreation spots are being taken by industrial and residential development. The same motor age that finds greatly increased need for regional parks finds increased competition for their acquisition by the increased demands for private use.

I have just received the following letter as to impending destruction of priceless scenery from a gentleman very active in the public interest:

JANUARY 24, 1930.

MY DEAR MR. CRAMTON: I am taking up again with you the matter of your park bill. I have recent information to the effect that large quarry operations, which will considerably deface the palisades of the Potomac, are being contemplated.

I give you this information, as I know that this might affect your bill, and the only way that I know to stop it is by passage of the bill. It looks as though we no more than get the Sun Oil Co. matter out of the way when something else starts up.

Very truly yours,

W. S. HOGE, Jr.

H. R. 26 PROPOSES TO MAKE THE PLANS EFFECTIVE

Again H. R. 26 proposes to make effective the plans prepared by the National Capital Park and Planning Commission at the direction of Congress. It lays down the basis for financial cooperation and authorizes the needed appropriations.

EXTENSIONS OF ROCK CREEK AND ANACOSTIA PARKS

First, as to the extension of the Rock Creek Park which is directed and of the Anacostia Park, which is, in the discretion of the commission authorized, as well as the extension of the George Washington Memorial Parkway up the valley of Cabin John Creek. As to these projects, the park areas are to be maintained and administered by Maryland authorities without expense to the Federal Government, but the Federal Government is to contribute one-third to the cost of acquisition.

Mr. LAGUARDIA. Will the gentleman yield at that point?

Mr. CRAMTON. I will.

Mr. LAGUARDIA. Does the gentleman mean there will be a divided jurisdiction over that park?

Mr. CRAMTON. I am speaking of Rock Creek Park and Anacostia, these extensions into Maryland, the extension of these parks will be maintained by local authority under plans approved by the National Park and Planning Commission. When we come to Potomac Parkway that will be under the exclusive jurisdiction of the Federal Government.

Mr. McDUFFIE. Will the gentleman yield?

Mr. CRAMTON. I yield.

Mr. McDUFFIE. Before the gentleman concludes, will he be good enough to discuss the question whether the bill will defeat the possibilities of navigation——

Mr. CRAMTON. I am coming to that later.

Mr. TREADWAY. I want to ask the gentleman one brief question.

Mr. CRAMTON. Very well.

Mr. TREADWAY. Does Anacostia and Rock Creek Park adjoin each other at any point?

Mr. CRAMTON. Not now. It is possible—I am not sure of this—that there may be a coming together at some point in Maryland.

Mr. TREADWAY. What is known as Anacostia park now?

Mr. CRAMTON. It is the extension up the Anacostia River.

Mr. TREADWAY. It is a fairly small park now?

Mr. CRAMTON. It is not fully developed.

Mr. HUDSON. And may I follow that up with one question along that line?

Mr. CRAMTON. Yes; and then I shall ask to be permitted to proceed without interruption.

Mr. HUDSON. Could there not be very easily a connection between Rock Creek through what we call East Potomac Park into Anacostia, with a beautiful bridge?

Mr. CRAMTON. That may be very possible. Because I want to reach the very questions that have been asked me, I ask that I not be interrupted further until I have completed. The importance of the extension of Rock Creek into Maryland is that because of encroachment the stream flow is being reduced, and unless something is done we will have no Rock Creek; and that will mean a very much diminished value to Rock Creek Park.

Further, to make such cooperation possible for prompt acquisition of the lands needed, and because of the large Federal interest in the problem, the bill authorizes an advance of the whole amount of—

the funds necessary for the acquisition of the lands in any such single unit of any such extension referred to in this paragraph, such agreement

providing for reimbursement to the United States to the extent of two-thirds of the cost thereof without interest within not more than five years from the date of any such expenditure.

These extensions will constitute valuable extensions in connection with District parks, but are particularly important to the National Capital in order that not only the pollution but the very destruction of Rock Creek and the other streams may be prevented. With the present rapid development in that area, the cutting down of trees and the installation of artificial drainage, the sources of Rock Creek are being diminished. Without Rock Creek that marvelous park would lose much of its charm.

THE GEORGE WASHINGTON MEMORIAL PARKWAY

Second, the bill authorizes the establishment of the George Washington Memorial Parkway—

To include the shores of the Potomac and adjacent lands from Mount Vernon to a point above the Great Falls on the Virginia side, except within the city of Alexandria, and from Fort Washington to a similar point above the Great Falls on the Maryland side, except within the District of Columbia, and including the protection and preservation of the natural scenery of the gorge and the Great Falls of the Potomac, and the acquisition of that portion of the Chesapeake & Ohio Canal.

Although not expressly stated, it would include the site and remains of the historic Patowmack Canal, built on the Virginia side of the river under his direction and through his engineering skill by a corporation of which Washington was president. It was the first real waterway development in this country, and very interesting portions of it remain, including cuts some 40 feet in depth through solid rock. The American Engineering Council is especially interested in the preservation and restoration of this important early engineering work.

THIS PARKWAY SHOULD COMMEMORATE WASHINGTON BICENTENNIAL

Nothing else would so appropriately or so properly signalize the bicentennial celebration of the birth of Washington in 1932 as the dedication of the George Washington Memorial Parkway, controlling both banks of the Potomac, except in Alexandria and the District of Columbia, from Mount Vernon, where he lived, and Fort Washington, through the Capital he founded, to Great Falls, where he wrought into reality his industrial and engineering dreams. George Washington must have loved the changing, varying Potomac. Within sight of it, at Wakefield, he was born. He lived many years at Mount Vernon, with its marvelous view over the river. He brought the new Nation's Capital to its banks and in the midst of its greatest beauty. He was thrilled by the power and majesty of Great Falls.

In the Progress of the World, in the February issue of the Review of Reviews, Dr. Albert Shaw writes:

No one loved land and rivers and out-of-door things more passionately than did George Washington. The National Capital, which he founded, has become the most beautiful city in America, perhaps in the world. It was through his foresight as a city planner that Washington now has its broad, tree-lined avenues, its unique combination of radial and rectangular street systems, and those characteristics that seemed grandiose and overambitious during the city's first half century, but that are to-day gratifying evidences of foresight and bold imagination. * * *

Adams, however, has the credit of having been the first President in residence at Washington, the Government having been transferred to its new site in the course of the year 1800, with the original Capitol Building partly finished, and with Congress assembling there for the first time in November, about 11 months after the death of Washington. On the following March 4, Thomas Jefferson came to Washington from his home near Charlottesville, Va., for his first inauguration. Woodlands, rocky slopes, marshes, log-cabin clearings were gradually transformed, and we have the present city of half a million inhabitants. The Potomac River location of the National Capital was settled upon as one of the compromises of the convention that framed the Constitution in 1788. The initiative was taken by Washington himself and the exact site was of his choosing. The tidal waters of the Chesapeake Bay and the Potomac River swept past Washington's own market town of Alexandria and somewhat beyond the village of Georgetown. * * *

It was a bold project because, as we have remarked, there was no historic town like New York or Philadelphia as a starting point; and what is now purely urban was then a district of hills and valleys, swamps, and forests, with a certain amount of cleared farm land. * * *

There is an official Planning Commission at Washington, of which Col. U. S. Grant is at the head. It is working intelligently, not only to perfect plans and projects but also to awaken the public opinion that must bring intelligent pressure to bear upon Congress for the realization of desired objects. * * *

George Washington was our foremost authority upon the Potomac River in that region. Under existing circumstances, if he were with us now, he would be the chief advocate of the splendid plan which contemplates a national park at the Great Falls of the Potomac, lying only a few miles beyond the boundaries of the District. In association with this project there would naturally be an appropriate bridge at the Great Falls, with the Virginia shore line secured for public purposes on the plan of the New York-New Jersey Hudson River Palisades Park and with a boulevard extending from the Great Falls to Arlington and on to Alexandria and Mount Vernon. This particular project should have the prompt indorsement and financial support of Congress and the cooperation of the States of Virginia and Maryland. It ought to be brought to a point of definite acceptance as a foremost feature of the celebration of the two hundredth anniversary of the birth of George Washington. We ask our readers to become enthusiasts for the Washington Planning Commission and eager lobbyists for the Great Falls Park!

When the conservative Doctor Shaw directly, in his monthly editorial review, appeals to his readers to become "eager lobbyists for the Great Falls Park," you have some forecast of the sentiment of the Nation on this George Washington Memorial Parkway.

SCENERY OF POTOMAC WORLD FAMOUS

It is the one great, outstanding park area that will appeal to the Nation, to the world, as absolutely essential to the National Capital, to be truly the most beautiful capital.

Hon. James Bryce once wrote:

No European city has so noble a cataract as the Great Falls of the Potomac—a magnificent piece of scenery, which you will, of course, always preserve.

Strange that eminent, traveled, scholarly Englishman could be so sure of that value which Americans must debate.

Again, he wrote:

The Potomac has two kinds of beauty—the beauty of the upper stream murmuring over a rocky bed between bold heights crowned with woods, and the beauty of the wide expanse, spread out like a lake below the city into a vast sheet of silver.

A special committee report of the National Capital Park and Planning Commission a little time ago declared:

The valley of the Potomac River above Washington is marked by a greater number and variety of that type of feature which it is desirable to include in the park system of the National Capital than any other area about Washington. In this valley are a number of historic sites, areas of botanic or geologic interest, bird haunts, and, most important of all, a great variety and unusual quality of scenery. It is a region of crags and cataracts, rock cliffs surmounted by towering trees, wild valleys with waterfalls and runs, a roaring river and quiet pools, rapids and gray rocks—culminating in the magnificence of the Great Falls themselves. The placid and picturesque Chesapeake and Ohio Canal runs parallel with the river through the valley with beautiful old locks and houses, overhanging trees, and still waters.

The valley of the Potomac above Washington with the cataract and gorge is generally recognized as one of the outstanding scenic features of the Atlantic seaboard. The scenery of this area within 10 miles of the Capitol Dome has been favorably compared with that of many of our far-famed national parks. The scenery in those parks is accessible only to persons with means and extended vacations for travel, whereas the natural scenery on the upper Potomac lies within a half-hour trolley ride from the center of the city.

The bill provides for cooperation in the acquisition of the needed lands for this great parkway by the Federal Government and the States of Virginia and Maryland and subdivisions thereof or individuals. Again, the bill authorizes an advance of the whole amount by the Federal Government upon assurance of repayment of one-half within five years.

The commission may divide the project into suitable units and proceed with any unit when needed cooperation is assured as to that unit. This is necessary because of the many factors that will need to be coordinated to secure cooperation in the full project. That there can be no abuse of this discretion is assured by the high character of the commission and the fact its land-purchasing program must be approved by the Fine Arts Commission and the President.

VIRGINIA AND MARYLAND ARE READY TO COOPERATE

The States of Virginia and Maryland are appreciative of the possibilities of this wonderful parkway, and the time is assuredly ripe for effective cooperation if the United States will definitely commit itself.

In his recent address in Washington at the public meeting arranged by the National Capital Park and Planning Commission Gov. A. C. Ritchie dealt at length on the necessity of cooperation in the matters affecting the District and adjacent Maryland and said, with particular reference to the George Washington Memorial Parkway:

The parking program has been tied in with the regional plan, and it has progressed to the point where existing parks are now about to be extended and new parks established. Rock Creek Park will have an extension into Maryland, and Sligo Valley, the valley of Cabin John

Run, and the valley of the Northwest Branch will be added to the system.

One of the great opportunities along this line which should receive cooperative consideration is the main valley of the Potomac River. This, with its glorious scenery, is the natural setting for a park unsurpassed in all the world.

In the same meeting Governor Pollard expressed his interest in these projects. He has just written me as follows:

COMMONWEALTH OF VIRGINIA,
GOVERNOR'S OFFICE,
Richmond, January 24, 1930.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

MY DEAR MR. CRAMTON: The proposal to purchase the valley of the Potomac from Mount Vernon to and including Great Falls and to make of it a great memorial park has a special appeal to Virginians, because this area includes the homes of Washington and Lee as well as the "Patowmack Canal Locks" at Great Falls, constructed by a company of which George Washington was president.

The purchase of the land at this time would constitute a suitable part of the celebration of 1932—the bicentennial of Washington's birth—and would leave open the possibility of development of the water power, navigation, and other possible uses of the rivers at such time as such developments would be justified in the public interest.

Cordially yours,

JNO. GARLAND POLLARD,
Governor of Virginia.

It is highly significant of the Virginia interest that its general assembly a few days ago attended in a body the meeting here by the National Capital Park and Planning Commission and inspected some of these areas.

I also have the following letter from Mr. W. E. Carson, as chairman of the Virginia State Commission on Conservation and Development, heartily indorsing this legislation:

STATE COMMISSION ON CONSERVATION AND DEVELOPMENT,
Richmond, Va., January 24, 1930.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

MY DEAR MR. CRAMTON: As chairman of the Commission on Conservation and Development of the State of Virginia, I have looked on the proposal to purchase the valley of the Potomac from Mount Vernon, to and including the Great Falls of the Potomac as a great memorial park, with special favor because within its boundaries are the homes of Washington and Lee and numerous historic reminders of the early days of our Republic, and also because its consummation would establish within the metropolitan area of our National Capital and within the State of Virginia some greatly needed park areas for the future enjoyment of our growing population. It is obvious that if this area is to be saved at all, in anything like its natural state, it must be done soon or the opportunity will forever be lost, with consequent irreparable loss to the State of Virginia and the Nation's Capital.

I need not point out the great appeal the consummation of such a plan would have in relation to the proposed bicentennial of Washington's birth, scheduled for 1932 since no greater memorial tribute, in my opinion, could be attached to that bicentennial than the consummation of this project by that time.

Sincerely yours,

WM. E. CARSON.

The following letters further indicate the very active interest in this legislation in near-by Maryland and Virginia:

INTER-FEDERATION CONFERENCE,
May 13, 1929.

Representing civic organizations of the Washington metropolitan area; Arlington County (Va.) Civic Federation; District of Columbia Federation of Citizens Associations; Montgomery County (Md.) Civic Federation

Hon. R. N. ELLIOTT,
Chairman Committee on Public Buildings and Grounds,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN ELLIOTT: The Citizens Federations of the District of Columbia, Montgomery County, Md., and Arlington County, Va., after full and serious consideration, by separate and individual action, indorsed the following identified bill as recommended by your committee (Rept. No. 2523) and passed by the House of Representatives at the second session of the Seventieth Congress:

"By Mr. CRAMTON (H. R. 15524), a bill for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital.

This conference, representative of the just-named organizations of citizens of the area affected, notes Mr. CRAMTON reintroduced the same bill in the Seventy-first Congress on April 15, 1929, and which has been assigned H. R. 26, and again referred to your committee.

This proposed legislation, which as stated has been separately indorsed by the member bodies of this conference, has been unanimously indorsed by the conference and the undersigned instructed to notify you to this effect.

The conference is of the opinion this proposal is one of the most important steps ever seriously proposed in the development of the National Capital, and one which from the very nature of the circumstances prompting it, should receive very prompt and favorable action from the Congress. In view of the sentiment for the measure as expressed at the last session it is hoped an opportune time for action on the present bill will be found at an early date.

Information as to the status of the bill, contemplated action, and notice of any hearings or steps which this body may take to promote early and favorable consideration of the bill will be greatly appreciated.

Copies of this letter are being filed with the below-named officials for their information, records, and action.

Very respectfully,

THE INTER-FEDERATION CONFERENCE,
W. B. ARMSTRONG, *Secretary-Treasurer.*

FAIRFAX COUNTY CHAMBER OF COMMERCE,
Fairfax, Va., April 16, 1929.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

MY DEAR MR. CRAMTON: You will be interested to know that the Fairfax County Chamber of Commerce has gone on record as indorsing the provisions of the Cramton bill for the creation of the George Washington Memorial Parkway in so far as this bill concerns Virginia territory.

Very truly yours,

FAIRFAX COUNTY CHAMBER OF COMMERCE,
MARGARET C. VOSBURY, *Secretary.*

LANDSCAPE ARCHITECTS UNANIMOUS FOR SAVING POTOMAC SCENERY

Last week the American Society of Landscape Architects held their thirty-first annual convention in Washington and made a personal inspection of the palisades and the Great Falls of the Potomac. No body of men are better qualified to judge this problem than they. Their resolution, unanimously adopted, reads:

Whereas the Cramton bill (H. R. 26 and S. 2708) provides for the acquisition and development of well-located regional parks as parts of a balanced system, particularly along the Potomac River and the proposed George Washington Memorial Parkway between Mount Vernon, Fort Washington, and Great Falls, and for the development of parks and recreation areas within the District of Columbia: Therefore be it

Resolved, That the American Society of Landscape Architects, appreciates the national significance of these projects, their importance to the public welfare, and their beneficial effect upon the future well-being of the National Capital, and urges the early passage of this bill; be it further

Resolved, That immediate favorable action with respect to this matter is particularly appropriate at this time, not alone for the economics involved in the immediate acquisition of the land required, but because the beginning of the project should be a timely tribute to the memory of George Washington and his plans for the Federal city to be commemorated at the 1932 bicentennial.

AMERICAN INSTITUTE OF ARCHITECTS CONTINUES TO URGE ACTION

No group of men have taken a more intelligent and patriotic interest in the development of the Capital than the members of the American Institute of Architects, who adopted this resolution at their sixty-second annual convention:

Whereas a broad-gage public buildings program has been developed for the National Capital; and

Whereas a correspondingly adequate park, parkway, playground, and highway program is delayed for lack of authorization and appropriation; and

Whereas delay in launching the park program permits destruction of scenic features and tree growth, and involves ultimate purchase only at greatly increased valuation: Therefore be it

Resolved, That the American Institute of Architects urges the early passage of such legislation as the Cramton bill "for the comprehensive development of the park system of the District of Columbia and of the National Capital region," and of bills authorizing desirable changes in the highway plan; together with the early development of plans for the Washington water front; and be it further

Resolved, That no more fitting tribute could be rendered to the memory of George Washington than the passage of legislation permitting the start and the maximum accomplishment before the 1932 bicentennial of the great plans for the city which he founded.

I have just received this worth-while indorsement:

NEW YORK, N. Y., *January 27, 1930.*

Congressman CRAMTON,

Capitol Office:

Members Garden Club of America heartily approve your bill H. R. 26.

ELIZABETH E. LOCKWOOD, *President.*

WIDESPREAD INDORSEMENT FROM THE NATION

This bill comes to you with widespread indorsement from the Nation. In addition to the resolutions already set forth, the following resolution was adopted at the biennial council of the General Federation of Women's Clubs, held at Swampscott, Mass., May 27 to June 1, 1929:

The preservation of the scenery along the Potomac River in the environs of the National Capital at Washington is of great importance to the people of the United States because of the unique scenic beauty and historic interest of this region; and

Whereas legislation has been proposed providing for establishment of the George Washington Memorial Parkway along the Potomac River from Mount Vernon and Fort Washington to Great Falls, and for the acquisition of lands requisite to the parkway and playground system of the National Capital: Therefore be it

Resolved, That the General Federation of Women's Clubs indorses the principle of such legislation.

The American Civic Association, the Isaac Walton League, and many other organizations and individuals urge its passage.

LOCAL INDORSEMENT UNPRECEDENTED

Locally it is indorsed more generally than any other measure of importance affecting the District in 20 years. Its passage is recommended by the Board of Commissioners of the District, by the Congress of Parent-Teacher Associations, the Federation of Citizens Associations, the Citizens Advisory Council, and the following organizations:

The Woman's City Club; Board of Governors, Merchants and Manufacturers Association; Citizens Forum of Columbia Heights; Congress Heights Citizens Association; Washington Highlands Citizens Associations; Dupont Circle Citizens Association; Mount Pleasant Citizens Association; Citizens Association of Chevy Chase, D. C.; Hillcrest Citizens Association; Sixteenth Street Highlands Citizens Association; Highland Park Citizens Association; executive committee, Rhode Island Avenue Citizens Association; Dahlgren Terrace Citizens Association; Mawry Parent-Teachers Association; Woodridge Parent-Teachers Association; Blair-Hayes Parent-Teachers Association; Hine Junior High Parent-Teachers Association; Hubbard-Raymond Home and School Association; Bunker Hill Parent-Teachers Association; Fairbrother-Crossue Parent-Teachers Association; Stuart Junior High Home and School Association; Edmonds Parent-Teachers Association; Tenley-Janney Parent-Teachers Association; Ketcham-Van Buren Parent-Teachers Association; Benning Parent-Teachers Association; Brookland Parent-Teachers Association; Langdon Parent-Teachers Association; Wheatley Parent-Teachers Association; Parkview Parent-Teachers Association.

The following sets forth the action of the Washington Board of Trade:

JANUARY 18, 1929.

Hon. LOUIS C. CRAMTON,

House of Representatives, Washington, D. C.

DEAR MR. CRAMTON: I have been instructed to inform you that the Washington Board of Trade, at its regular meeting last night, attended by some 700 members, unanimously approved House bill 15524, respecting the purchase of parks in the National Capital, introduced by you December 18, 1928.

This bill has been given study by our parks and reservations committee and the executive committee of the board, and was thoroughly discussed at the full meeting of the organization. We are of the opinion that the enactment of this bill will be a distinct step in the improvement and development of the National Capital.

Very truly yours,

ROBERT J. COTTRELL,
Executive Secretary.

PRESIDENT OF THE DISTRICT FEDERATION OF CITIZENS ASSOCIATIONS

In the Sunday Star of January 19, 1929, Dr. George C. Havenner, for several years president of the Federation of Citizens' Associations of the District, wrote a 2-column review of H. R. 26, the passage of which he warmly urges. He said in part:

From suspicion to enthusiastic indorsement. That is the story of the so-called Cramton bill for the establishment of the George Washington Memorial Parkway along the Potomac River from Mount Vernon and Fort Washington to Great Falls and for the completion of the park, parkway, and playground system of the National Capital.

When Congressman CRAMTON, of Michigan, on December 18, 1928, introduced in the House of Representatives a bill for the establishment of the George Washington Memorial Parkway along the Potomac River and for the comprehensive development of the park, parkway, and playground system of the National Capital organized Washington looked upon this bill with suspicion. Why? Because Mr. CRAMTON was the sponsor of the "lump-sum" principle of fiscal relations between the Federal and District of Columbia Governments.

In fact, every move that Mr. CRAMTON has made having a bearing upon District of Columbia affairs has been received with suspicion by a large number of our citizens since that day six years ago when he introduced in the House of Representatives a bill to fix the amount to be contributed by the United States toward defraying expenses of the District of Columbia. It was not long, however, before organized Washington saw in the Cramton park bill one of the most far-reaching proposals for the beautification of the National Capital that has been presented to the Congress of the United States during the past quarter of a century. Further, organized Washington soon saw that Mr. CRAMTON'S proposal was an economy measure that would result in direct savings to the taxpayers of the District of Columbia by making available at once a sufficient sum of money with which to purchase the land necessary to a complete rounding out of the park system of the National Capital instead of our having to continue to buy piecemeal from year to year in an ever-advancing market.

The purpose of this bill was to preserve for all time to come the natural scenic beauty of the upper and lower Potomac River valleys, to insure a continuous flow of water into Rock Creek, and to enable the National Capital Park and Planning Commission to procure many delightful wooded areas and charming valleys in the District of Columbia before they are destroyed by building or some other operation.

Again many desirable tracts of land may be solidly built up through the spreading out of the city and thus lost for park purposes, and even if acquired at a later date at a much greater cost and the buildings removed, all of their natural beauty would have been destroyed.

Under the Cramton bill the entire amount estimated as necessary to complete our park system is made immediately available, thus enabling the National Capital Park and Planning Commission to acquire such sites as are needed before prices further advance or before all their natural beauty has been totally destroyed.

If the commission can purchase all of the land necessary to the completion of our park, parkway, and playground system within the next year or two instead of having to purchase it under our present piecemeal system of a million dollars' worth a year, the money thus saved will go a long way toward developing the lands thus acquired.

* * * * * * *

The question is sometimes asked, "Do we need to enlarge our present park system?" In my opinion, we do. To prove this I will cite just a few figures taken from the 1928 annual report of the Director of Public Buildings and Public Parks of the National Capital to show to what extent our parks were used during the year 1928 for athletic sports of one kind or another. The archery courts located in the Smithsonian grounds and Rock Creek Park were used by nearly 2,000 players, with over 7,000 spectators; the athletic fields in the Monument grounds and Rock Creek Park by 4,300 players, with 10,000 spectators.

The golf courses had over 320,000 players; the tennis courts nearly 243,000 players; the baseball diamonds over 105,000 players, with 372,000 spectators; the football fields 29,000 players, with 166,000 spectators; the basketball courts 2,400 players, with 4,000 spectators; the croquet courts 4,700 players, with 9,500 spectators; and the polo field 640 players, with 38,000 spectators. Cricket, hockey, lacrosse, quoits, roque, and many other sports also had their players and spectators.

In addition to these regular athletic features, many special events that draw record crowds are annually held in our parks. It is estimated that 50,000 children and parents participated in the 1929 Easter-egg rolling on the White House and Washington Monument grounds and in Rock Creek Park, and that over 80,000 people attended the fireworks display on the Monument grounds on Independence Day last July 4. Band concerts, drills, and other events also draw their crowds.

From the above it will be seen that our parks are well patronized and that as the city grows in population it should also grow in park area. While we are building, let us build for a city of a million people, because the population of Washington will reach the million mark at no great distant date.

Let organized Washington again put its shoulder to the wheel and work for the enactment of this bill into law early during this Congress in order that some of our delightful wooded areas and charming valleys may be acquired before their natural beauty is destroyed.

Representative CRAMTON has truly said that we can build the artificial at any time but that we can never replace nature's beauty spots once they have been destroyed. To this I say "Amen."

CONSTITUTIONAL ASPECTS OF THE LEGISLATION

Questions have been raised as to the constitutionality of this legislation.

First. Has the Federal Government the right to own lands for park purposes in Maryland and Virginia, such lands to be administered as a part of the park and parkway system of the National Capital?

Second. May it acquire such lands by condemnation proceedings?

Third. What jurisdiction over said lands may be exercised by the Federal Government?

Uniform decisions of the courts answer these questions clearly that the Federal Government has the right to own lands for park purposes; that it may acquire them, where necessary, by condemnation, and may exercise exclusive jurisdiction when ceded by the State.

Without attempting any extended argument upon these questions, the citation of the following authorities may be of interest.

The only express constitutional provision is that portion of section 8 of Article I, which reads in part as follows:

SEC. 8. The Congress shall have power * * * to exercise exclusive legislation in all cases whatsoever over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, and arsenals, dock yards, and other needful buildings.

In the case of Shoemaker *v.* United States (147 U. S. 297) the Supreme Court of the United States upheld the condemnation of lands by the United States for establishment of Rock Creek Park in the District of Columbia. In that case the court said:

The validity of the legislative acts erecting such public parks, and providing for their cost, has been uniformly upheld. It will be sufficient to cite a few of the cases. Brooklyn Park Comrs. *v.* Armstrong, 45 N. Y. 234; Re Central Park Comrs. 63 Barb. 282; Owners of Ground *v.* Albany, 15 Wend. 374; Holt *v.* Somerville, 127 Mass. 408; Foster *v.* Park Comrs. of Boston, 131 Mass. 225, 133 Mass. 321; St. Louis County Ct. *v.* Griswold, 58 Mo. 175; Cook *v.* South Park Comrs., 61 Ill. 115; Kerr *v.* South Park Comrs., 117 U. S. 379 (29:927). In these and many other cases it was, either directly or in effect, held that land taken in a city for public parks and squares, by authority of law, whether advantageous to the public for recreation, health, or business, is taken for a public use.

In United States *v.* Gettysburg Electric R. Co., 160 U. S. 668, which involved the right of the United States to condemn land for the preservation of the battle field of Gettysburg, the Supreme Court affirmed that right as to land for park purposes, not in the District of Columbia.

The really important question to be determined in these proceedings is whether the use of the land to which the petitioner desires to put it is that kind of public use for which the Government of the United States is authorized to condemn land. It has authority to do so whenever it is necessary or appropriate to use the land in the execution of any of the powers granted to it by the Constitution. Kohl *v.* United States, 91 U. S. 367 (23:449); Cherokee Nation *v.* Southern Kansas R. Co., 135 U. S. 641–656 (34:265–301); Chappell *v.* United States, 160 U. S. 499 (ante, 510). Is the proposed use to which this land is to be put a public use within this limitation?

Then follows, on pages 680–681:

Upon the question whether the proposed use of this land is a public use, we think there can be no well-founded doubt. And also, in our judgment, the Government has the constitutional power to condemn the land for the proposed use. It is, of course, not necessary that the power of condemnation for such purpose be expressly given by the Constitution. The right to condemn at all is not so given. It results from the powers that are given and it is implied because of its necessity, or because it is appropriate in exercising those powers. It has the great power of taxation to be exercised for the common defense and general welfare. Having such powers, it has such other and implied ones as are necessary and appropriate for the purpose of carrying the powers expressly given into effect. Any act of Congress which plainly and directly tends to enhance the respect and love of the citizen for the institutions of his country and to quicken and strengthen his motives to defend, and which is germane to and intimately connected with and appropriate to the exercise of some one or all of the powers granted by Congress must be valid. This proposed use comes within such description. The provision comes within the rule laid down by Chief Justice Marshall in McCulloch *v.* Maryland, 4 Wheaton 316, 421, in these words: "Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adequate to that end, which are not prohibited but consist with the letter and spirit of the Constitution, are constitutional.

It is then eloquently pointed out that the creation of this proposed memorial park tended to preserve and strengthen the patriotism of the people, the opinion saying, among other things:

Such a use seems necessarily not only a public use but one so closely connected with the welfare of the Republic itself as to be within the powers granted Congress by the Constitution for the purpose of protecting and preserving the whole country. It would be a great object lesson to all who looked upon the land thus cared for, and it would show a proper recognition of the great things that were done there on those momentous days. By this use the Government manifests for the benefit of all its citizens the value put upon the services and exertions of the citizen soldiers of that period.

No narrow view of the character of this proposed use should be taken. Its national character and importance, we think, are plain. The power to condemn for this purpose need not be plainly and unmistakably deduced from any one of the particularly specified powers. Any number of those powers may be grouped together, and an inference from them all may be drawn that the power claimed has been conferred.

It is needless to enlarge upon the subject, and the determination is arrived at without hesitation that the use intended as set forth in the petition in this proceeding is of that public nature which comes within the constitutional power of Congress to provide for the condemnation of land.

In connection with the Gettysburg case, attention is specially directed to the point that the decision is largely based upon the "general welfare" clause of the Federal Constitution. It will be shown hereinafter by the authorities cited and quoted from that public parks are created and maintained in furtherance of the "general welfare" of the people, by affording means and facilities for pleasure, recreation, and health. Nor must sight be lost of the fact that the Gettysburg battle field is now virtually a national public park, though its ostensible "use" is somewhat different than that of the proposed National Capital Parkway.

But it is not to be doubted that the acquisition of land for park purposes in connection with the National Capital, to make it fully, as stated a few days ago by President Hoover—

A great and effective city for the seat of our Government, with a dignity, character, and symbolism truly representative of America.

Would likewise be held to preserve and strengthen the patriotism of the people, and be sustained as within the powers of the Federal Government.

Further as to the right of the Federal Government to condemn lands in the several States note:

The right of eminent domain may be exercised by the United States within the several States, so far as is necessary to the enjoyment of the powers conferred upon the United States by the Constitution. (15 Cyc. 564; Kohl *v.* U. S. 91 U. S. 449.)

Consent or ratification by the States is necessary to the acquisition of exclusive jurisdiction, but it is necessary for no other purpose, and can not be required in order to permit the United States to exercise its right of eminent domain. (U. S. *v.* San Francisco Bldg. Co., 88 Fed. 891; Chappell *v.* U. S., 160 U. S. 510.)

The United States, at the discretion of Congress, may acquire and hold real property in any State, and it may be taken against the will of the owners by the United States, in the exercise of the power of eminent domain, upon making just compensation, with or without a concurrent act of the State in which the land is situated. (Van Brocklin *v.* Tennessee, 117 U. S. 154; Luxton *v.* North River Bridge Co., 153 U. S. 529; Fort Leavenworth R. Corp., *v.* Lowe, U. S. 531.)

Very recently State and Federal courts have sustained the validity of laws in North Carolina, Tennessee, and Virginia for condemnation of lands by the State in each of those States to be donated to the Federal Government for maintenance as national parks.

As to the exercise of exclusive jurisdiction by the Federal Government, over such areas acquired by it for park purposes in the several States, the courts sustain that authority.

In the very recent case of Yellowstone Park Transportation Co. *v.* County of Gallatin, et al. (31 Federal, second series, 644), the right of the United States to exercise exclusive jurisdiction in the Yellowstone National Park was upheld by the Circuit Court of Appeals sitting at San Francisco, and by denial of an application for writ of certiorari by the United States Supreme Court on October 14, 1929, despite the views and the vigorous attack by J. Bourquin who was of the view that the United States had no constitutional right to accept and exercise exclusive jurisdiction over any other areas than those specifically enumerated in clause 17, section 8, Article I, of the Constitution, and which he said did not contemplate public park areas. In the opinion the court said:

Cessions of exclusive jurisdiction such as that made by the Legislature of Montana have been very common in the history of this country and their effect is well settled.

An opinion of Attorney General Bonaparte (26 Ops. Atty. Gen. 289) is squarely in point, as to the question we are considering. There the Attorney General held—

That Congress has the right of exclusive jurisdiction over the entire length of Conduit Road, provided the roadbed is owned in fee by the

United States and has been acquired in accordance with the consent of the Legislature of the State of Maryland.

The provisions in Article I, section 8, of the Constitution, that Congress shall have power to exercise exclusive legislation in all cases whatsoever over the District of Columbia and "all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings," contemplates the purchase of land "needful," for any reason to the discharge of any of the constitutional duties or the exercise of any of the constitutional powers of the United States.

The reservoirs, aqueducts, and other constructions appurtenant to the water supply of the city of Washington, D. C., are to be considered "needful buildings" within the meaning of Article I, section 8, of the Constitution, and since a roadway is an appropriate and necessary appurtenance of such works, the Conduit Road constitutes territory within the exclusive jurisdiction of Congress.

It is interesting to note that this question arose in connection with construction of an act of the Legislature of Maryland passed in 1906 providing limits of speed for motor vehicles as follows: Six miles an hour upon the sharp curves of a highway and at the intersection of prominent crossroads or through the built-up portions of a city, town, or village; elsewhere is permitted a speed of 12 miles an hour. Time brings progress and new needs and we can no more foretell now the power needs of 25 years hence than could Maryland 25 years ago foretell our present-day traffic needs. Both Maryland and Virginia have legislated with reference to acquisition of land therein by the Federal Government which I will append as Exhibit B.

While Hon. Harlan Stone, now Justice of the United States Supreme Court, was Attorney General he furnished to the Committee on the District of Columbia of the House, under date of May 7, 1924, an opinion in which he sustained the power of the Federal Government to acquire by condemnation lands at Great Falls for use in connection with development of hydroelectric power at that point. What he says here as to promotion of welfare by water power development would apply with at least equal force to park development:

If Congress can constitutionally condemn land in the District of Columbia for a public park to promote community betterment (Shoemaker *v.* United States, 147 U. S. 282); condemn a right of way to reclaim 800 acres of land (O'Neill *v.* United States, 198 Fed. 677); condemn a town site for the benefit of 1,500 people occupying 640 acres as a means of making compensation for land condemned (Brown *v.* United States, 263 U. S. 78); or condemn lands for preserving memorials of the Battle of Gettysburg in order to enhance the respect and love of the citizen for the institutions of the country (United States *v.* Gettysburg Electric Ry. Co., 160 U. S. 668), it is difficult to conceive of any valid objection to the Government benefiting itself and promoting the welfare of residents of the Nation's Capital by furnishing a public utility service which modern life makes convenient and almost indispensable.

COMPELLING REASONS FOR THE LEGISLATION

I have sought to emphasize the desire of the Nation that Washington in truth be "the most beautiful city in the world," that while $300,000,000 is now being spent by the Federal Government for man-made beauties it is highly desirable that attention be given to the preservation of its most outstanding God-made scenic assets, that an acute emergency exists since without such legislation as this those scenic assets will be seriously lessened by encroachments that are rapidly accelerating their pace, and that this legislation is within the powers of Congress as it is in accord with the will of the Nation.

I have sought to emphasize the widespread support, the unusual indorsement given H. R. 26 in the District of Columbia and in the Nation.

POWER INTERESTS ACTIVELY OPPOSE THE BILL

Why, then, do I take the time of the House with this preliminary appeal for the bill H. R. 26, which is scheduled to come up for consideration in the House next Thursday?

It is because there is active opposition to this bill, no less active because it is quiet and unobtrusive. There is opposition on the part of those who would, for the benefit of their own pocketbooks, give priority to commercial development of Great Falls and if they could have had their way they would have brought this majestic and unique natural scenery to the level of the commonplace. Some suggestions with reference to navigation are also being urged, but if it had not been for the power question I feel sure we would have heard little about navigation.

Certain power interests have for weeks lobbied against this bill here on Capitol Hill. There have been four announced public hearings on this bill before three committees of the House and Senate since December, 1928. At none of those hearings was any voice raised publicly against passage of this bill, although the same power interests that have been lobbying quietly here against the bill had long before that been actively promoting their petition for a preliminary permit with the Federal Power Commission. But at those hearings no voice there proclaimed in the open that the dollars to be made from power at this second-rate power site should be rated higher than the first-rate scenic assets of the National Capital. No voice at those hearings urged that scenic values not to be duplicated elsewhere nor ever to be replaced if destroyed or reduced should be so destroyed or reduced as to make possible manufacture of power easily and as advantageously available from many other sources.

THE BYLLESBY APPLICATION FOR POWER PERMIT

For years power interests have seriously urged replacement of the unique and outstanding natural beauties of Great Falls and the gorge of the Potomac with man-made reservoirs of much more commonplace artificial beauties. In particular, the Byllesby power group, operating under the name of the Potomac River Corporation, has for a considerable time had an application pending before the Power Commission for extensive use of Great Falls in power development. That particular power interest has been lobbying for several weeks at the Capitol for defeat or delay of this important park legislation on the ground that passage of H. R. 26 will forever prevent any navigation or power development at Great Falls and the gorge of the Potomac.

The mere fact that that statement is not true and that H. R. 26, while establishing, in effect, a priority for park purposes, leaves the future question of power and navigation development entirely in the hands of Congress, does not deter these gentlemen in their opposition. This is because what they really desire is not power development consistent with essential park control, but a priority for a power development that would be destructive of this rare scenery at the door of the Capital.

If those lobbyists when approaching other Members have been as lacking in frankness as the one who called upon me, claiming to represent the Byllesby interests, I fear Members of the House have been seriously misinformed.

I understand that the Byllesby group is anxious, through this Potomac River development, to secure its first toe hold in a giant power development on the eastern coast, although when disposed to be frank, power people admit that they do not know the future of water power in comparison with pulverized-coal plants in this coal region. Their original petition for preliminary permit was filed in August, 1927. The consulting engineer of this Byllesby corporation is Colonel Keller, formerly Army engineer and well and favorably known in Congress and in Washington as a former Engineer Commissioner of the District of Columbia. At once on retirement from the Army he took a position as engineer in charge of this Byllesby project for power development at Great Falls. Hearings on their petition were held at Harpers Ferry and Washington August 24 and 25, 1927, before Maj. Brehon Somervell, district engineer of the United States Army, Corps of Engineers. Their proposals were then much along the lines of the Tyler report of several years ago. The Tyler report proposed a power development at Great Falls, Major Tyler then being the district engineer of the War Department. The Tyler program died quietly in the Sixty-eighth Congress. Tyler is now Colonel Tyler, an engineer of the Federal Power Commission, and retains all of his old enthusiasm for power development and man-made scenery. The Byllesby petition of 1927 proposed power dams at Chain Bridge, Great Falls, and Harpers Ferry, and storage dams near Charles Town, Romney, and Berkeley Springs, W. Va., and Broadway, Va. At that hearing they stated it was not their purpose to retail the power developed but that they would seek to sell it to the best advantage to existing companies in Washington, Baltimore, Richmond, and elsewhere.

Mr. BANKHEAD. Mr. Speaker, will the gentleman yield there?

Mr. CRAMTON. I yield.

Mr. BANKHEAD. Is it the gentleman's attitude that the passage of this bill in the phraseology now presented will not as a matter of law prevent the War Department in the exercise of existing right or the Federal Power Commission in the exercise of existing right from permitting water-power development at the falls?

Mr. CRAMTON. I say yes; but in order not to mislead the gentleman I say this: Existing law ties the hands of the Power Commission as to any power development of the Potomac, as I shall set forth, and I think I shall make that perfectly clear, but this bill does not tie the hands of Congress. There is nothing in it to declare any priority policy, but it does morally afford a priority for park purposes. What power development may be consistent with that is for Congress hereafter to determine.

A representative of the Potomac Electric Power Co., which now furnishes power to Washington, declared there is no public

necessity for such power development at this time, as the company stands ready to produce any additional power demanded here, and suggested that generation of power by steam might prove more economical than power produced at Great Falls. The selling price here has been reduced to the low figure of 4.7 cents per kilowatt-hour.

The Byllesby representative stated at those hearings that in his opinion industries would not be drawn to Washington because of the Great Falls power development, but that Baltimore, already an industrial city, would demand more power.

On the basis of that hearing no certain benefit to the National Capital from power development at Great Falls by a private concern appears.

It would be marketed here only through the existing power company, and rates to the consumer would not be likely to be affected. If favorable rates were given, it would tend to create here an industrial city, directly in conflict with the purpose of Washington or the desire of the Nation.

If the power developed were sold elsewhere, it would become part of a great superpower system, and rates would be determined with only limited reference to the cost of this one unit.

There can be no assurance that consumers here or in Baltimore or elsewhere would gain by reason of power development at Great Falls. The Byllesby interests would profit, if their expectations prove correct; but the Nation would lose through the sacrifice of this wonderful scenery.

And note that neither the people of Washington or of Virginia or Maryland are asking for this power development. They are asking for the park development. On the other hand, at the Harpers Ferry hearing the representatives of Brocks Gap protested earnestly against the reservoir planned for that section. They claimed that homes and farms would be inundated and 30,000 people would directly or indirectly be affected adversely. As stated by Harlean James, secretary of the American Civic Association, in American Forests:

> This section was settled in the early days of Virginia and the residents have a peculiar affection for the homes of their ancestors so that, in addition to the very substantial economic damages, they declare that the destruction of their homes, churches, and cemeteries could not bring compensation in money.

The Byllesby plans, as urged then, would have wiped out the present scenery as fashioned by nature and would have given us certain lakes fashioned by the power engineers. Later plans somewhat modify the program, but it seems to me hardly logical for the Nation, chiefly interested in scenic values, to depend for leadership upon power engineers, chiefly concerned about kilowatts and dividends.

The economic value of the power project, the economic necessity for it, the advantages from it, except to the power engineers and stockholders, are all subject to sharp differences of opinion by eminent authorities. The question of waterway development has been surprisingly thrust into the picture, another red herring to be drawn across the trail.

Maj. Brehon Somervell, the District engineer of the Corps of Engineers, War Department, is as enthusiastic for power development at Great Falls as are Colonel Tyler, of the Power Commission, and Colonel Keller, formerly of the Corps of Engineers and now chief engineer for the Byllesby Co.

The War Department in its general survey of streams for study of navigation, power, flood control, and irrigation problems has allotted a large amount of money for study of the Potomac. This study is not complete and final report upon it can not come to Congress for two years or more. But Major Somervell already has his mind made up and does not hesitate to condemn H. R. 26, and indorses a general program of navigation and power development in the Potomac. He not only disposes offhand of the power and navigation problems submitted to the jurisdiction of the War Department and now being studied under his direction, but also the park problems, especially and directly committed by Congress to the National Capital Park and Planning Commission. Though he and Frederic Law Olmstead disagree as to park values, though his decision on park questions is contrary to the position of 10 out of 11 members on the National Capital Park and Planning Commission, Major Somervell is just as sure of his position on landscape values as he is about power and navigation. The following letter has already been brought to the attention of many Members of the House, with suggestion of delay in action upon H. R. 26:

JANUARY 18, 1930.

Hon. WILLIAM E. HULL,

House of Representatives, Washington, D. C.

DEAR MR. HULL: Replying to yours of the 16th, which has just been received, the Cramton bill will not interfere with the Chesapeake & Ohio Canal as it now exists. It will, however, prevent the provision of modern facilities and will involve a waste of $100,000,000 of the country's resources in eliminating navigation and power development on the river.

There is no reason to sacrifice these two highly important interests, as an equally beautiful and far more useful park can be provided in the vicinity of Great Falls in combination with power and navigation than can one with the river in its present state. Furthermore, the low-level park advocated by the Cramton bill would be subject to periodic overflow and disfiguration.

I am sorry not to be able to furnish you my report and plans for this section of the development. I have submitted a report on an application for the development of Great Falls to the Chief of Engineers, United States Army, and perhaps he would be glad to let you see it.

This office is at present at work on the survey directed in House Document No. 308, Sixty-ninth Congress, first session, which provided navigation, power, flood control, and irrigation. Approximately $185,000 has been allotted for this work on the Potomac.

Irrespective of the merits of the situation, it would seem a waste of public funds to rush precipitately into some development until the information called for by Congress is available. We expect to furnish this report in time for transmission to Congress during the coming summer.

I hope this gives you the information you need. I suggest that if further information would be useful that you call on the Federal Power Commission, to which my previous report has been transmitted.

Sincerely,

BREHON SOMERVELL,
Major, Corps of Engineers,
District Engineer.

I was desirous of knowing if these problems had all been disposed of by the Corps of Engineers in advance of the full survey and investigation and the customary hearings. I inquired of the Chief of the Corps of Engineers, General Brown, as to whether Major Somervell was authorized to commit the Corps of Engineers. I have his prompt reply:

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, January 24, 1930.

Hon. LOUIS C. CRAMTON,

House of Representatives, Washington, D. C.

MY DEAR MR. CRAMTON: With reference to your telephone communication with me of a few minutes ago, I wish to inform you that no one has authority at the present time to put forward the views of the Corps of Engineers but myself. And further, when I express them, it will be through my official superiors or upon a resolution from Congress or a committee thereof.

Sincerely yours,

LYTLE BROWN,
Major General, Chief of Engineers.

Further, I am advised, in response to inquiry, that Major Somervell has not been authorized to speak for the Secretary of War on these questions.

The question of feasible power or waterway development is not now before Congress for determination. Congress has before it the question of preservation of the outstanding scenic values of the Potomac. H. R. 26 does not say whether there shall or shall not be hereafter power or waterway development. At the present time and without the passage of H. R. 26 there can be no power or waterway development of this section of the Potomac without action by Congress. That will continue to be the situation if H. R. 26 becomes law. May 29, 1928, a joint resolution introduced by me became law. That reads as follows:

[Pub. Res. 67, 70th Cong.]

House Joint Resolution 307

Joint resolution to preserve for development the potential water power and park facilities of the gorge and Great Falls of the Potomac River

Resolved, etc., That, in order to preserve for development, in whatever manner Congress may ultimately find most desirable, the natural resources in water, potential water power, and park and recreational facilities afforded by the falls and gorge of the Potomac River near the National Capital, the Federal Power Commission be, and hereby is, directed not to issue any permit, preliminary or final, to any private interest for the development of water power in the Potomac River between the mouth of Rock Creek and a point 4 miles upstream from the present intake for the water supply of Washington, until further action of Congress, after consideration of such joint report or separate reports as may be made by the National Capital Park and Planning Commission and the Federal Power Commission as to the best utilization of the said area for the public benefit.

Approved, May 29, 1928.

That was intended to and does tie the hands of the Federal Power Commission as to Great Falls. No permit for power development there can be granted until Congress acts. That

was because Congress desired to preserve the scenic assets of the Potomac appurtenant to the National Capital.

Resolution 67 was, of course, not intended to and it does not tie the hands of Congress. We can proceed, and logically should proceed, to further protect those scenic assets from destruction through industrial and residential encroachment. Resolution 67 was the first step. H. R. 26 is the logical next step. Both are based on the theory that park should in case of conflict have priority over power. What power development is possible, consistent with scenic preservation, is an open question that does not have to be decided now—could not be finally decided now—since economic and other conditions may be expected to continue to change. We can not bind future Congresses and do not desire to do so. We simply desire to move quickly to save these scenic assets and leave open the question as to power development that may be consistent with the park use.

In this whole connection the following letter from Mr. Frederic A. Delano is illuminating. He is an engineer and a business man of large experience, a member of the Federal Reserve Bank Board for this district, and chairman of the National Capital Park and Planning Commission. He recently wrote me:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION,
Washington, January 22, 1930.

Hon. LOUIS C. CRAMTON,
House of Representatives, Washington, D. C.

MY DEAR MR. CRAMTON: At the meeting of our commission on January 18 there came up for discussion the subject of the water-power development of the Potomac and its relation to H. R. 26.

The commission as a whole feels that this subject is treated with adequate clarity in its annual report to Congress for the year ending June 30, 1929, pages 39–41, inclusive (which for your convenience I inclose), and there is probably no necessity for saying more. If more information is desired, we shall, of course, be pleased to furnish it.

A point was made, however, by one of our members, and, in the opinion of several others, it was felt to be of sufficient importance to call to your attention as the author of H. R. 26. The point I refer to was raised by Maj. Gen. Lytle Brown that H. R. 26 might conceivably be in opposition to the directions given to the Corps of Engineers for surveys to be made on the Potomac and other rivers, under House Document No. 308, of the Sixty-ninth Congress, first session, for the reason that under his interpretation of H. R. 26 it prevented for all time the use of the Potomac River for "navigation, flood control, and power development." Most of the commission did not take that view, but as a matter of courtesy to General Brown it was voted that I should call your attention to the matter, though not in any spirit of criticism of H. R. 26, which the majority of us thoroughly approve in its entirety.

It may be appropriate to say that the resolution of our commission, voted December 15, 1928, and quoted at length on page 40 of the report already referred to, was all but a unanimous resolution, the only dissenting vote being that of General Jadwin, who, as explained in the report (p. 41), made a dissenting report on the subject of the power development. It is proper to state that there are those on our commission who would regard the building of any dam creating pools or lakes instead of leaving the river in its natural state, as destroying by little or much the charm of this valley, and there are doubtless others who would regard any such project with an open mind. The original project (the Tyler report of 1921) would have called for a dam 110 feet high near Georgetown and another of about the same height near Great Falls. Its effect on the Great Falls themselves is shown opposite page 40 of our 1929 annual report. The Tyler project would certainly have wiped out most of what our commission considers of great scenic value to the Nation's Capital. As a result of this commission's attitude, various studies were made by a joint committee, to which reference is made in our report—pages 40 and 41—which went far toward a solution which would give considerable water-power facilities and still preserve much of the natural beauty; but even this report was, after detailed study on the ground of each feature and its effect on the natural valley, and after very careful thought and full discussion, turned down by a vote of 10 to 1, General Jadwin alone dissenting. Our reasons for this decision are so clearly and succinctly stated in the report that I need not repeat them, but I may say, solely in my individual capacity, that I have personally studied the matter carefully in the last year, and have consulted competent water-power engineers, as a result of which I have come to the following conclusions:

(1) The Potomac River has by itself small economic value for hydroelectric power. Its chief value is in the development of a chain with large steam-power plants.

(2) There is no likelihood whatever that the development of this power by a private corporation will reduce rates to Washington users, who now enjoy as low a rate (4.7 cents per kilowatt) as exists almost anwhere for retail power.

(3) If the Government owns the river and both banks, it may at some future time determine to make such use of it as it chooses, even though such use, either for navigation or water power, damages or is entirely inconsistent with the development of the scenic value. I do not believe that it is likely to happen in my lifetime nor until economic conditions have greatly changed from those which now obtain; and I believe that if a permit is ever given for the development of power on the Potomac, it should be upon an agreement to serve a stated area at definitely named rates. This would enable Congress to judge what the people would receive as compensation for what they may be asked to give up.

(4) The art of generating and distributing hydro and steam electric power is developing so rapidly that the Government, as the chief interested proprietor of the Potomac, should be in no hurry to "sell its birthright for a mess of pottage." If the Tyler report, which was up to date in 1921, had been adopted and carried out, it would very evidently have been a hideous mistake. That is no criticism of Major Tyler; it is due to changed economic conditions. My counsel is to wait a while, and in the meantime to buy the land, thus leaving the Government free to decide, considering all the merits of the question.

Yours respectfully,

FREDERIC A. DELANO.

The Washington Post, at the time of the Jadwin report, editorially, August 13, 1929, very aptly expressed the preference of the Nation for park as against power:

POWER AT GREAT FALLS

Maj. Gen. Edgar Jadwin, immediately prior to his retirement as Chief of Engineers, recommended to the Federal Power Commission that it grant a preliminary license to the Potomac River Corporation to survey the Potomac with the view to constructing in the Great Falls area a hydroelectric power plant, "subject to certain provisions for the protection of navigation and park development." The preliminary permit would give no authority for construction but would merely permit the mapping and exploration of the gorge by engineers. Authority for construction would have to be granted by Congress, and it is for the guidance of Congress that the Jadwin report was requested, as were others that are being prepared.

It is not surprising that General Jadwin should have been in favor of permitting preliminary work looking toward the development of power in the Potomac. Every waterfall is enticing to an engineer, not for its natural beauty but because it presents an opportunity for the development of comparatively cheap power. General Jadwin speaks as an engineer when he advises that the preliminary work be allowed, and he speaks as a citizen of public spirit when he counsels the protection of navigation and park development.

The important consideration in connection with development of the gorge of the Potomac is whether power is more desirable than a park. The answer is a decided negative. Few urban centers have contiguous regions as naturally beautiful as the gorge of the Potomac, and it would be an outrage upon posterity to rob it of that unspoiled natural playground and park. The public is rather skeptical when it is told that a power plant would actually enhance the beauty of the Great Falls area.

A very pertinent summary of the present park-power situation as affecting this bill comes to me through the courtesy of the gentleman from Connecticut [Mr. TILSON] in the form of a letter from Maj. George H. Gray, a noted architect and city planner of New Haven. His letter follows:

JANUARY 24, 1930.

Hon. JOHN Q. TILSON,
House of Representatives, Washington, D. C.

MY DEAR COLONEL: May I assume that you are interested to learn the opinion of a professional planner who has followed the general development of Washington and the particular needs for the future? In the multiplicity of your duties it might not be strange if the significance of the Cramton bill had escaped your notice. Its provision for freedom to negotiate for and acquire desirable lands in advance of an emergency and rising prices is sound economics, which must appeal to your good judgment. The increasing transportation of electric current over long distance makes the likelihood of need for a local power station seem remote; but in any case the Government could direct carrying out the power project later if need should develop—provided it owned the land.

Yours for the noblest of all capitals,

GEO. H. GRAY,
Major Engineers Reserve Corps.

Some time ago the American Forests, the organ of the American Forestry Organization, discussed the pending application for a power permit, and it says:

THE PALISADES OF THE POTOMAC

In an address on The Nation's Capital, in 1913, Hon. James Bryce said: "No European city has so noble a cataract as the Great Falls of the Potomac, a magnificent piece of scenery, which you will, of course, always preserve."

The Great Falls of the Potomac River are within 15 miles of the White House. Below them for several miles the river pours through

a rocky gorge, with palisades 100 or 150 feet high. The side streams break through these rocky walls in tumultuous cascades. Dense hardwood forests crown the summits of the banks and creep down to the river's edge at many points. Lower down the river broadens into a beautiful wooded valley, with imposing cliffs still continuing on the Virginia shore, and numerous forested islands and bottom lands along the Maryland shore. Near the Great Falls on the Virginia side are remains of locks and a canal constructed by George Washington. The old Chesapeake & Ohio Canal, built in the 1830's, with its picturesque locks and lock houses, parallels the river on the Maryland side.

The gorge of the Potomac is the most strikingly beautiful natural feature in the vicinity of Washington. Its historical associations and relics are replete with charm and interest. It is one of the great outdoor playgrounds of the National Capital. It is an outdoor laboratory for the botanists and zoologists of Washington. To it resort the Audubon Clubs, Boy Scouts, and groups of every kind interested in outdoor things.

It is difficult to believe that the applications now pending before the Federal Power Commission for the construction of two huge dams, one at the lower end and one at the upper end of the Potomac gorge, for the conversion of some 40 miles of the river channel into power reservoirs, can receive the commission's approval. These projects would destroy both the Great Falls and the Little Falls, flood out the old canals, destroy all the timber below the high flood level and convert the channel of the river into lakes, whose water levels would rise or fall as the dictates of power development might require.

Such sacrifices are sometimes demanded in circumstances where there is a clear showing that greater public benefit would result from the commercial exploitation of our rivers and waterfalls. But in the case of the Potomac no such showing has yet been made. Apparently, the beauty of the Potomac gorge would be wrecked not to supply any existing economic need but to furnish with electric energy a hypothetical market that could be created only by industrializing the National Capital and its environs.

This is far from being an ordinary case. Washington is the Capital of the United States. The entire Nation is justly concerned with the preservation of its dignity, beauty, and charm. We should certainly pause before acceding to a project that involves the deliberate conversion of our National Capital into a factory town. Few cities in America have the opportunities for preserving natural beauty in their immediate environment that are available to Washington. For this we must thank the sagacity of the first President, who selected its site and who knew the lower Potomac as few other Americans have ever known it.

The issue between the destruction of a spot of rare beauty, rarely placed for public enjoyment and national appreciation, is squarely joined. The American Forestry Association is firmly of the opinion that the primary consideration in the use made of the palisades of the Potomac River is how this area will best contribute to the beauty, dignity, and national distinction of the Capital of the United States. We believe that no showing of public benefit or civic need has yet been made that would justify the virtual destruction of the Potomac gorge as a thing of beauty or the abandonment of the long-standing project for incorporating this section in the park system of Washington.

When we want an opinion on power we should go to a power engineer. When we want an opinion on scenic assets of the National Capital we will naturally go to a landscape architect, a student of scenery. I have the following estimate of these scenic assets of the National Capital, which comes to me from Mr. Arthur A. Shurtleff, the noted landscape architect, of Boston, now president of the American Society of Landscape Architects:

It is hard to believe that Washington on the Potomac possesses notable canyon scenery almost within sight of the dome of the Capitol. To the ordinary visitor the Washington terrain is flattish, like the near-by meadows and the familiar slopes of the river. The Potomac at the Lincoln Memorial is pond-like and sluggish like a backwater.

But take your car and see the country a half hour upstream. Then you come upon canyons. They drop down sheer-sided like many of the famous ones of the West, and they lead on straight and frowning for miles. The river is not placid here. It runs like a mill race. You have no temptation to walk near the edge of the palisades. A misstep would sink you straight down in the swift current which has swept the canyon clear.

At a mile above the canyon's lower portal you hear a distant roar. No one needs to tell you that great falls lie above. That sound does not rise from local rapids in the canyon. Between those walls the silence of the great stream is its token of might, but at the canyon's upper end the roar comes from a fall which is well named the Great Falls of the Potomac. Here the whole stream plunges down into the canyon over a series of small falls extending for nearly a mile and dropping from terrace to terrace with power which makes you wonder at the beauty and the wheels it might turn if dammed.

This stream possesses power to move trolley cars as well as to move the human spirit with awe. Of course, the engineer is enthralled by it like the man in the street who worships it as a thing of vast beauty. There could be little water in the deep fall if the engineers did not covet it for power. Their figures prove that the depth of the canyon, its length, and the height of the falls are not a poetical fancy. The man who is enraptured by the loveliness of the raging water, the cliffs, the overhanging woodlands, and who pictures these as a part of the permanent scenic interest and beauty of the region of the National Capital does not need to plead that these falls are notable in size. The engineers have proved it by their desire to back the water into the canyon to the very tops of the palisades and to build a second dam across the brink of the Great Falls. The beauty would vanish, but the trolley cars would move and lights would gleam by the power 20 miles away.

Who shall prevail? Shall the man prevail who would preserve this notable scenery for the Nation in the Nation's Capital, where it can be enjoyed by every visitor to our memorials and monuments, or shall the man prevail who would exchange this beauty for kilowatts, which can be had nowadays as a commodity from the wires of any long-distance power line?

ARTHUR A. SHURTLEFF,
President American Society of Landscape Architects.
JANUARY 25, 1930.

Just a word in conclusion, Mr. Speaker. I want to emphasize again that the Planning Commission, as directed by Congress have drawn their plans. The States of Virginia and Maryland and the people thereof are waiting an opportunity to cooperate with Congress to make those plans effective. The very scenery that is the essential element of those plans is daily being encroached upon and destroyed. Day by day that goes on. The bill does not tie the hands of Congress as to the future as to power development or navigation. It could not tie the hands of Congress if we said so in the bill; but I expressly disclaim any such desire.

I do hold that the passage of this legislation should be taken by future Congresses as a desire that the scenic features of the Potomac be given a priority, and that there be only such power and navigation developed there as would not destroy the scenic value. To what extent that is possible, I do not know, and I assert that no one knows. Conditions will change from year to year, and that which may be lacking in value to-day may be valuable in 20 years from now, just as the 6-mile speed limit of 30 years ago seems ridiculous to-day. It will be urged, I assume, when this bill comes up for passage, that it be amended, and that the hands not of the power commission—they are tied now by existing law—but of the Planning Commission created by Congress to do a certain job shall be tied until some vague, indefinite time in the future, when we may want to provide for power or navigation development.

I insist that the scenic values must have the first consideration. The other matters can be considered later when the emergency develops.

Now I yield to the gentleman from Maryland.

Mr. LINTHICUM. How far do your plans propose to go into Maryland?

Mr. CRAMTON. Four miles above Great Falls. No; I am wrong. Resolution 67, tying of the hands of the Power Commission, says 4 miles. As to H. R. 26, it says above Great Falls, but the bill does not expressly state.

Mr. LINTHICUM. Is it contemplated that there be a contribution by the National Government toward the payment of the $16,000,000 contributed by the District of Columbia?

Mr. CRAMTON. The bill makes no change in regard to the fiscal relations. The existing law provides that expenditures for this purpose shall be paid as are other expenses of the District of Columbia, of which we pay our share, it now being $9,000,000 each year. Whatever the basis may be, whether it is a lump sum of 50 per cent or 25 per cent—whatever our basis would be for that year, it would not be affected by this legislation.

Mr. LINTHICUM. I have no doubt the gentleman heard or read Governor Ritchie's speech?

Mr. CRAMTON. Yes; I heard it with much interest and pleasure and have quoted from it.

Mr. LINTHICUM. Our people are in sympathy with your bill and will do all they can to help to beautify the National Capital.

Mr. CRAMTON. Yes; and that is true both with Maryland and Virginia.

Mr. DUNBAR. I understood the gentleman to say that in the bill he advocates he holds that the scenic values along the Potomac should be of the first consideration.

Mr. CRAMTON. Yes. I think we could fairly maintain that.

Mr. DUNBAR. And any question of navigation or power development would be an after consideration which would afterwards be provided for?

Mr. CRAMTON. Navigation can only be provided for by the action of Congress. Whenever the time comes for the needs of navigation to be taken up, needs that would tend to the destruction of scenic values, then that action may be taken; but I doubt if that time will ever come.

Mr. DUNBAR. Was not one of the sentiments most ardently entertained by George Washington that there should be a passageway between the Potomac and the Ohio?

Mr. CRAMTON. Yes; and he endeavored to build one. It is interesting to see the structure that was then built; it seems now so inadequate.

I am going to venture this assertion, that George Washington located the Capital of his country here not because he wanted it near a waterway which could be connected with the Ohio but because of the beauties of nature that abounded here.

Mr. DUNBAR. That may be true.

Mr. LAGUARDIA. Does the gentleman know whether the present power company in Washington has an exclusive franchise in the District?

Mr. CRAMTON. I could not answer that.

Mr. LAGUARDIA. The gentleman says that the development of power would not benefit the District or the surrounding country. I understand the existing companies have exclusive contracts now.

Mr. CRAMTON. The hearing quoted the Potomac Power Co. as saying they do not expect to retail the power themselves. They expect to sell the power to distributing plants already in operation in Baltimore and other cities.

Mr. LAGUARDIA. Is there anything in the gentleman's bill that would preclude the development of the existing potential power should the Congress require it?

Mr. CRAMTON. There is nothing to prevent any kind of development that the Congress might authorize.

Mr. DUNBAR. Does the gentleman assert that the power companies are attempting to oppose the purposes you have in mind in the proposed development?

Mr. CRAMTON. The power interest seeking the contracts have been actively lobbying here for several weeks urging delay and praying for defeat of the bill.

Mr. McDUFFIE. I would like to ask the gentleman this question. In the event Congress decided the Government should build or that the District of Columbia should build a vast power plant on the Potomac River, will not this bill, if it becomes a law, prevent the development of that river for power, navigation, flood control, to the fullest capacity unless, of course, the Congress revises its policy as set out in this bill?

Mr. CRAMTON. Answering that, I will say that legally the passage of this bill, even if it expressly stated that no power could ever be developed, could be overruled by the action of the next Congress or a subsequent Congress.

Mr. McDUFFIE. I understand that.

Mr. CRAMTON. But it does not say that and Congress will always have it in its hands to do as it thinks wise. [Applause.]

Mr. McDUFFIE. If Congress wants to adhere to policy in H. R. 26, that would end the question of other interests in so far as the maximum development of the stream is concerned as to navigation, flood control, and power.

Mr. CRAMTON. We are not now asking Congress to declare for all time its policy as to power development, for no man can accurately forecast the long and rapidly changing future.

EXHIBIT A

H. R. 26

A bill for the acquisition, establishment, and development of the George Washington Memorial Parkway along the Potomac from Mount Vernon and Fort Washington to the Great Falls, and to provide for the acquisition of lands in the District of Columbia and the States of Maryland and Virginia requisite to the comprehensive park, parkway, and playground system of the National Capital

Be it enacted, etc., That there is hereby authorized to be appropriated the sum of $7,000,000, or so much thereof as may be necessary, out of any money in the Treasury not otherwise appropriated, for acquiring and developing, except as in this section otherwise provided, in accordance with the provisions of the act of June 6, 1924, entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," as amended, such lands in the States of Maryland and Virginia as are necessary and desirable for the park and parkway system of the National Capital in the environs of Washington. Such funds shall be appropriated as required for the expeditious, economical, and efficient development and completion of the following projects:

(a) The George Washington Memorial Parkway, to include the shores of the Potomac, and adjacent lands, from Mount Vernon to a point above the Great Falls on the Virginia side, except within the city of Alexandria, and from Fort Washington to a similar point above the Great Falls on the Maryland side, except within the District of Columbia, and including the protection and preservation of the natural scenery of the Gorge and the Great Falls of the Potomac, and the acquisition of that portion of the Chesapeake & Ohio Canal. The title to the lands acquired hereunder shall vest in the United States, and said lands, including the Mount Vernon Memorial Highway authorized by the act approved May 23, 1928, upon its completion, shall be maintained and administered by the Director of Public Buildings and Public Parks of the National Capital, who shall exercise all the authority, powers, and duties with respect to lands acquired under this section as are conferred upon him within the District of Columbia by the act approved February 26, 1925; and said director is authorized to incur such expenses as may be necessary for the proper administration and maintenance of said lands within the limits of the appropriations from time to time granted therefor from the Treasury of the United States, which appropriations are hereby authorized. Said commission is authorized to occupy such lands belonging to the United States as may be necessary for the development and protection of said parkway and to accept the donation to the United States of any other lands by it deemed desirable for inclusion in said parkway. As to any lands in Maryland or Virginia along or adjacent to the shores of the Potomac within the proposed limits of the parkway that would involve great expense for their acquisition and are held by said commission not to be essential to the proper carrying out of the project, the acquisition of said lands shall not be required, upon a finding of the commission to that effect. Said parkway shall include a highway from Fort Washington to the Great Falls on the Maryland side of the Potomac: *Provided*, That no money shall be expended by the United States for lands for any unit of this project until the National Capital Park and Planning Commission shall have received definite commitments from the State of Maryland or Virginia, or political subdivisions thereof or from other responsible sources for one-half the cost of acquiring the lands in its judgment necessary for such unit of said project deemed by said commission sufficiently complete, other than lands now belonging to the United States or donated to the United States: *Provided further*, That no money shall be expended by the United States for the construction of necessary highways on the Maryland side of the Potomac, nor for any necessary highway to connect the Highway Bridge, the Arlington Memorial Bridge, and the Key Bridge on the Virginia side until the National Capital Park and Planning Commission shall have received definite commitments from the State of Maryland or Virginia, or political subdivisions thereof or from other responsible sources, for one-half the cost of that portion of said highways lying within any such unit of the project: *Provided*, That in the discretion of the National Capital Park and Planning Commission, upon agreement duly entered into by the State of Maryland or Virginia or any political subdivision thereof to reimburse the United States as hereinafter provided, it may advance the full amount of the funds necessary for the acquisition of the lands and the construction of said roads in any such unit referred to in this paragraph, such agreement providing for reimbursement to the United States to the extent of one-half of the cost thereof without interest within not more than five years from the date of any such expenditure.

(b) The extension of Rock Creek Park into Maryland as may be agreed upon between the National Capital Park and Planning Commission and the State of Maryland or any political subdivision thereof, for the preservation of the flow of water in Rock Creek, and in the discretion of the National Capital Park and Planning Commission the extension of the Anacostia park system up the valley of the Anacostia River, Indian Creek, the Northwest Branch, and Sligo Creek, and of the George Washington Memorial Parkway up the valley of Cabin John Creek, as may be agreed upon between the National Capital Park and Planning Commission and the State of Maryland or any political subdivision thereof: *Provided*, That no money shall be expended by the United States for lands for any such extensions until the National Capital Park and Planning Commission shall have received definite commitments from the State of Maryland or one or more political subdivisions thereof or from other responsible sources for two-thirds the cost of acquiring the lands in its judgment necessary for such unit of said extensions deemed by said commission sufficiently complete, other than lands now belonging to the United States or donated to the United States: *Provided further*, That in the discretion of the National Capital Park and Planning Commission upon agreement duly entered into by the State of Maryland or any political subdivision thereof to reimburse the United States as hereinafter provided, it may advance the full amount of the funds necessary for the acquisition of the lands in any such single unit of any such extension referred to in this paragraph, such agreement providing for reimbursement to the United States to the extent of two-thirds of the cost thereof without interest within not more than five years from the date of any such expenditure. The title to the lands acquired hereunder shall vest in the United States, but the development and administration thereof shall be under such local authority as shall be approved by the National Capital Park and Planning Commission and in accordance with regulations approved by the National Capital Park and Planning Commission. The United States is not to share in the cost of construction of roads in the areas mentioned in this paragraph, except if and as Federal-aid highways, but such roads, if constructed, shall be with the approval of the National

Capital Park and Planning Commission and in accordance with plans duly approved by said commission.

SEC. 2. Whenever it becomes necessary to acquire by condemnation proceedings any lands in the States of Virginia or Maryland for the purpose of carrying out the provisions of this act, such proceedings shall conform to the laws of the State affected in force at that time in reference to Federal condemnation proceedings. No payment shall be made for any such lands until the title thereto in the United States shall be satisfactory to the Attorney General of the United States.

SEC. 3. Whenever the use of the Forts Washington, Foote, and Hunt, or either of them, is no longer deemed necessary for military purposes they shall be turned over to the Director of Public Buildings and Public Parks of the National Capital, without cost, for administration and maintenance as a part of the said George Washington Memorial Parkway.

SEC. 4. There is hereby further authorized to be appropriated the sum of $16,000,000, or so much thereof as may be necessary, out of any money in the Treasury of the United States not otherwise appropriated, for the acquiring of such lands in the District of Columbia as are necessary and desirable for the suitable development of the National Capital park, parkway, and playground system, in accordance with the provisions of the said act of June 6, 1924, as amended, except as in this section otherwise provided. Such funds shall be appropriated for the fiscal year 1931 and thereafter as required for the expeditious, economical, and efficient accomplishment of the purposes of this act and shall be reimbursed to the United States from any funds in the Treasury to the credit of the District of Columbia as follows, to wit: $1,000,000 on the 30th day of June, 1931; and $1,000,000 on the 30th day of June each year thereafter until the full amount expended hereunder is reimbursed without interest. The National Capital Park and Planning Commission shall, before purchasing any lands hereunder for playground purposes, request from the Commissioners of the District of Columbia a report thereon.

EXHIBIT B

MARYLAND LAWS

Annotated Code of Maryland, section 31, 1906, chapter 743, section 1

"The consent of the State of Maryland is hereby given in accordance with the seventeenth clause, eighth section, of the first article of the Constitution of the United States, to the acquisition by the United States, by purchase, condemnation, or otherwise, of any land in this State required for sites for customhouses, courthouses, post offices, arsenals, or other public buildings whatever, or for any other purposes of the Government."

Chapter 448 of the Laws of Maryland for 1927, creating the Maryland-Washington metropolitan district and the Maryland-National Capital Park and Planning Commission, in section 6 provides that—

"* * * For the purpose of financing, or assisting in the financing, of the acquisition of land or other property for parks, parkways, forests, streets, roads, boulevards, or other public ways * * * or for the improvement or development of the same, the commission may receive and expend any contributions, donations, or appropriations * * *: *Provided, however,* the title of any such land or property shall not be placed in or granted to the United States or in or to any person, corporation, or political community other than the District itself without the approval of the General Assembly of Maryland, nor shall the control, maintenance, operation, or policing of any such park, parkway, forest, street, road, boulevard, or other public way, ground or space within the District, be placed in or surrendered to the United States or to any other person, corporation, or political community other than the commission itself without the approval of the General Assembly of Maryland. * * *"

Section 7 provides:

"That for the purpose of carrying out the plan or any part thereof, the commission shall have the power to acquire for parks, parkways, forests, streets, roads, boulevards, or other public ways, grounds or spaces, by means of donations, purchase, or condemnation, land or other property located within the District. * * *"

This act also provides for cooperation with the National Capital Park and Planning Commission.

VIRGINIA LAWS

Virginia Code of 1924, Annotated

"The consent of this State is hereby given to the acquisition by the United States, or under its authority, by purchase, lease, condemnation, or otherwise, of any land acquired, or to be acquired in this State by the United States, from any individual, body politic or corporate, for sites for customhouses, courthouses, post offices, arsenals, soldiers' homes, or other public building whatever, or for the conservation of the forests or natural resources of the State, or for the improvement of the rivers, harbors, and coast defenses, whether said land be above or below water, and for any other purposes of the Government of the United States; * * *."

Virginia Code of 1924, Annotated, section 4388a, et seq., Federal condemnation act, provides procedure for acquisition of land in State by the United States by condemnation when legislature of State has theretofore or thereafter consented to such acquisition. (1918, p. 509.)

1926 Acts of Assembly, Virginia

CHAPTER 269. Joint resolution in relation to the National Capital Park Commission. (Signed March 23, 1926.)

Whereas the Sixty-eighth Congress of the United States created a body known as the National Capital Park Commission, having for its function to prevent the pollution of Rock Creek and the Potomac and Anacostia Rivers, to preserve forests and natural scenery in and about Washington, and provide for the comprehensive and continuous development of the park, parkway, and playground system of the National Capital; and

Whereas the act creating such commission provided, among other things, for the extension of the park, parkway, and playground system of the National Capital into adjacent areas of Maryland and Virginia; and

Whereas the act creating said commission authorized the commission to acquire land in Maryland and Virginia, by such arrangement as to acquisition and payment for the land as it shall determine upon by agreement with the proper officials of the States of Maryland and Virginia; and

Whereas it is the desire and purpose of the people of Virginia to cooperate in all reasonable ways with the orderly development and beautification of the Capital of this Nation: Now, therefore

1. *Be it resolved by the senate (the house of delegates concurring)*, That the Governor of Virginia, in his own person or through such representatives as he may select to act in his place, is hereby empowered to act upon behalf of and to represent the State of Virginia in connection with the functioning of the National Capital Park Commission: *Provided, however,* That nothing herein contained shall be construed to empower the governor, or any representative or representatives appointed by him, to grant any right in the name of this State not already specifically authorized by the law of Virginia, nor to impose any financial obligation upon the State of Virginia, the purpose of this resolution being only to designate the "proper officers" referred to by the act of Congress creating the National Capital Park Commission, so that said commission may function within the State of Virginia.

CHAPTER 465. An act to authorize cooperation on the part of the proper authorities of the State of Virginia in respect to extension into the State of Virginia of the park, parkway, playground, water, drainage, and sewerage systems of the District of Columbia, and to prevent pollution of the waters of the Potomac River and to preserve forests and natural scenery in connection with such projects. (Approved March 24, 1926.)

Whereas by an act of the Congress of the United States approved on June 6, 1924, entitled "An act for a comprehensive development of the park and playground systems of the National Capital," a commission was established, known as the National Capital Park Commission, which was thereby authorized to acquire land by purchase or condemnation, either in the District of Columbia or in the States of Maryland and Virginia, for suitable development of the National Capital park, parkway, and playground systems, and make such arrangements as to acquisition and payment for the land as it will determine upon by agreement with the proper officials of the States of Maryland and Virginia; and

Whereas a bill has been introduced into the Congress of the United States for the purpose of amending the aforesaid act of June 6, 1924, and providing that in order to develop a comprehensive, consistent, and coordinated plan for the National Capital and its environs in the States of Maryland and Virginia, to preserve the flow of water in Rock Creek, to prevent pollution of Rock Creek and the Potomac and Anacostia Rivers, to preserve forests and natural scenery in and about Washington, and to provide for the comprehensive, systematic, and continuous development of park, parkway, and playground systems of the National Capital and its environs a commission known as the National Capital Park and Planning Commission is created, and said commission is charged with the duty of carrying out said purposes and certain other purposes as more fully specified therein, including drainage, sewerage, and water supply; and

Whereas it is desired to make provisions whereby the State of Virginia may cooperate with the National Government in any such undertakings: Now, therefore,

1. *Be it enacted by the General Assembly of Virginia*, That the United States Government or any duly authorized representative thereof, or any commission now or hereafter established by the Congress of the United States, is hereby given the right of acquisition of title, or any interest or estate therein, by purchase or condemnation, of lands in the State of Virginia, for any of the purposes aforesaid, the proceedings therein, wherein condemnation with the consent of the governor is resorted to, to conform to the provisions of law already in force in this State in reference to Federal condemnation proceedings, for the acquisition of a fee simple, or other estate or interest as may be desired in such lands.

2. That concurrent jurisdiction over any such lands and interests or estates therein acquired by condemnation proceedings or otherwise is hereby ceded to the Government of the United States, in accordance

with the provisions of the sections of the Code of Virginia already in force, ceding to the United States Government concurrent jurisdiction over certain lands within the State of Virginia.

3. That the State highway commission, the Council of the City of Alexandria, Va., the Board of Supervisors of Arlington and Fairfax Counties, are hereby jointly and severally authorized to contribute in whole or in part to the financing of any such developments as above set forth, where benefits result therefrom within the State (that is to say, that to the extent that any such development relates to State highways, the State highway commission may contribute; if a benefit is to result to the said city, the council of the city may contribute; if a benefit is to result to either of said counties, the board of supervisors of the county so to benefit may contribute), and are hereby given the power to contract with the United States Government or its authorized representatives or with any such commission, as above specified, now or hereafter established, by the Congress of the United States, in reference to any such matters as are specified above, providing that any such contract or agreement shall have the approval of the attorney general and the Governor of Virginia.

4. Should any part of this act be held unconstitutional, it shall nevertheless continue in full force and effect as to the provisions thereof which are constitutional.

Mr. DEMPSEY. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER. The gentleman from New York is recognized for 10 minutes.

Mr. DEMPSEY. Mr. Speaker, I rise not in opposition to the bill, but in support of a proper bill. I rise not on a question of power, which the gentleman has debated at great length, but on a question of navigation, and I think the gentleman and I will be entirely in accord before I have finished what I have to say. I want to touch briefly upon what the gentleman has stated about power. I can not believe, and it is clear from the gentleman's argument that he can not reach the conclusion that this is time to debate what the power necessities will be at the end of 10 years, or 20 years, or 30 years, nor do I think that we ought even by inference to criticise the attitude of the officials who are our advisers in expert matters, such as Major Somervell, a man of signal ability and broad knowledge and having no possible interest except that of the United States in rendering an opinion to the Congress of the United States as an official of the Government.

There can be no question that he has studied this problem carefully, thoughtfully, and with all of the splendid training and great ability which he has. There equally can be no question that in rendering that opinion he has rendered the opinion of an honest and wholly disinterested man. I am sure my friend from Michigan would not want for one minute to convey any other impression from what he said.

Mr. CRAMTON. Does the gentleman desire to yield?

Mr. DEMPSEY. Yes.

Mr. CRAMTON. I have no desire to convey any impression that will involve any question as to the motives, capacity, or integrity of Major Somervell, but I do question a judgment which would permit one in charge of an investigation that is still to cost a great deal of money to give an answer to the problem before he completes the investigation.

Mr. DEMPSEY. Of course, the answer to that is very obvious. Suppose we did commit to the engineers the problem of making an elaborate investigation which involves maps, profiles, and infinite office work? What would you think of the ability of an engineer who had spent months—and, perhaps, years—in the study of the question and who, when it was necessary, because a bill is to be passed, to express an opinion now or not to express one until it would be of no use or value; what would you think of the capacity of a man who waited for a year or two after the issue had been settled to express his opinion? Of course, that would be ridiculous and absurd, and you would say such an official was wholly incompetent.

But I pass from this power question by simply saying this: That I agree with the gentleman from Michigan that it is idle to debate its importance to-day. It may become of no importance, as the gentleman at considerable length argued, or it may become of vital importance as the years go on, and let us not attempt to settle by guess and surmise, which is the best we could possibly do now, this question which may become so important in the future. But I did not arise, as I said, to discuss the power question. I did arise to discuss a question which is of vital, of far-reaching, and of stupendous importance to the United States and to the constituents of many of you who are seated here. As has been suggested by the gentleman from Indiana, one, not of the dreams, but one of the visions of the great Father of His Country was to see a splendid highway of commerce leading from the sea through the Potomac to unite its waters with that of the Ohio. He saw the great, the vast, and the splendid natural resources it reached. He saw the infinite wealth to be created; he saw that that highway had always been, and will always be, the cheapest and the natural way to transport freight.

He saw 18,000,000,000 tons of smokeless coal, the only supply in the world, here to the west of us. He saw Fort Pitt, soon to become Pittsburgh, that tremendous iron and steel center. He saw the enormous tonnage to come from the coal and the iron and the steel, and he saw how cheaply, how economically, and how directly all of that commerce could be carried by this splendid connected system of waterways. So, gentlemen, it was brought to my attention that this question was involved. Now, I say to my friend from Michigan that I am not against his bill. I am not against the prompt passage of his bill. I believe his bill is a good bill and I believe with him it should be promptly passed. But I believe it should safeguard all other interests. I believe navigation should be protected. I believe we should not decide to-day by attacking some mythical person, Bill Smith, or whatever his name may be. It is so easy, it is so cheap, to attack somebody and say he is going to make some money. I do not regard it as a crime to make money. I think that is the incentive to effort in the United States and elsewhere. I am not attacking these men nor am I lauding them, because I do not believe there is going to be any immediate power permit granted. But I think this: I do not think anybody should be attacked because somebody of that name or some other name is to make a little money, if they make it honestly, if they bring benefits to the community at the same time, if they bring power more cheaply, if they build up industry, and if they add to the wealth of the country. If they do that, God speed them and let them make a proper and legitimate return upon their investment and their courage and their foresight. It is demagogic to attack a man because he has that ambition, a proper ambition.

Mr. CRAMTON. The gentleman entirely misapprehends my speech. I have no criticism of the Byllesby interests for making money, but I do believe Congress would be derelict in its duty if it parted with this priceless scenery of the National Capital in order to let them make money. [Applause.]

Mr. DEMPSEY. I quite agree with the gentleman, and there is no doubt about that. He and I are in perfect accord. I do not think he intended what I have said. I simply said that should not be done.

Mr. CRAMTON. But the gentleman's reference to my speech as demagogic indicates a lack of harmony on his part.

Mr. DEMPSEY. I did not mean the gentleman had gone that far. I simply said that such an argument should not be made, and I did not mean to say the gentleman had advanced that far. The gentleman and I are largely in accord. I sympathize with the purpose of the gentleman's bill and I want to see it passed promptly, but I do want these great interests safeguarded.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. WILLIAM E. HULL. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from New York may proceed for 10 additional minutes. Is there objection?

Mr. TILSON. Mr. Speaker——

Mr. WILLIAM E. HULL. This is an important question.

Mr. TILSON. Yes; this is a very important question, but it is coming up for discussion in this House within a few days.

Mr. DEMPSEY. I ask that I may proceed for five minutes.

Mr. TILSON. We have other legislation of importance to-day, and as this bill is to come up for consideration under a special rule, when there will be ample time for debate, it does not seem to me that we should proceed further with its discussion now.

Mr. DEMPSEY. Would it be unreasonable, in view of the fact that the gentleman from Michigan has had an hour, for me to ask for 20 minutes, but I will ask only for 5 additional minutes, making 15 minutes? Does the gentleman think that would be an unreasonable request?

Mr. TILSON. On Thursday there will be ample time for discussion on the rule and then on the bill itself.

Mr. McDUFFIE. How much time?

Mr. TILSON. There will be two hours of general debate.

Mr. McDUFFIE. Why should not the matter be discussed in advance and not wait until then?

Mr. TILSON. We have two important bills to consider to-day; therefore I think we should not continue to discuss this question, when the bill to which it relates is not under consideration. It is important, but there is a proper time for it, and that time will be next Thursday. However, I shall offer no objection to the gentleman's proceeding for 10 minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. DEMPSEY. Gentlemen, I want to make it perfectly plain, as I have tried to do several times, that I agree with the gentleman from Michigan [Mr. CRAMTON], and I have not by thought or inference attempted to criticize the gentleman in the slightest degree, and if anything I have said could be so construed I want it understood it was not intended, because I have nothing except the kindest feelings toward the gentleman from Michigan and the gentleman knows it.

This matter came to me as chairman of the Committee on Rivers and Harbors. I did not seek it. So this morning I have been in conference with the Secretary of War, with the chairman of the National Capital Park and Planning Commission, with the engineers, and the gentleman from Illinois, Mr. WILLIAM E. HULL, was also present.

We have threshed this whole matter out with a desire to reach a settlement that would be advantageous to everybody, and we have agreed upon an amendment.

Mr. CRAMTON. Mr. Speaker, if the gentleman will permit, I had some discussion with the Secretary of War and understood that when this matter was threshed out I would have an opportunity to be present. If it has been threshed out and an agreement reached with reference to an amendment to the bill, there must have been a misunderstanding between the Secretary of War and myself.

Mr. DEMPSEY. Of course, I do not know anything about that arrangement.

Mr. CRAMTON. If the Secretary of War sat in on this agreement.

Mr. DEMPSEY. The Secretary of War sat in the whole morning. We were in conference for perhaps an hour and a half. Mr. Delano, the chairman of the commission, the Secretary of War, Colonel Grant, and the engineers were also present. Of course, I would have been delighted to have notified the gentleman from Michigan had I known of the fact he had this arrangement.

Mr. CRAMTON. There was no reason for the gentleman from New York to notify the gentleman from Michigan, but under my understanding I should have been notified by the Secretary of War. I was in my office and was available and received no notice.

Mr. DEMPSEY. The agreement reached was substantially that we should insert on page 2 of the bill a proviso. This proviso is a proviso prepared by the Park and Planning Commission and slightly altered by myself. It was their proviso. They were going to suggest it. They had it in typewritten form and have had it for several days. I simply suggested some additional language to be used to be sure that we took care of navigation and particularly of this navigation which we believe is certain to come, and the day only indefinite and uncertain, connecting the headwaters of the Potomac with the Ohio River.

Mr. CRAMTON and Mr. HUDSON rose.

Mr. CRAMTON. Is the gentleman entirely certain in his own mind and have the investigations gone far enough to be sure that when this time comes it will be the Potomac rather than a stream in Virginia that would be the proper connection?

Mr. DEMPSEY. The engineers advise me that the Potomac will be the stream, but regardless of that, we are not saying in this proviso——

Mr. HUDSON. Is the gentleman going to put the proviso in the RECORD?

Mr. DEMPSEY. Yes. We are not saying in our proviso that something shall be done. We are not compelling at this time the connection of these two streams. We are not adopting that project, but we are reserving the right to adopt the project whenever and as soon as the interests of commerce and its development shall demand it in order that wealth may grow and industry may have its legitimate progress, and in order that the people of this country may have that degree of prosperity, particularly in this great coal and iron section, to which they are entitled, and not be fettered or bound or held by something which we do here to-day.

Mr. CRAMTON. If the gentleman will yield, I will be glad, since the gentleman has the bill in his hand, if he will indicate the language in the bill that would prevent that being done anyway. I fear what the gentleman desires is to have some affirmative indorsement of this waterway proposition, whereas there is no negative whatever in the bill as it stands.

Mr. DEMPSEY. The gentleman's mind will be disabused, and I will say to the gentleman that this proviso was the product, not of the gentleman who is addressing the House, but was the product of the Park and Planning Commission, which I think have the same interests in mind as the gentleman from Michigan, and have the time to devote to the study of this great subject, which the gentleman from Michigan, with his arduous duties here in the House, highly important as they are, can not by any possibility have.

Mr. MOORE of Virginia. Will not the gentleman put in that proviso while he has the time to do it?

Mr. McDUFFIE. Will not the gentleman read the proviso now?

Mr. DEMPSEY. I will give the proviso according to my recollection. I left the copy with the Secretary of War and he was to send me a copy, but it has not reached me.

Mr. TILSON. May I suggest that the gentleman put it in his remarks as an extension?

Mr. DEMPSEY. Yes; I will be pleased to do that. That is a very good suggestion.

Mr. THATCHER. Can not the gentleman give us the purport of it?

Mr. DEMPSEY. Yes.

Mr. DUNBAR. Will the gentleman yield there?

Mr. DEMPSEY. Yes.

Mr. DUNBAR. As chairman of the Committee on Rivers and Harbors the gentleman is closely associated with flood control in the Mississippi Valley. The flood situation there is largely augmented and enhanced by floods in the Ohio Valley. Is it not the gentleman's opinion that if a waterway could be constructed from the Ohio River through the Potomac to the Atlantic Ocean it would add just that much to the prevention of floods in the Ohio River, which would help to a small extent at least, in the prevention of floods in the Mississippi Valley?

Mr. DEMPSEY. In the proviso there is a provision made that we may in the future legislate as to navigation, flood control, irrigation, drainage, and hydroelectric power; in other words, as to all of the uses to which water is or may be put.

Mr. WILSON. If the gentleman will yield, how long is it expected to be before this report will be made by the Corps of Engineers of the Army on just what the gentleman is now discussing?

Mr. DEMPSEY. A full report will be made next July, but an advance report, I hope, will be made before Thursday.

Mr. WILSON. On the navigation, flood control, irrigation, and drainage?

Mr. DEMPSEY. Yes. Now let me summarize what I have said. This bill is a good bill, and I honor the gentleman from Michigan for urging it. The grounds upon which he urges it are solid, sound, substantial. The fact that it is beneficial in its main features, the fact that it will add to the beauty and enjoyment of the National Capital, should not befog our ideas in regard to it and lead us to overlook the other important matters connected with the great waterway here at our doors.

Because we want to beautify Washington, because we want a beautiful park in which to drive and see the beautiful gorge of the Potomac, because we want a playground for ourselves and our families and children—let us not forget that we need to connect the waterways of this country so that its commerce may be carried, so that the coal, steel, and iron may be transported to its users at the least possible expense. And so that raw materials may be transported without any unnecessary charge, so that we may have free navigation, so that, if power is involved—and I do not say that it is or is not—so that if it is beneficial we may reserve it and have it when the time for its use comes.

Let us remember that all of these projects, for navigation, power, flood, and drainage, every one of them, can be provided for and safeguarded without in the least interfering with the purpose and scope and usefulness of this great bill. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

Mr. CRAMTON. I ask unanimous consent that the gentleman have one minute more.

The SPEAKER. Without objection, it is so ordered.

Mr. CRAMTON. I want to say that no one has suggested to me the exact text of any proposed amendment to the bill, and I have not indicated any opposition to any amendment that would not defeat the purposes of the proposed bill.

Mr. DEMPSEY. I am glad to hear the gentleman say that.

Mr. CRAMTON. But I do not desire any amendment that would postpone the action or would be held as an affirmative approval of something foreign to the bill.

Mr. DEMPSEY. Let me say that an amendment was suggested by the engineers. It was pointed out by Colonel Grant

that that would hamper the work. I promptly took the ground that it would; I said that I believed he was right, and I sided with him and not with the engineers, and we adopted the language of the Park and Planning Commission instead of that of the engineers, so as to be sure to reach the end which the gentleman from Michigan says he desires to reach. [Applause.] The language of the proviso or amendment agreed upon is as follows:

Provided, That the acquisition of any land in the Potomac River Valley for park purposes shall not debar or limit or abridge its use for such works as Congress may in the future authorize for the improvement and the extension of navigation, including the connecting of the upper Potomac River with the Ohio River, or for flood control or irrigation, or drainage, or for the development of hydroelectric power.

OUR UNCOMPENSATED DISABLED VETERANS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a petition to the Congress of the United States by the disabled, uncompensated World War veterans.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, consent having been granted me to extend my remarks in the RECORD by printing the petitions addressed to the Congress of the United States by the disabled World War veterans throughout the country, I am taking the liberty of inserting one copy of the main body of the petition and the names of those who have signed the various copies which have been sent to me within the last few days.

This is an appeal which Congress can not afford to ignore, and I therefore commend it to every Member of the House.

The petition reads as follows:

To the Congress of the United States:

Whereas it has been brought to our attention that a large group of disabled veterans of the World War, who are victims of tuberculosis, are denied the allowance of service-connected disability compensation, through present law and time-limit date; and

Whereas the disallowance of claims of these disabled veterans between the dates of January 1, 1925, and January 1, 1930, under such law and time-limit date has created an unjust discriminatiton which deprives them and their dependents of greatly needed financial aid;

Therefore, we, the undersigned citizens, do hereby petition and request your action and support for the enactment of the Rankin bill (H. R. 7825) to extend the date of service-connected disability allowance to January 1, 1930, to allow the benefits of compensation to disabled veterans of the World War who develop active tuberculosis prior to the date of January 1, 1930.

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Va.; L. R. Turner, 520 Baltimore Street, Huntington, W. Va.; W. D. Arnold, 729 Auburn Road, Huntington, W. Va.; H. H. Orcutt, 1624 Ninth Avenue, Huntington, W. Va.; H. E. Whitely, 928 Eutaw Place, Huntington, W. Va.; Mrs. Roy Breece, 1214 Sixth Avenue, Huntington, W. Va.; Miss Mary Louise Price, 348 West Twenty-fifth Street, Huntington, W. Va.; C. V. Ryalls, 922 Ninth Street West, Huntington, W. Va.; R. F. Guthrie, Charleston, W. Va.; Roy L. Seaman, 4609 Piedmont Road, Huntington, W. Va.; J. F. Sexton, 1126 Seventh Street, Huntington, W. Va.; J. O. Hockaday, Rosemary, N. C.; E. C. Morgan, Selma, N. C.; W. A. Bell, Marshallville, Ga.; J. Edward Buckley, 233 West Seventh Street, Chester, Pa.; Ernest C. Dow, 1409 East Lanvale Street, Baltimore, Md.; J. W. Clark, 618 Euclid Avenue, Lynchburg, Va.; Joe L. Bevelhymer, Tampa, Fla.; Herman E. Buck, Norfolk, Va.; Irvin Frank, Ballston, Va.; Edw. F. Hannon, 1839 Mintwood Place, Washington, D. C.; L. H. Whitaker, Atlanta, Ga.; Howard K. Smith, Hendersonville, N. C.; Thomas W. Riggs, 1109 Clarance Avenue, New York City, N. Y.; Grady Hinson, Clinton, N. C.; Thomas F. Harkins, 2022 East Twenty-ninth Street, Brooklyn, N. Y.; John Nitschack, 552 Steinway Avenue, Long Island City, N. Y.; Nathaniel B. Combs, Whitewood, Va.; Joseph R. Young, 3239 North Twenty-sixth Street, Philadelphia, Pa.; Samuel A. Watson, 1731 Sumter Street, Columbia, S. C.; J. W. Loader, 1600 Mulberry Drive, Tampa, Fla.; Douglas S. Higgins, 710 St. Paul Street, Baltimore, Md.; H. E. Blumen, Oteen, N. C.; F. B. Goen, 477 West One hundred and forty-fourth Street, New York City, N. Y.; S. E. Frank Palmer, 1112 Ridge Road, North Woodside, Md.; C. H. Plemmons, Knoxville, Tenn.; Antonio Lloren, J. B. Johnson, Fred A. Misner, F. M. Hill, N. S. McEachen, Oteen, N. C.; William E. Seyboth, 5614 Fourteenth Street NW., Washington, D. C.; A. J. Newsome, jr., R. F. D. 3, Washington, Ga.; John J. Nevius, 430 East One hundred and Thirty-ninth Street, New York City, N. Y.; Tom Sheehen, Holcomb, N. Y.; C. E. Van Orden, 18 Sayre Street, Elizabeth, N. J.; W. M. Miller, Independence, Kans.; S. T. Carter, Winterville, Ga.; W. V. Okey, Oteen, N. C.; Martha J. Gruen, Oteen, N. C.; Robert R. Panott, Church Street, H. R. Holder, D. C. Amick, Dallas C. Shults, Elmer W. Fox, route No. 13, Robert Lame, route No. 13, O. L. Clark, F. W. Panott, C. B. Hicks, H. H. Lauderdale, W. A. Kyser, B. D. Holder, C. H. Salyer, Dewey Ball, Claude Boyer, W. A. Harper, L. T. Harris, Oth Maddron, R. P. Sulte, Chas. LaRue, R. P. Dieskill, Condia Fisher, I. E. Parson, John L. Henry, G. M. Clark, jr., Newport, Tenn.; J. K. Coles, Ardmore, Md.; A. P. Hewlett, 3838 Beecher Street NW., Washington, D. C.; Paul E. Patrick, Seat Pleasant, Md.; George W. Wilson, 728 Upshur Street NW., Washington, D. C.; Charles E. Einig, 506 Ashland Avenue, Riverdale, Md.; C. H. Stissel, 1625 East Thirty-first Street, Baltimore, Md.; R. A. Wistenhaver, 1900 Lamont Street, Washington, D. C.; C. H. Phipps, 4418 Ninth Street NW., Washington, D. C.; J. L. Hundertmark, 655 Portland Street, Baltimore, Md.; J. D. Kern, 1113 Oates Street NE., Washington, D. C.; W. A. Sellers, 1218 Floral Street NW., Washington, D. C.; L. Smith, jr., rural free delivery, Elkridge, Md.; H. N. Stackhouse, Bethesda, Md.; C. E. Hanrahan, 611 Morris Street NE., Washington, D. C.; Frieda Creamer, 2117 Tunlaw Road NW., Washington, D. C.; E. S. Grunewald, 707 Randolph Street NW., Washington, D. C.; L. T. Watts, 2807 Connecticut Avenue, Washington, D. C.; R. Richards, 1210 Twelfth Street NW., No. 46, Washington, D. C.; Margaret Leary, 3507 Morrison Street, Chevy Chase, D. C.; H. C. Meyer, jr., 5130 Connecticut Avenue NW., Washington, D. C.; W. L. Lintort, East Falls Church, Va.; Kathleen Coles, 1301 Ridge Place SE., Washington, D. C.; Herbert H. Matheny, box 786, Seat Pleasant, Md.; Mary Ann Grethal, 2005 O Street NW., Washington, D. C.; Hilda Rebholtz, 6921 Georgia Avenue NW., Washington, D. C.; P. M. Elliott, J. O. Fulenwider, E. H. Weller, A. G. Braswell, T. N. Lee, J. H. Pressley, Haryn Bowles, V. C. Davis, O. V. Hunnicutt, C. J. McCombs, R. H. Garren, Alger Blackwell, H. M. Smith, Monroe, N. C.; W. E. Maulden, Kannapolis, N. C.; R. J. McIlwain, T. C. Eubanks, W. K. Mahone, J. C. Winchester, Garrison, Medlin, T. Z. Secrest, W. L. Belk, F. L. Marshall, Gillam Craig, Cynis Smith, J. P. Gambley, Monroe, N. C.

FREE TEXTBOOKS

Mr. McLEOD. Mr. Speaker, I call up the bill S. 234, to provide books of educational supplies free of charge to pupils of the public schools of the District of Columbia, and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Michigan calls up the bill S. 234, and asks unanimous consent that it be considered in the House as in Committee of the Whole.

Mr. SABATH. Mr. Speaker, may we have the bill read before consent is given—it is a short bill?

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Board of Education of the District of Columbia shall provide pupils of the public elementary schools, public junior high schools, and public senior high schools of the District of Columbia free of charge with the use of all textbooks and other necessary educational books and supplies.

SEC. 2. That all books purchased by the Board of Education shall be held as property of the District of Columbia and shall be loaned to pupils under such conditions as the Board of Education may prescribe.

SEC. 3. That parents and guardians of pupils shall be responsible for all books loaned to the children in their charge and shall be held liable for the full price of every such book destroyed, lost, or so damaged as to be made unfit for use by other pupils.

SEC. 4. That the Board of Education shall purchase for use in the public schools only such books and supplies as shall have been duly recommended by the superintendent of schools and formally approved by the Board of Education.

SEC. 5. That the Board of Education, in its discretion, is authorized to make exchange or to sell books or other educational supplies which are no longer desired for school use.

SEC. 6. That the Board of Education is authorized to provide for the necessary expenses of purchase, distribution, care, and preservation of said textbooks and educational supplies out of money appropriated under authority of this act.

SEC. 7. That this act shall take effect from the date of its passage.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the bill may be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Board of Education of the District of Columbia shall provide pupils of the public elementary schools, public junior high schools, and public senior high schools of the District of Columbia free of charge with the use of all textbooks and other necessary educational books and supplies.

Mr. O'CONNELL of New York. Mr. Chairman, I move to strike out the last word. There has been a lot of discussion about this bill around the city. Many people have spoken to me about it. What will be the approximate cost of this new experiment?

Mr. McLEOD. The hearings brought out the fact, through a letter from the commissioners, that the approximate cost would add about $100,000 to the appropriation for schoolbooks at the present time, after the first year.

The Clerk concluded the reading of the bill.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

A motion to reconsider the vote by which the bill was passed was laid on the table.

STATE, JUSTICE, COMMERCE, AND LABOR DEPARTMENTS APPROPRIATION BILL

Mr. SHREVE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8960) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1931, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8960, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

Mr. OLIVER of Alabama. Mr. Chairman, I yield seven minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, ladies and gentlemen of the committee, on every hand people are asking whether there is to be a great change in the Volstead Act during this Congress and whether the wets or the drys have the advantage here. Writing in his inimitable way, Mark Sullivan, in yesterday's Evening Star, of this city, answered these inquiries. For the benefit of the public I wish to read some brief extracts from Mr. Sullivan's article as follows:

DRY FORCES RIDE HIGH AND STRONG IN CONGRESS

A summary of the atmosphere of Congress, if accurately stated, leaves no doubt that prohibition is at least as strong in that body as at any time since prohibition came. A clear index is to be found in the events and the speeches associated with the tenth anniversary, on January 16, and since; and in the actions connected with the report of the Commission on Law Enforcement and with the legislation introduced.

Among all these signs an especially obvious one was in the respective receptions given to wet and dry speeches on the day of the tenth anniversary. From a comparison of the responses from the floor of the lower House, nothing was ever clearer than that the dry cause is high

and strong in the favor of the Members. It is not merely that the drys have a majority of the membership—it must be admitted that fully 75 per cent of the lower House is dry, and probably not less in the Senate. The evidence was not so much in the numbers, for there was no roll call on any question involving dry and wet; the evidence was in the spirit with which Congress as a whole greeted the dry speeches.

DRY ATMOSPHERE IS EVIDENT

In any room containing some 400 men there is often an atmosphere almost as tangible as any material things, as recognizable as the sunlight. And the atmosphere in favor of prohibition was clear to everybody and was shared by almost everybody. It is certain the moderates, the middle-of-the-road Members who have no particular preoccupation with prohibition, wanted to cheer the drys on. One would almost say that the wets as a rule, in a smiling, good-natured, sportsmanlike way, shared the general spirit of "giving prohibition a hand."

It was not that the dry speeches were better or more numerous than the wet ones. But some of the wet speeches made a mistake that has been characteristic of many wet leaders since prohibition has been in Congress. The wets too often tend merely to jeer at their dry opponents, and the lower House of Congress is too good a judge of quality in speech making to be impressed by jeering, or to pay much tribute to that kind of demonstration.

Speaking of a speech made by a wet Member from a New York City district, Mr. Sullivan says:

Early in his speech he fell into the familiar style of the older school wet speech, more intent on sound than on meaning, too intent on being epigrammatic to impress a House familiar with the fact that epigrams and the spirit of truth or earnestness do not always go hand in hand, that a mind intent on the art of epigrammatic phrasing is likely to be less intent on persuasion.

After mentioning some "wise cracks" in the remarks of this wet Member Mr. Sullivan says:

At that there was some laughter and applause—applause more for the wise crack than for the wet cause.

After mentioning the usual applause at the conclusion of the speech of the wet Member, Mr. Sullivan continues as follows:

A little later a dry, Representative COOPER, from Youngstown, Ohio, arose. He made a simple, not particularly impassioned speech in defense of prohibition—a speech which was of the nature of a reply to a challenge.

It was perfectly evident that this was the kind of speech the House wanted to approve. Nothing in Congress was ever more apparent. The applause was in part for Mr. COOPER and for his speech, but much more for the dry cause. The House was looking for a chance to express, by applause appropriately directed, its dissent from the wet speeches that had been made, its encouragement for the drys.

Mr. COOPER'S speech was applauded throughout. In the course of his quite brief speech, one auditor thought he counted some 20 interruptions by applause, though the official record in the minutes next day was 11.

The whole occasion was one to convince any observer that the wets will get no encouragement in the present lower House. It is evident that the morale of the drys in the House is as high as ever. The House is dry. And the House is a body that knows its collective mind and acts in accordance with it.

[Applause.]

Mr. GRIFFIN. Mr. Chairman, on behalf of the subcommittee I yield myself 20 minutes, and ask unanimous consent to extend and revise my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. GRIFFIN. Mr. Chairman, the chairman of our subcommittee was good enough the other day in opening the debate upon this bill to pay a very nice tribute to his colleagues on this committee. I would be ungrateful and unappreciative if I did not respond by saying that whatever success has come out of the hearings or which may appear in the bill is due not so much to the colleagues as to the chairman himself. His attitude, not only to the members of the committee but to all who appear before us at our hearings, has given him as well as the committee itself a reputation for fairness and courtesy, so that it is quite a commonplace that it is a pleasure to appear before Chairman SHREVE.

At the instance of our chairman, under the authorization in last year's bill, our subcommittee took a close-up view of the consular situation abroad. Certain specific regions were assigned to each member of the committee. It fell to my lot to observe conditions in certain consulates in Europe and in all of the consulates in the British Isles.

Few Americans realize how large a part our Consular Service plays not only in conducting our commercial intercourse with other countries but in promoting and maintaining international cordiality. A slip in conduct, a thoughtless word, or the slightest breach of courtesy might easily lay the foundation for an unfriendly spirit, which might linger for years and jeopardize our best interests. The status of our Consular Service is not supposed to be diplomatic, but the very multiplicity of their contacts with the citizens of the countries to which they are accredited calls for the display of the keenest diplomacy. We might very well get along without ambassadors or ministers, but all commercial intercourse with foreign States would cease if our Consular Service were abandoned for one brief month.

After a personal visit to our consulates in Europe, Great Britain, and the Irish Free State, I must pay a well-merited tribute to the able, courteous men whom we have representing us abroad.

I saw no signs of spats or false airs of ostentation. Their absence abroad has not ruined them, as is so frequently alleged, but, on the contrary, they have become, if possible, better Americans.

They are well educated and, without being snobs, they are men of refinement. Speaking two or three or four languages, they acquire a mental attitude of toleration to all mankind and readily adapt themselves to the environment in any part of the world to which their duties call them.

They are at the beck and call of a superior authority and, like the men in our Army or Navy, must be ready at a moment's notice to go whither they are sent without a murmur.

This entails frequent sacrifices of which men employed in the United States can have no adequate appreciation. If married, as most of them are, a change of station generally involves great financial loss. The education of their children, particularly in Great Britain and Ireland, becomes a serious problem and involves a large item of expense.

The finding of adequate and appropriate homes for their families is also a difficult and expensive problem. When we consider that the manner in which they live accrues to the benefit of this great Nation, they should be commended for the sacrifices they make to uphold our honor and our dignity abroad.

I have come to the conclusion that consuls are born, not made. They are not slaves to the almighty dollar. If they were, they would not remain in the service one year. The compensation they receive is wholly inadequate. Some of the vice consuls abroad—competent men of education—are receiving less pay from our Government for their manifold duties than skilled artisans in the United States.

Mr. O'CONNELL of New York. Mr. Chairman, will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. O'CONNELL of New York. In appreciation of that I may say that the Committee on Foreign Affairs, of which I am a member, within the last few days reported a bill to make the living conditions and salaries of clerks in consular offices very much better than at present.

Mr. GRIFFIN. I am very glad to learn that. That is one of the recommendations of our committee.

LIVING COSTS IN EUROPE HIGH COMPARATIVELY

I observed the living costs in European cities, and to my surprise found that there is not a great deal of difference between the living costs in the large cities of Europe and the living costs in the United States. Rent, clothing, fuel, and food are incomparably higher than the meager wages justify.

COOPERATION WITH BUREAU OF IMMIGRATION

What I have said in praise of the personnel of the Consular Service is likewise true of the representatives of the Labor Department—Bureau of Immigration. This bureau has about 27 agents scattered through Europe and the British Isles to facilitate the examination of intending immigrants to the United States at the various ports of embarkation. They are without exception men of broad intelligence and efficiency. They work in close cooperation with the consuls and doctors of the Public Health Service. This work is one of the most humane activities ever instituted by this Government. By examining and disposing of the eligibility of intending immigrants at the ports of embarkation much hardship has been avoided. After the intending immigrants have gone through this preliminary sieve very few, indeed, are met with rejection when they reach this "promised land" of ours. As a result, the hardship, the misery, and the mental torture to which these pathetic immigrants were once subjected has been reduced almost to a nullity. The old internment camps at Ellis Island and elsewhere, which so long disgraced this country, are a thing of the bitter past.

To show how effectually this cooperation has removed the old conditions, I will give as an example, the port of Glasgow for the calendar year 1928. There were 13,602 applications for immigration received. Of these, 658 were rejected on the fol-

lowing grounds: Illiteracy, 28; mental defects, 54; physical defects, 121; and for political or economic reasons, 455. The bulk of the last-named rejections were for failure to show financial ability to avoid the danger of pauperism. This last figure, I will say in passing, I think is rather high, particularly when we consider that illiteracy and mental and physical disabilities had already been eliminated. I confess I can not see how a healthy adult, within the quota, can very well face the danger of pauperism.

DUPLICATION OF ACTIVITIES

In the Consular Service our representatives deal with trade, trade reports, trade inquiries, visas, and shipping. In the matter of immigration, I found a very cordial cooperation with the Public Health Service, a bureau of the Treasury. Likewise, with the Agriculture Department.

The Department of Commerce is confined specifically to industrial and commercial contacts. That was one of the reasons why this personal first-hand study was made.

It had been alleged that there was a certain duplication of the work by the Consular Service and by the Department of Commerce. We found on investigation that there was very little evidence of a general duplication of work. The activities of the commercial attachés and trade commissioners are confined largely to the capitals of the countries to which they are accredited. Of course, there should be no rivalry between the different departments of our Government except a laudable competition to render efficient national service.

BUREAU OF FOREIGN COMMERCE

The Bureau of Foreign Commerce is necessarily dependent for the bulk of its trade information upon the researches of the consular officers. In all the offices I visited, I found that the consuls had a thoroughly organized method of handling trade information inquiries and their reports on specific inquiries were quite varied and voluminous.

The commercial attachés and trade commissioners we found to be men of the highest type and particularly skilled in the work to which they were assigned. They showed a readiness to cooperate with the Consular Service. In that connection I want to make the following suggestions:

SUGGESTION 1

Where specialists in certain industries are sent into consular districts, misunderstandings can be avoided and the work expedited without danger of duplication by giving them instructions to establish immediate contact with the consul and thus get the benefit of the researches already made.

In several instances, I found that an agent of the Bureau of Foreign Commerce and a consul would find themselves "pursuing the same quarry," that is, making identical studies on a trade inquiry which some American concern (through extra solicitude) has addressed to both the State Department and the Department of Commerce.

SUGGESTION 2

The consul and the commercial attaché should interchange notice of all trade inquiries before researches are begun. I found that one of the trade commissioners had cut all red tape and followed this plan, as a matter of common sense, with the result that official cordiality between the two departments of the Government was firmly established, valuable cooperation instituted, and facilitation of the work in hand attained.

CONSULAR WORK NO SINECURE

Now, as to the activity of the consulates, to show the magnitude of the work involved, to show that it is not a mere sinecure and a place in which to wear spats and high collars and play golf and disport in society, I want to refer you to the activities at one consulate. I will not mention the name or location, because the mention of one particular place might be regarded as an invidious distinction against others. Here are the things a consul must do: He must pass upon all the invoiced shipments of goods to the United States. In this consulate to which I will refer, and which I will call consulate A, they passed on 14,163 invoices, and the income from that was $35,407.50. They had to pass upon food invoices. They had to pass upon antique certificates and certificates respecting works of art and upon applications for passports. Then there were quota applications, persons registered for immigration visas, 4,092; notarial services, paid for, 2,057, fees, $3,300; gratis, 3,300. Total 5,357 notarial services.

In nonquota visa investigations we find this office passed on 323 applications, issued 322, refused 5; received quota visa applications, 5,070; issued quota visas, 5,174; and refused quota visas to the number of 327.

Not only have they to pass upon immigration problems but also on bills of health from American and foreign ships; and this office issued 164 bills of health. Then they had to pass on crew lists and applications for citizenship, and citizenship registration.

Then they had to take legal testimony. Commissions are issued to take testimony abroad. This office acted upon three such cases. They had to handle estates of American seamen and other Americans who died abroad. In this office there were eight estates so cared for. They had to pass on income-tax returns. They had to look after the relief of seamen. This office relieved 17 seamen at this port during the year 1928. They had to record births and deaths of American citizens abroad. They had to pass on extradition cases. Then, they have protection and welfare cases; cases where sailors and other citizens are stranded. I find that this consulate rendered aid and help in 575 such cases.

TRADE REPORTS

Now we come to one of the most important of the activities of the consuls, and in which they render such material service to the Department of Commerce. This office made 227 trade reports in the year 1928. They reported on 154 trade opportunities. They answered letters and inquiries with respect to trade matters to the extent of 357. They made 177 voluntary reports. In connection with the matter of voluntary trade reports I ought to say that this feature of a consul's work is the index of his initiative, his vigilance, and his concern for American interests. These are not cases where he is requested or required to make a trade report or inquiry, but such as those wherein of his own volition, he sees an opportunity in his particular district for the enlargement of American commerce or the extension of the products of American industry.

In these activities our Consular Service is only following the practice of other nations, and instead of leading to hostile commercial rivalry it has been the means of bringing the countries of the world together in a friendly interchange of commerce. This has tended to diminish waste of capital in unprofitable ventures and has been the means of bringing buyers and sellers together to their mutual advantage. For instance, in this particular consulate, which I am using as an example, there were 68 trade reports called for in addition to the 177 voluntary reports just mentioned. Then they receive a large correspondence. There were 19,936 letters received; instructions, 722; telegrams, 136; telegrams in cipher, 45; letters sent, not including forms, 22,755; dispatches sent, 360; telegrams sent, 63. Then here is another phase of the consular work, the issuance of pension and department checks to American citizens who are entitled to pensions or to pay of some kind from the Government. This office issued 443 of those checks. Registration of immigrants for visas. In one quarter this office took the registration of 4,092 applicants. Please remember that in the registration of these proposed immigrants the work does not consist altogether in seeing the proposed immigrants, but it often means voluminous correspondence.

SALARIES PAID

That is a sample consulate. It is run by a consul general, four assistant consuls, and three career officers. In that office there are three American clerks who are getting $720, $660, and $660, respectively, per annum. This office has 13 foreign clerks, and the salaries of these foreign clerks range from $660 to $960 per annum.

My observation of the foreign clerks was that they were educated, spoke 2, 3, and 4 languages, were careful, attentive, prompt, and vigilant in the performance of their duties and wholly loyal to the interests by which they were employed. In fact, many consuls told me it would be practically impossible to run their offices efficiently without them. In the Diplomatic Service there is a provision in our law against the employment of foreign clerks, but it seems to me you would cripple the Foreign Service completely if you were to eliminate them.

Mr. LAGUARDIA and Mr. O'CONNELL of New York rose.

Mr. LAGUARDIA. The gentleman knows that has been one of my hobbies for some time. I notice that in the present bill you have limited the clerks in embassies and legations to citizens. I do not agree with the gentleman that we will cripple the service if we have that limitation as to consular officers. There are a lot of young men American born who would be only too anxious to serve clerkships in the consulates. They have linguistic ability because they are learning languages in the colleges. I served 26 years ago as a clerk in the office of the consul general in Budapest, Hungary. I was later promoted to the office of consular agent and served at Fiume. That was 25 years ago. I think we are making a big mistake in not encouraging boys to go out from America and serve as clerks in these offices.

FOREIGN CLERKS

Mr. GRIFFIN. The foreign clerks who are employed in these offices are born and raised in the district in which they are

employed. They have facilities for contact with business interests and the acquirement of trade information, and in that way they are very useful to the consuls. It is not a matter of the mere preference as to individual men and women, but it is a matter of commercial ability, familiarity with local conditions, and providing cordial contact with the community in which the consulate is placed.

I have no doubt at all that the gentleman is right in stating that there are very many young Americans who would like to go over and take these places; but what I observed in the consulates was that some Americans who were sent over there were not able to give the service that the foreign clerks would give. They were brought up in an entirely different environment.

The gentleman from New York no doubt rendered good service. If he had not he would not have been promoted.

Mr. LAGUARDIA. I do not believe the gentleman will find many American citizens employed in the office of the British consulate general at New York, or even in the office of the German consulate general.

Mr. GRIFFIN. That is a matter of argument.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Mr. Chairman, I yield myself 10 additional minutes.

Of course, I am not making an argument for the exclusion of American clerks from the Consular Service. I am rather aiming to remove a prejudice against the foreign clerks. Their facility with their own and other languages; their familiarity with local habits, customs, and conditions make them particularly valuable and I would not like to see them discriminated against or debarred from employment. They are a distinct asset in establishing friendly intercourse with the communities in which the consulates are situated.

Our committee, therefore, recommended that the limitation of $1,000 in their salary rates, now in the law, be raised. I think myself, personally, that the matter of their rate of salary within fixed limits ought to be left in the discretion of the consuls in charge of the post.

CONSULAR SERVICE RUN AT A PROFIT

There is one phase of the Consular Service I would like to call to your attention to show we ought not to be penurious in dealing with this service. Nearly all of our consulates seem to be run at a profit. The Consular Service was not established for profit making. The following tables, which I have compiled from consular reports for the calendar year 1928, are illuminating:

Receipts and cost of operation of American consulates for calendar year of 1928

Cities	Receipts	Cost of office	Surplus
Great Britain:			
England—			
Birmingham	$26,475.75	$11,003.77	$15,471.98
Bradford	26,564.50	14,674.54	11,889.96
Bristol	6,722.50	8,769.16	2,046.66
Hull	4,388.50	7,853.33	3,464.83
Liverpool	68,519.00	36,058.14	32,058.14
London	300,665.50	115,452.34	185,213.16
Manchester	31,016.50	17,954.14	13,062.36
Newcastle-on-Tyne	10,231.75	8,860.87	1,370.88
Plymouth	4,090.50	(1)	
Sheffield	12,125.75	8,271.05	3,854.70
Southampton	33,813.00	19,379.70	14,433.30
	524,413.25	248,277.04	282,875.97
Scotland—			
Edinburgh	14,115.00	9,030.21	5,084.79
Glasgow	151,735.00	33,148.35	118,586.65
	165,850.00	42,178.56	123,671.44
Wales:			
Cardiff	4,799.00	[2] 17,769.67	12,970.67
Northern Ireland:			
Belfast	59,375.50	22,394.86	36,980.64
Irish Free State—			
Cobh	85,484.75	22,670.93	62,813.82
Dublin	142,442.50	31,401.30	111,041.20
Galway	790.00	395.00	395.00
	228,627.25	54,467.23	174,250.12
Summary for British Isles:			
England	524,413.25	248,277.04	282,875.97
Scotland	165,850.00	42,178.56	123,671.44
Wales	4,799.00	17,769.67	12,970.67
North Ireland	59,375.50	22,394.86	36,980.64
Irish Free State	228,627.25	54,467.23	174,250.12
Total	983,065.00	385,087.36	640,748.84

[1] Missing. [2] Expenses include expenses of Swansea.

Receipts and cost of operation of American consulates for calendar year of 1928—Continued

Cities	Receipts	Cost of office	Surplus
Germany:			
Berlin	$178,959.25	$78,648.88	$100,310.37
Cologne	169,599.36	41,152.45	128,446.91
Frankfort-on-Main	29,389.25	25,727.56	3,661.69
Hamburg	102,633.50	44,803.23	57,830.23
	480,571.36	190,332.12	290,249.20
France: Paris	267,154.75	99,616.56	167,538.19
Netherlands:			
Amsterdam	26,812.25	30,050.53	3,238.28
Rotterdam	47,860.00	30,320.22	17,539.78
	74,672.25	60,370.75	20,778.06

It was never intended, and it is not good policy to make the Consular Service a studied source of financial profit. It ought to pay the expenses of its operation, but no more; and there is no excuse, in my opinion, for us to deal in a penurious fashion with the clerks and employees of these splendidly conducted offices.

Mr. O'CONNELL of New York rose.

Mr. GRIFFIN. Did my colleague from New York want to make any comment on this proposition?

Mr. O'CONNELL of New York. I just wanted to say to my colleague we have gone thoroughly into the matter of salaries of the clerks in the consular offices and a new schedule has been arranged and the bill has been reported to the House. I think the gentleman will be very much pleased with the conclusion we have reached in this direction. It is essential and necessary to have foreigners in these consular offices. I would say to the gentleman from New York [Mr. LAGUARDIA], in answer to the question he propounded, that we need them, first, for the language situation, and, second, because you can not get American boys to go over there for the money we have been paying. They are doing splendid work. This bill I mentioned has no reference to the career men at all, but just the clerks in the offices.

Mr. GRIFFIN. I will say to the gentleman, and also to my colleagues, you can not get American clerks to go over there at the salaries paid. Some of the vice consuls are receiving less money per annum than we are paying here in this country for skilled mechanics.

I have, for instance, a list of the salaries of the vice consuls in this sample office. The consul general gets $7,000 a year. There is a consul assigned to that office as an associate or as an assistant who gets $3,500 a year. There are three vice consuls in this office who are only getting $2,750 a year. Why, at the last election in New York we voted on a proposition to give the police and firemen in New York City a minimum salary of $3,000 a year.

Mr. O'CONNELL of New York. Will the gentleman yield there?

Mr. GRIFFIN. Yes.

Mr. O'CONNELL of New York. Under the new bill the American clerk can go as high as $4,000 a year and the foreign clerk, for good service and with seniority, can go to $2,700.

Mr. GRIFFIN. I am very glad you have fixed it at that rate.

With regard to the noncareer men, the assistants in this sample office, there are three with the rank of vice consul, and they are getting, respectively, $2,800, $2,200, and $2,000 a year. Here is a vice consul representing this great Government of ours delegated to an important post in Europe and expected to keep up his end of the social and other obligations of his position at a meager $2,000 a year.

As to the American clerks in this office, as I have already said, they are getting from $660 to $720 a year.

Before I conclude I wish to submit the following suggestions for the good of the Consular Service:

I

A systematic and concerted attempt should be made to bring all offices of American departments together in one locality in the capitals of the respective countries.

Their wide separation, as in Berlin, Paris, and London, means lost motion, loss of time and expense in transportation, all of which constitute not only an inconvenience to the officials themselves but to the constantly increasing numbers of Americans who go abroad.

II

The consul general should arrange for a meeting of all the consuls in his jurisdiction at stated intervals. To this meeting the commercial attaché and all trade commissioners engaged in

researches should be invited. Mutual cooperation, methods of handling problems submitted should be discussed.

III

Provision should be made for the payment of the expenses of the consuls and of the trade commissioners going to and from and while attending these gatherings.

IV

Better pay for American clerks.

V

Better pay for foreign clerks. (This point was pretty well covered in the hearings.)

VI

All American consulates should fly the American flag. The purpose of this suggestion is of course twofold. First, as a matter of patriotic sentiment it will be a comfort to Americans to see this token of home. Second, it will identify the consulate and make it easy to find.

VII

All consular records (many of them of great historic value) should be sent to Washington and properly indexed and cared for.

NOTE.—One advantage of this will be to save an additional room for the live activities of the consulate. Where such room is not so needed the saving will be in rent.

VIII

The percentages restricting the number of officers in the upper classes should be either increased or abolished, as the upper grades are already congested, leaving little or no room for promotion.

IX

The number of diplomatic officers and the number of consular officers in any class in the Foreign Service in and above Class VIII should be at the same ratio as the total number of diplomatic officers, and the total number of consular officers in all classes from Class VIII to Class I, allowing for administrative purposes a difference in each class of 5 per cent of the total number of Foreign Service officers in that class.

X

The average number of years of service of the diplomatic officers and the average number of years of service of consular officers in any class in and above Class VIII should not vary more than 10 per cent of the average number of years of service of all the Foreign Service officers in that class.

Such provisions would, of course, cause a shifting from one class to the other in case one branch of the service has advantage over the other, but they would work for the benefit of both diplomatic and consular officers and would prevent either branch of the service from gaining material advantage over the other. They would cause promotions where promotions are merited and demotions where demotions are justified.

XI

While remedial legislation is being enacted a great temporary relief would be for a rent allowance to be granted, based on salaries, say, that each officer be given 25 per cent of his present salary for rent allowance. While it could be called rent allowance it would actually be for adjusting the officers' incomes to the cost of living.

In conclusion I want to add that the personal study which this committee has had the opportunity to make of the consular situation has been very instructive. Its results are reflected in this bill and I trust it will prove of benefit not only to the men in the service, but will contribute also some advantages which are bound to accrue to this country in its dealings with other nations. [Applause.]

Mr. OLIVER of Alabama. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, ladies and gentlemen of the committee, I desire to spend a few moments this afternoon on certain recommendations of the Wickersham Commission. I am informed that the Wickersham Commission has proposed that in the case of "casual or slight violations," where the penalty for each offense is to be a fine not to exceed $500 or imprisonment in jail, not at hard labor and not to exceed six months, or both, the Federal district attorneys may prosecute without resorting to the grand jury for an indictment, and the defendant may be heard and convicted without jury trial before a commissioner. In order to induce the defendant to appear before the commissioner and waive jury trial the commission proposes that upon a demand for a jury trial the defendant will be prosecuted for a felony.

I desire briefly to touch upon the constitutionality of any bill or bills based upon this recommendation and, second, to touch upon the worthwhileness or the nonworthwhileness of such a policy even if such bills were deemed to be constitutional.

From my examination of the authorities, there is grave doubt as to whether or not the Congress has the right to take away trial by jury from a defendant in a prohibition case or whether it has the right to set up a court, without a jury, to try the case, even where the defendant voluntarily waives the jury. There is something more than a private right in trial by jury. There are the interests of the public. These public rights a defendant can not waive. Furthermore, the Constitution provides a forum, to include judge and jury. The defendant can not change this forum by limiting it to a judge.

The right of trial by jury is a security in which the public at large as well as the individual have a concern. The oft-repeated precept of Blackstone that "the king hath an interest in the preservation of all his subjects" finds its modern parallel in the pronouncement that the public has an interest in maintaining the liberties of the individual even against himself.

This doctrine was fully dwelt upon for the first time in the much-cited case af Caucemi *v.* People (18 N. Y. 128; People *v.* Cosmo, 205 N. Y. 91). That was an indictment for a capital felony, upon which the defendant was convicted, after having consented to the withdrawal of one juror. The New York court held the conviction illegal and took occasion to set forth an elaborate theory relating to waiver of rights in criminal prosecutions. The court pointed out that in civil cases greater effect is given to the will of the individual, since simply private rights and obligations are involved. Criminal prosecutions, on the other hand, involve public rights and duties. The whole community "in its social and aggregate capacity" is affected. The social end is to prevent similar offenses. For these reasons, the court declared, the State has a care in the outcome of a criminal trial. It will not permit the individual to exercise his discretion in surrendering his liberty and perhaps his life. (Mich. Law Review, 1926–27, p. 708.)

We have had a very significant case reported in the Federal Reporter, volume 290, at page 134, entitled "Coats *v.* United States."

This case arose out of the Circuit Court of Appeals for the Fourth Circuit, and it would appear that the defendant in this case was found guilty by the judge without a jury, which he waived, of a violation of various features of the prohibition act, to wit, that he had sold liquor, possessed liquor, and manufactured liquor, and was fined $1,000 and sentenced to 12 months' imprisonment. The United States Circuit Court of Appeals, unanimously reversing conviction, held as follows:

> As already stated, independent of any of the questions thus far discussed, the judgment below must be set aside. The defendant, having pleaded not guilty, was put upon his trial before the court without a jury. It is true that he expressly consented to waive a jury trial and does not now seek a release from his agreement. Nevertheless the constitutional requirement is mandatory. It can not be waived in any case to which it is applicable. (See Thompson *v.* Utah, 170 U. S. 343; Callen *v.* Wilson, 127 U. S. 540.)

The court further says:

> There are offenses which are not crimes, and in them a jury may by consent be dispensed with. (Citing Shick *v.* United States, 195 U. S. 65.) But, as that case teaches, they are of the kind which the common law classed as petty, as well from the trifling consequences which conviction of them would entail upon the one committing them as from the lack of any substantial moral blameworthiness necessarily implied in their commission.

This court, of rather high authority, only one step removed from the Supreme Court of the United States, is on record therefore as holding that the violation of a prohibitory statute, like the Volstead Act, is a crime; is not a mere petty offense, and therefore, in the constitutional sense, a jury trial can not be waived even if by agreement with the court the defendant says that he is willing to stand trial without a jury. That case necessarily, because it comes from such high authority, knocks the Wickersham recommendations as to trials before commissioners into "smithereens."

At this point in the discussion I give you in part:

Article III, section 2, of the Constitution:

> Trial of all crimes, except in cases of impeachment, shall be by jury.

Amendment 6 of the Bill of Rights of the Constitution:

> In all criminal prosecutions the accused shall enjoy the right to a speedy and public trial by an impartial jury, etc.

Amendment 7 of the Bill of Rights of the Constitution:

> In suits at common law, when the value in controversy shall exceed $20, the right to trial by jury shall be preserved, etc.

These safeguards to preservation of jury trials can not even for prohibition reasons be removed. We should give deep thought to any proposal that would jeopardize these high and mighty rights. Prohibition water can not wash out the blood of martyrs who died that we may have trial by jury.

Now, there was a very interesting case decided some years ago. In re Dana (7 Benedict, 14). It concerned Charles A. Dana, editor of the New York Evening Sun.

Charles A. Dana having been charged by information in the Police Court of the District of Columbia with having published a libel, and having been arrested in New York, the warrant to authorize his being brought here was refused and he was discharged upon the ground that if brought to this District—Washington—he would be tried in a manner forbidden by the Constitution. Mr. Justice Blatchford said In re Dana (7 Benedict, 14):

even if it were to be conceded that notwithstanding the provision in the Constitution, that the trial of all crimes except in cases of impeachment, shall be by jury, Congress has the right to provide for the trial in the District of Columbia by a court without a jury, (but only) of such offenses as were, by the laws and usages in force at the time of the adoption of the Constitution, triable without a jury, it is a matter of history, that the offense of libel was always triable, and tried, by a jury. It is therefore one the crimes which must, under the Constitution, be tried by a jury.

Now, in the history of prohibition, both in States where we have had prohibition for many years and in the Federal courts with reference to national prohibition, violations of the prohibitory State and Federal statutes have always been tried either in the State or the Federal courts by juries. That is history.

In the Dana case libel was always tried by a jury, so a violation of the prohibitory statute by the same token, and by the same argument, can never be tried without a jury. Therefore statutes providing for such trials would have to be declared unconstitutional.

The Dana case was used as an argument in Callan *v.* Wilson (127 U. S. 540). I will read to you the headnote in that case:

CALLAN *v.* WILSON

Appeal from the Supreme Court of the District of Columbia. No. 1318. Argued January 16, 1888. Decided May 14, 1888

The provision in Article III of the Constitution of the United States that "the trial of all crimes, except in cases of impeachment, shall be by jury," is to be construed in the light of the principles which at common law determined whether or not a person accused of crime was entitled to be tried by a jury; and thus construed, it embraces not only felonies punishable by confinement in the penitentiary but also some classes of misdemeanors the punishment of which may involve the deprivation of the liberty of the citizen.

The provisions in the Constitution of the United States relating to trial by jury are in force in the District of Columbia.

A person accused of a conspiracy to prevent another person from pursuing a lawful avocation and, by intimidation and molestation, to reduce him to beggary and want is entitled under the provisions of the Constitution of the United States to a trial by jury.

The police court of the District of Columbia is without constitutional power to try, convict, and sentence to punishment a person accused of a conspiracy to prevent another person from pursuing his calling and trade anywhere in the United States, and to boycott, injure, molest, oppress, intimidate, and reduce him to beggary and want, although the Revised Statutes relating to the District of Columbia provide that "any party deeming himself aggrieved by the judgment of the police court may appeal to the Supreme Court" of the District.

In the Callan against Wilson case the defendant was accused of a crime, which at common law and before the Constitution went into effect had to be tried by jury. The statute therefore could not permit waiving of the jury. If the crime had been a petty crime—that is, inconsequential in its results, involving no penitentiary imprisonment, no moral turpitude, no moral delinquency, and did not bring the defendant into disgrace—the jury could have been waived, since constitutional safeguards as the jury did not and do not apply to such petty and inconsequential offenses.

The question now at issue is this: Is a prohibition violation a petty, inconsequential infraction of the law? If so, Chairman Wickersham and Dean Pound are right. If not, they are wrong and I am right. Let us examine into the nature of a prohibition offense.

In the case of prohibition you have what is known as the Jones law, where there is a possibility that a man may be sent away for five years. Every offense is a potential felony. Certainly sending a man away for five years is something that involves moral obliquity, moral stigma. He becomes a convict; he incurs something in the eyes of a great many people, because of that long sentence, which is infamous. He is stigmatized. He is branded and disgraced. No one would say, much less the courts, that a 5 or 10 year sentence is a petty matter. It becomes highly important to the defendant, his family, and the community. It is proper to permit waiver of jury in such petty cases as not turning to the right or left according to police-department regulations on the highway or to spit in the subway, contrary to board of health regulations. Nothing of great moment is involved. The punishment is a fine or slight imprisonment. Then a jury trial may be waived or dispensed with. No constitutional guarantees are involved. Not so with prohibition.

Furthermore, one of the amendments to the Constitution, as we saw, provides that the trial of a defendant shall be impartial and that the trial shall be speedy. Those were the very words used in the sixth amendment; but under the recommendations made by the Wickersham Commission you may recall that the defendant has no right to a trial by jury unless he has been found guilty by the commissioner or the one who tries the case in the first instance.

Only then has he a right to demand a jury trial. Well, what is the attitude of the 12 men, under the statute the peers of the realm, when this man comes before them?

They are presumed to know the law, and they know that he has been found guilty of the offense for which they are trying him. The commissioner has found him guilty, otherwise he would not be before them. Having that knowledge that he has been found guilty by the commissioner, what sort of partiality will animate these 12 men? A guilty man comes before them, so branded by the commissioner, and certainly that is not the impartiality that the law and spirit of the Constitution guarantees him. Furthermore, the defendant is entitled to an immediate and speedy trial. If, having been found guilty by a commissioner in the first instance, in the nature of a trial and for redress he then must go to another tribunal, another forum, if he so wishes, that certainly is not speedy; it most assuredly is not immediate; so that in the two instances, because the trial would not be impartial and because it would not be an immediate trial, any kind of a bill that the Judiciary Committee would bring forth to this House based upon the Wickersham report would be tainted with unconstitutionality.

On the question of policy, even if there were no doubt as to the constitutionality of such provisions, I am opposed. It is very significant that in general the Wickersham report says that prohibition is in nowise different from any other statute, that it is part and parcel of the entire criminal-law fabric, that it is only one among many of the criminal laws all of which have been more or less ineffectually enforced.

Of course, that is utterly false, and I brand that portion of the Wickersham report as utterly untrue, because it is common knowledge, and he who runs may read, that the prohibitory statute is so horribly enforced as to shock the conscience of the Nation. We can not say that for any other statute. I would say that leaving out prohibition, we are a law-abiding nation. Prohibition is the fly in the ointment. You could point to a great many statutes, criminal in nature, which are very properly and effectively enforced. So that in the first instance, it is untrue that prohibition is like any other criminal statute. It is decidedly unlike. I could conjure up a thousand reasons to indicate to you where it is utterly different, but time will not permit at this moment. But I ask this question, Why do they single out prohibition for this kind of treatment? I have before me copies of the printed report of very interesting hearings conducted before the Committee on the Judiciary on several fine constructive pieces of legislation, notably one offered by the distinguished gentleman from Virginia [Mr. MOORE] to relieve some of the congestion of the Federal courts, but Judge MOORE and the other sponsors of his bill did not single out and grab prohibition, did not isolate prohibition from other statutes. Is it not a rather sorry spectacle that they must make an exception when it comes to prohibition? Is it not of itself an admission of weakness? Nay, more, an admission of defeat that prohibition is of such a character as requires this special treatment, and that the report must go to all these extremes in order to bring about enforcement? It would, indeed, come with better grace if a recommendation were offered to embrace all criminal statutes in the interest of relieving congestion in the Federal courts instead of one limited to the waiving of a jury trial before the commissioner only in the case of prohibition.

It is known that prohibition has brought a great deal of vexation all over the land. Even the drys must admit that every man, woman, and child does not subscribe to it. They will have to admit that there are a great many people everywhere who flagrantly violate it; that many care neither jot nor tittle for it.

The country is divided into two hostile camps—wets and drys. In this very Chamber there is a wet bloc of a hundred or so Members representing the wishes of millions of our people.

That makes the prohibition question a political question. In such matters it is dangerous on the question of policy, even if it were constitutional to take away trial by jury. Prohibition has caused much vexation and annoyance and has wounded the sensibilities of thousands. It is just in such cases that jury trials are mostly needed, not only for the benefit of the wets but for the benefit of the drys as well. Otherwise convictions are had without consideration of the sanction and sentiment of the people of the particular locality where the commissioner sits and trys the case without jury.

President Hoover, in his message transmitting the Wickersham proposals, points to the magnitude of prohibition with its flagrant violations by calling our attention to the fact that one-half of the total arrests of the country are because of prohibition violations. Jury trials are all the more needed in prohibition because it runs afoul of the wishes of so large a portion of our people. Denial of jury trial would bring about sullen resentment.

The preliminary report of the Wickersham commission comments upon the tremendous size and scope of the problem, as follows:

As to observance: It is impossible wholly to set off observance of the prohibition act from the large question of the views and habits of the American people with respect to private judgment as to statutes and regulations affecting their conduct. To reach conclusions of any value, we must go into deep questions of public opinion and the criminal law. We must look into the several factors in the attitude of the people, both generally and in particular localities, toward laws in general and toward specific regulations. We must note the attitude of the pioneer toward such things. We must bear in mind the Puritan's objection to administration; the Whig tradition of a "right of revolution"; the conception of natural rights, classical in our polity; the democratic tradition of individual participation in sovereignty; the attitude of the business world toward local regulation of enterprise; the clash of organized interests and opinions in a diversified community; and the divergences of attitude in different sections of the country and as between different groups in the same locality. We must not forget the many historical examples of large-scale public disregard of laws in our past. To give proper weight to these things, in connection with the social and economic effects of the prohibition law, is not a matter of a few months.

As to enforcement, there are no reliable figures to show the size of the problem. But the reported arrest in the last fiscal year of upward of 80,000 persons from every part of continental United States indicates a staggering number of what might be called focal points of infection. To these must be added the points of possible contact from without, along 3,700 miles of land boundaries, substantially 3,000 miles of frontage on the Great Lakes and connecting rivers (excluding Lake Michigan), and almost 12,000 miles of Atlantic, Gulf, and Pacific shore line. Thus there are about 18,700 miles of mainland of the continental United States at every point of which infection is possible.

There are no satisfactory estimates of the number of roads into the United States from Mexico and Canada. The number of smuggling roads from Canada is reported as at least 1,000, and on the Mexican border there are entrances into the United States at most points along a boundary of 1,744 miles.

To deal with an enforcement problem of this size and spread the Federal Government can draw only on a portion of the personnel of three Federal services, whose staffs aggregate about 23,000. Approximately one-tenth of this number is in the investigative section of the Prohibition Unit. Of the remaining 20,000, only a small proportion of the personnel is available for actual preventive and investigative work. The remainder is engaged in work far different from prohibition.

These figures speak for themselves.

Denial of jury trial would so inflame the populace as to reinspire the Whig spirit of revolt. You can not destroy our Puritan "objection to administration." It will not down. Nor can you make us forget our pioneer spirit of objection to sumptuary laws. Take away jury trials and you make prohibition vexation more vexatious, prohibition confusion more confounded, and you will, therefore, defeat your purpose and bring yourself further from, not nearer to, enforcement.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask the gentleman to yield me 10 more minutes.

Mr. OLIVER of Alabama. I yield 10 more minutes to the gentleman from New York.

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. McKEOWN. The gentleman does not anticipate that the measure which is contemplated will do that, does he?

Mr. CELLER. There are a number of measures that I have referred to. The measure of our honored colleague from South Dakota [Mr. CHRISTOPHERSON], chairman of the subcommittee of the Committee on the Judiciary, endeavors to take care of some of the objections that I have advanced, but I am speaking in general on the Wickersham report. I shall reserve for some other time my objection, specifically, to the Christopherson bill.

Mr. McKEOWN. The gentleman is a lawyer of wide experience. Has the gentleman ever given thought to the subject of the right of judges to comment on the credibility of witnesses and the weight and value to be given to their testimony by juries?

Mr. CELLER. I think that question is not pertinent to this issue. I state, though, that I quite agree with the gentleman that the judges should not have the extreme powers they now have in passing on the nature and character of the testimony given by witnesses before them.

Mr. BROWNING. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. BROWNING. The cases the gentleman has cited recognize that there were small or petty offenses at common law which the Constitution did not protect with a jury trial. The Wickersham report undertakes to set up a definition of a slight or casual offense under the prohibition act, which they would consider in the same class as these, and they put the maximum punishment at six months in jail and $500 fine. I would like the gentleman's judgment of what the definition of a petty offense that is not protected by a jury trial is, in comparison with what they set out.

Mr. CELLER. I would say that the fine and imprisonment indicated by the gentleman's repetition of the recommendation of the Wickersham report is such as to constitute, in the case of a violation of the prohibitory statute, not a petty offense but a crime in the purview of the Constitution. Is it petty to pay $500? Is it petty to go to jail for six months? As was very aptly said in the case of United States Supreme Court decision in Schick against United States (195 U. S. p. 68):

The truth is, the nature of the offense and the amount of punishment prescribed * * * determine whether it be classed among serious or petty offenses, whether among crimes or misdemeanors.

Whenever you have a violation of the law which is, as I said before, vexatious, which is, in a sense, political, which runs counter to the wishes of so many people of this land, it is quite important, and it is not petty, it is big; it is not small—the violation becomes a crime not a mere misdemeanor. In fact, the Jones law made the violation a potential felony. Thus the Jones chickens come home to roost.

Furthermore, when you have the right to inflict a punishment of six months in jail, with the consequent branding of the individual who goes to jail as a convict because he is sent to the penitentiary, the matter is no longer a petty matter or an insignificant matter, such as it would be if I should go to the left hand instead of the right in steering my automobile. That is merely the violation of a municipal regulation. That is insignificant. In such a case I could not demand a jury trial for a violation of that kind of statute or regulation. When you come to cases involving the legal concept of malum prohibitum and not that of malum per se you do not need to have a jury trial.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. LaGUARDIA. Even the sponsors of the bill are so uncertain as to the constitutionality of it that they try this subterfuge in order to get around it.

Mr. CELLER. Yes. I am glad the gentleman reminds me of that.

Mr. BECK. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Pennsylvania.

Mr. BECK. I was going to ask what you have found in your study of the Constitution as to the effect of the personal liberty laws under the Constitution?

Mr. CELLER. I will come to that presently. I see also the danger of a double jurisdiction a jeopardy which would be another reason for a closer study of the Constitution before we even think of following the Wickersham report.

Mr. GREEN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. GREEN. The classes of cases mentioned by the measure as not adapted to a jury trial reminds me that that is not the case in our State.

Mr. CELLER. You can not raise the question of the constitutional authority here when it comes to a citing of the State constitution of Florida. I am speaking of the United States Constitution, and particularly of the third article of the Constitution and the sixth and seventh amendments to the Constitution. Cases in your State may well rest upon the Florida constitution.

But, aside from that, you all know what a tremendous power rests in the hands of the United States district attorneys. They naturally want to make a record and pile up convictions. That is their stock in trade, and the more convictions they make the higher the esteem in which the community holds them. I am going to read you an extract from an editorial from the New York Morning World. I read:

In other words, the violator of certain of the liquor laws is asked to choose between the risk of a lighter penalty without jury trial and a much more severe penalty with a jury trial. The penalty he may incur is made to depend, therefore, not upon his crime, but upon his willingness to waive the right of trial by jury. The bargain proposed seems to us infamous.

And it is the United States attorney who drives the bargain. See what power you give him. It is a dangerous power.

In other words, you place a tremendous power of oppression in the hands of the United States attorneys. You give them the right, if they wish to be oppressive—and they will at times be oppressive—to say to the defendant, "Here, if you do not plead guilty before the commissioner, I will make it hot for you. Instead of your getting away with a light sentence, imposed by a commissioner, I will indict you for a felony and see to it that the court inflicts on you the highest penalty that may be inflicted under the statute." What chance will the defendant have—the defendant who has violated a law that more than half the people disobey.

To my mind it does not appear that you are going to advance enforcement of this statute in any respect. You are going to make the situation far worse. You will arouse the ire and resentment of the people and make conditions far worse.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. STEVENSON. If a defendant pleads guilty before the commissioner, he will get off lightly? And if he pleads not guilty and demands a jury trial, he may be convicted and subject to a heavy penalty?

Mr. CELLER. Yes. What kind of an impartial trial will he get when he goes before a court after the commissioner says he is guilty?

Mr. STEVENSON. The commissioner will not declare him guilty if he is tried by the commissioner.

Mr. CELLER. He does not get a jury trial unless there is a report of guilty found by the commissioner.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CELLER. Yes.

Mr. LaGUARDIA. Will not the gentleman also point out that this is the first time in the history of our Government where an attempt is made to get away from the trial by jury and establish a different tribunal?

Mr. CELLER. Yes. The gentleman has forcibly stated the case.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CELLER. The history of our country may well be written in terms of trial by jury. Not for mere transient reasons does the Constitution thrice safeguard jury trials, to wit: The third article and the sixth and seventh amendments. Many of the Colonists stubbornly refused to accept the Constitution on the ground that the words of the third article—

trial of all crimes except in cases of impeachment shall be by jury—

was too weak. They said that secret trials were possible and that the Government could postpone indefinitely trials to suit the whim and caprice of aristocratic officials. Even Jefferson wrote from France in opposition to the Constitution unless it contained the Bill of Rights, the 10 first amendments, which include the right of speedy and impartial trial by jury in the proper district.

As the Morning World recently indicated in a splendid editorial—

There were special reasons why the Americans were so insistent upon the safeguarding of this right in their National Constitution in 1789. In the years preceding the Revolutionary War the British Government had attempted a number of times to curtail the right of the colonists to a trial by their peers in their own country. The Declaration of Rights drawn up by the stamp act Congress in 1765 asserted that "trial by jury is the inherent and invaluable right of every British subject in these Colonies." A second declaration, adopted by the Continental Congress in 1774, asserted the right of the colonists to be tried "by their peers of the vicinage." The Declaration of Independence two years later denounced the British sovereign for "depriving us in many cases of the benefit of a trial by jury."

This explains the iteration and the reiteration of this right in the Constitution. The new Federal Government was to succeed to the place once held by the British ruler, and the framers of the Constitution were determined that the usurpations against which they had rebelled should not be repeated.

Only under promise to add the Bill of Rights, which included trial by jury, were the 13 States persuaded to ratify the Constitution in 1789. Two years later the promise was performed and the Bill of Rights was added.

During the Civil War attempts were made to do away with jury trials and substitute military trials in districts where the civil courts were still functioning. Although the provocation was strong to satisfy military necessity, yet the Supreme Court of the United States refused to suspend jury trials. Although the preservation of the Union was at stake, yet the Supreme Court held that the rights of the individual could not be trampled upon. In an opinion that has become classic, the Supreme Court said:

Time has proven the discernment of our ancestors, for even these provisions [stipulating jury trials], expressed in such plain English words that it would seem the ingenuity of man could not evade them, are now, after the lapse of more than 70 years, sought to be avoided. Those great and good men foresaw that troublous times would arise, when rulers and people would become restive under restraint and seek by sharp and decisive measures to accomplish ends deemed just and proper, and that the principles of constitutional liberty would be in peril unless established by irrepealable law. The history of the world had taught them that what was done in the past might be attempted in the future. The Constitution of the United States is a law for rulers and people, equally in peace and war, and covers with the shield of its protection all classes of men at all times and under all circumstances.

If jury trials were imperative in the Civil War, when the Nation was in a death struggle, how light and transient and flimsy seem the arguments to do away with jury trials in prohibition cases simply because the dockets are crowded.

Mr. SHREVE. Mr. Chairman, I yield 20 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

The CHAIRMAN. The gentleman from New Jersey is recognized for 20 minutes.

Mr. LEHLBACH. Mr. Chairman, there seems to be such a misconception and misunderstanding as to what the policy of the United States is with reference to the merchant marine that I deem it opportune to take a few moments to state what is the understanding of the Committee on the Merchant Marine with respect to the policy, and the purpose of the statutes pursuant to which this policy has been developed.

The merchant marine act of 1920 and the Jones-White Act of 1928 both have emanated from this committee, and for 10 years this policy has been developed under the legislative jurisdiction of the Committee on the Merchant Marine. The conviction that a merchant marine is necessary for our economic well being is not seriously disputed longer anywhere in this country. In our earlier history our home market was sufficient to absorb substantially all our production and our exports were occasional, largely surpluses, which from time to time accumulated. But as a result of the expansion both of industrial and agricultural production by reason of the World War, we now need an ever-increasing foreign commerce in order to maintain ourselves in economic security and prosperity. The World War also created an opportunity to engage in a rehabilitation of the American merchant marine because of the very many ships that were built for the purposes of the war, and which, at the conclusion thereof, became available for the development of a merchant marine.

For this purpose the merchant marine act of 1920 was enacted, and the policy sought to be furthered by this act is stated in section 1 thereof:

That it is necessary for the national defense and for the proper growth of its foreign and domestic commerce that the United States shall have a merchant marine of the best equipped and most suitable types of vessels sufficient to carry the greater portion of its commerce and serve as a naval or military auxiliary in time of war or national emergency, ultimately to be owned and operated privately by citizens of the United States.

That is the policy of the United States with respect to the development, maintenance, and ultimate disposition of a merchant marine.

In order to carry out this policy the merchant marine act, in section 5, provides that ships may be sold to American purchasers after advertisement and to the highest bidder. The ships are not restricted in any way as to their operation,

whether in foreign commerce, coastwise trade, or otherwise. Section 6 provides that ships may be so sold to aliens provided five members of the Shipping Board, which had been created by the provisions of the 1916 act, vote to do so.

Section 7, which is the very crux of our merchant-marine policy, provides:

That the board is authorized and directed to investigate and determine as promptly as possible after the enactment of this act and from time to time thereafter what steamship lines should be established and put in operation from ports in the United States or any Territory, district, or possession thereof to such world and domestic markets as in its judgment are desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States.

Now, the Shipping Board proceeded to establish services in accordance with this mandate of the Congress and to operate steamship lines in such services from all of our major ports to all parts of the world. At first the operation of these Government-owned and Government-operated lines was in a state of considerable confusion, but ultimately, in the course of time, these established services were reduced to about 37 or 38 in number and were conducted by the Shipping Board through the agency of shipping concerns which were known as managing operators. Section 7 further provides:

The board shall operate vessels on such line until the business is developed so that such vessels may be sold on satisfactory terms and the service maintained, or unless it shall appear within a reasonable time that such line can not be made self-sustaining.

Mr. CELLER. Will the gentleman yield at that point?

Mr. LEHLBACH. Yes.

Mr. CELLER. Does the gentleman subscribe to the view that the operators of a line and those who maintain it can continue to operate it at a terrific loss and that the Government has to pay those losses?

Mr. LEHLBACH. No; I do not maintain that.

Mr. CELLER. Suppose you have a case where lines are being operated at a very substantial loss, would the gentleman still give preference to the operators of that line in face of another concern that is bidding for the particular ships?

Mr. LEHLBACH. Losses occur not because a specific operator is incurring the loss but because that particular line is incapable of being made self-sustaining. The act provides:

Unless it shall appear within a reasonable time that such line can not be made self-sustaining.

Then the board is authorized no longer to operate it.

Mr. CELLER. What would the gentleman consider to be a reasonable time?

Mr. LEHLBACH. I am not determining that. Of course, that would depend on each specific instance and the facts and circumstances surrounding the specific case.

Mr. CELLER. May I give the gentleman a specific case?

Mr. LEHLBACH. I prefer to use my own time, if the gentleman from New York will permit me to do so. Now, first, we see that section 7 provides that these shipping lines when they have sufficiently developed that there is a market for their sale shall be sold as steamship lines. The title of the ships passes, but on condition that the steamship line is to be maintained with the same frequency of sailings, touching the same ports, and give the same service to shippers as was being maintained when the line so sold was being operated on account of and under the ownership of the Government.

Now, that has nothing whatever to do with the sale of ships as commodities under section 5 to Americans or the sale of ships as commodities to aliens under section 6. This has nothing to do with the ships as such but only with the ships as they are part and parcel of a shipping service and part and parcel of a steamship line. Hence the provisions in sections 5 and 6 have nothing whatever to do with the sales contemplated in section 7. The ships under sections 5 and 6 are to be sold as any other property of the United States—that is, after advertising to the highest bidder—but that is not the purpose of section 7, as shown by the plain language of that section:

Provided, That preference in the sale or assignment of vessels for operation on such steamship lines shall be given—

Preference may not in discretion be given, but "preference shall be given"—

to persons who are citizens of the United States who have the support, financial and otherwise, of the domestic communities primarily interested in such lines, if the board is satisfied of the ability of such person to maintain the service desired and proposed to be maintained, or to persons who are citizens of the United States who may then be maintaining a service from the port of the United States to or in the general direction of the world-market port to which the board has determined that such service should be established.

That fairly and squarely means the managing operator who is at that time maintaining not only a service but the particular service that is to be sold. Therefore there can be no question that these provisos giving preference mean the managing operator and that that preference is mandatory and not discretionary.

Now, I wish to say that in expressing this view I feel I may justly say that I am expressing the view and the opinion of the Committee on the Merchant Marine of this House, and I do not know of a single one of the 21 Members who dissents therefrom.

That this was the policy and has been the policy throughout these 10 years since the merchant marine act of 1920 is shown by the declarations from time to time of the Shipping Board and persons authorized to speak for the Shipping Board. We have a letter, dated July 6, 1925, from Admiral Palmer, who was then president of the Fleet Corporation, a subsidiary of the Shipping Board, having oversight over the operation of these ships on established lines, in which he states:

The Fleet Corporation desires to regard the managing operator of a line as its potential purchaser and it is hoped that your company may see its way to acquire the line it operates.

This was back in 1925. The chairman of the Shipping Board, on November 29, 1926, wrote as follows:

We are trying to build up potential purchasers of our governmental-owned lines and to develop them to an extent and in a manner which will promote the ultimate transfer to private American capital for operation, and I am sure everybody is in favor of carrying out the intent of the merchant marine act in this regard.

Again, in February of last year the Shipping Board voted, as a matter of policy, that—

If the owner shall expose for sale the line and the vessels composing same—

The owner being the United States Government operating through the Shipping Board and the Fleet Corporation, and the operator operating the line under this contract for account of the Shipping Board; this is put in the contract with the managing operator when he takes over the service to operate for the Government, in anticipation of a sale, not in connection with a sale—

and the operator operating the line should make a substantial and bona fide bid, the board will, within its discretion, give preference to the operator in the sale.

Now, when the board seeks a concern to operate its ships until such time ultimately comes when it can find a purchaser, it says in that initial contract of operation that when such time comes and the operator makes a bona fide bid to take over the line, to own it and operate it on his account, then he shall be given preference.

There was a question as to whether the method employed by the Shipping Board in giving this preference was a proper method. Of course, in ordinary sales, not of vessels comprising an established steamship line, they always advertise for bids. But the board adopted a method, which it had a perfect right to do, but the wisdom of which is questionable, of sort of combining the two methods, both advertising for bids and also giving effect to the direction in the law to give preference to the managing operators. It advertised for bids and inserted in its advertisements this language:

Should the managing agent, at present operating these lines for the account of the Shipping Board, make a substantial and bona fide bid, the board reserves the right to give the preference to the operator in the sale.

This is put right in the advertisement so that every bidder, aside from the managing operator, may know that when he submits a bid it is subject to this condition: That if the managing operator makes a substantial and bona fide bid, the board reserves the right, no matter what the amount is relative to other bidders, to award the contract to the managing operator.

Now, I will insert in my remarks an opinion of the general counsel of the United States Shipping Board, Mr. Chauncey G. Parker, on the subject of preferences under section 7 of the merchant marine act of 1920, in which he declares, and so advises the Shipping Board, that the law is precisely as I am endeavoring to outline it, as follows:

APRIL 12, 1929.

From: General counsel.

To: United States Shipping Board.

Subject: Preferences under section 7 of the merchant marine act, 1920.

Three problems are presented with respect to a proper interpretation of the merchant marine act, 1920:

1. Whether the Shipping Board is authorized by section 7 to sell the vessels for operation on lines without complying with the provisions of section 5 of the merchant marine act, 1920.

There is nothing which directs the Shipping Board to follow the provisions of section 5 in selling vessels for operation on lines and with the view of establishing lines. The words of the act, it seems to me, necessarily forbid the conclusion that advertisement under section 5 is necessary in order that the board should be authorized to sell under section 7. Certainly, if such was the intention of Congress, one would suppose that section 7 itself would have referred to section 5, and there are many provisions in section 7 which seem to me to be inconsistent with the thought that the board must sell according to section 5. In the first place, the principal object to be accomplished under section 7 is that the board should determine—

"What steamship lines should be established and put in operation from ports in the United States or any Territory, District, or possession thereof to such world and domestic markets as in its judgment are desirable for the promotion, development, expansion, and maintenance of the foreign and coastwise trade of the United States and adequate Postal Service."

No such general purpose is within the purview of section 5. In fact, the intent of section 5 is to authorize and direct the manner in which the property of the United States should be liquidated without regard to the matter of establishing and maintaining services. The thought of section 5 is that the board should sell in such a way as to get the best price. Sale should not be made except after appraisement and due advertisement, and sale must be made at public or private competitive sale. While the board is given the widest discretion as to the terms and conditions of the sale and the matter of price, yet these conditions last above quoted are essential conditions and can not be departed from. The fact that the board should never sell at forced sale, as shown by section 5, emphasizes the intent of Congress that when vessels are sold generally without regard to other purposes they should be sold under such circumstances as to bring the best prices for the Government.

It is quite apparent that in establishing and maintaining services through sale to a private owner the board has many problems other than the price which he is going to pay for the vessel. It has been the practice of the board in selling vessels for the purposes of establishing and maintaining lines to make the price of the vessels and the obligation to perform the service an entire obligation. By this I mean that there is only one obligation and not a number of or different obligations combined for convenience into a single contract. Thus a breach of the contract to pay the purchase money is a breach of the entire contract and justifies the board in taking back the vessels. So, too, a breach of the contract to operate is a breach of the entire contract and justifies the board in taking back the vessels. The same way if liens should be placed upon the vessels and were not removed within the time mentioned in the contract the whole contract is broken and the board's remedies are to take back the vessels. If then the price paid for the vessels is not money, as set forth in section 5, but consists of both money and service, how can it be said that section 5 controls the working out of the problems of section 7?

Again, when the vessels are sold for operation on the lines the purchaser must agree to establish and maintain the lines "upon such terms of payment and other conditions as the board may deem just and necessary to secure and maintain the service desired." The handling of a shipping proposition requires the exercise of personal qualities based upon experience and knowledge and also ability to handle a particular problem; and, if that be true, how can that element be handled through a competition?

And lastly, there is a direction that preference in the sale of vessels for operation on such lines shall be given—

(1) To persons who have the support, financial and otherwise, of the domestic communities primarily interested in such lines, and who have the ability, in the board's opinion, to maintain the service desired and proposed.

(2) To persons who may then be maintaining a service from the port of the United States to or in the general direction of the world-market port to which the board has determined that such service should be established.

If these words mean what they say, how can it be true that competition in the sale of the lines is essential, as directed by section 5, where price alone must be the criterion upon which vessels may be sold?

An argument has been made that these words do not mean what they say, and that the merchant marine act, 1920, intends that the board should not exercise its discretion and duty to give preference unless on the competition two bidders who are the highest bidders have bid the same amount. If that be the meaning of the law, why did not Congress say so? Can it be conceived that Congress believed that such a result would probably ensue on any effort made by the board to sell vessels? Did they think that it possibly would ensue? It certainly could not probably ensue if the method of sale was that of sealed bids.

On the other hand, if the method of sale was by open competition the person claiming preference could always meet the bid of the individual bidding, yet there is nothing in section 5 which requires an open competition like an auction sale of household goods. The law requires "public or private competitive sale," and the argument of those who hold that preference means one preference between two individuals who bid the same amount would necessarily prevent the board from selling by sealed bids. But if the consideration is an entire one and consists of both the payment of the purchase price and the maintenance of the service by individuals or companies who are able, in the judgment of the board, to perform the service, how is it possible for the board to carry out its duties under section 7 unless the board is given the fullest power and discretion to disregard the provisions of section 5?

I have already called attention to the fact that section 5 is not referred to in section 7, and that if Congress had intended that section 5 should be followed in selling under section 7, Congress would have so directed in the act. This view is borne out by the language of section 6 which relates to sale of vessels to aliens, and the section provides:

"The board is authorized and empowered to sell to aliens at such prices and on such terms and conditions as it may determine not inconsistent with the provisions of section 5."

Here Congress has incorporated section 5 with section 6, because Congress was of the view that section 5 should be followed when section 6 was used. Is it not strange that Congress should have omitted any reference to section 5 in section 7 if Congress intended that section 5 should control section 7? I am, therefore, of the opinion that in selling under section 7, it is not necessary to comply with the provisions of section 5.

This does not mean that the board should not use diligence to develop the field of competition by advertising, by competitive bidding and by any other way which is likely to bring about the best results in making provisions for the establishment and maintenance of lines and services. Solicitation should not be disregarded by the board. It might lead to the board's inducing an individual or individuals to undertake a problem of this character where no one else would appear to undertake the burdens and possibly all persons who did appear were not competent to bring about the results which the board desired to accomplish for the best interests of the United States.

2. Since section 5 does not control section 7, is the board authorized to make a private sale when giving preference to persons qualifying under the proviso of section 7 without giving any other person the opportunity of bidding?

This question has really been answered by what I have said above. My answer is, yes. While the board has the power to sell without competition, yet good business judgment, in my opinion, and also due diligence, which the board is bound to exercise, would require competition to be used for the purpose of developing prices.

3. Does a managing operator of Government-owned ships operated on a line which the board intends to establish and maintain through sale of the vessels for operation on the line, maintain the service desired and proposed to be maintained so as to be entitled to claim preference under section 7 of the merchant marine act, 1920?

It is argued that since the individual mentioned is not the owner of the vessels operating on the service that he does not maintain the service within the meaning of the law. I can not agree with this view. It seems to me that the managing operator maintains the service just as much by operating as an agent of the United States as he would if he operated his own vessels. The word "maintain" in Webster's Dictionary means "keep up; continue or persevere in; carry on; to keep possession of; hold." It also means "to bear the expense of; support." It is a question of interpretation as to which one of these meanings Congress intended when using this word "maintain" in the proviso of section 7.

The Shipping Board has repeatedly treated the managing operator as the individual who maintains the service while managing and operating the Government's vessels. The practice of the M. O. agreements was given for several years before the passage of the merchant marine act, 1920. Courts have even gone so far as to say that the earlier M. O. agreements amounted to a charter and gave the M. O. operator an interest in the vessel like a demise. Certainly the managing operator devotes his time, energies, and, in fact, his money toward the development and maintenance of the service. While the Government reimburses him through commissions and through the expense accounts which they pay, none the less the continuance of the service is something which the managing operator has to heart and which he should be encouraged to develop. An assurance to the managing operator that he would be considered as one entitled to claim preference under section 7 would, it seems to me, induce the managing operator to handle the service of the Government with greater enthusiasm than if he was led to suppose that no matter what success he might have, some one else would get the benefit of it by the vessels being sold over his head. It seems to me that Congress must have had this in mind when they used the phrase "persons who are citizens of the United States who may then be maintaining a service."

I see no reason to depart from a ruling which I have already made that the managing operator who has built up a service through a sub-

stantial period of operation is entitled to claim that he is one of the individuals to whom the board should give preference pursuant to section 7 of the merchant marine act, 1920.

CHAUNCEY G. PARKER, *General Counsel.*

Furthermore, the managing operators under the preference section also fall within this class that is given preference—

Who are citizens of the United States, who have the support, financial and otherwise, of the domestic communities, primarily interested in such lines, if the board is satisfied of their ability to carry out and maintain the service.

Of course, managing operators who for 10 years have, with increasing success, operated these ships for the Government have the community support; and just to give an example, the question has been raised with regard to the sale of two lines in the North Atlantic. The managing operators have bid, each for their respective lines, and an outsider has bid for the two lines.

Mr. WAINWRIGHT. Will the gentleman yield there?

Mr. LEHLBACH. Yes.

Mr. WAINWRIGHT. Is the gentleman referring now to United States Lines?

Mr. LEHLBACH. Yes.

Mr. WAINWRIGHT. But the United States Lines were not operated by an operator, they were operated by the Shipping Board itself.

Mr. LEHLBACH. I am talking about the present United States Lines, the Chapman Co. Chapman is a competitor and is bidding for the two North Atlantic services that are now being operated by managing operators for the Government.

Mr. WAINWRIGHT. I am very glad the gentleman is coming to that, because I think a great many of the Members from our part of the country, at least, have wondered why the United States Lines have not had a mail contract in the North Atlantic.

Mr. LEHLBACH. I am talking about the sale of the lines under the act of 1920. I have not come to the mail contract yet.

The operators of these lines operate ships to European ports on the North Atlantic from New York, from Baltimore, from Hampton Roads, from Philadelphia, and from Boston. The competitor, known as the United States Lines, the Chapman Co., has never operated a boat on the North Atlantic from any other port except New York.

Now, how can they have the backing of the local people in those other ports, and how do they come within either class of preference that is laid down in section 7?

The committee feels so strongly on this subject that when they heard rumors that the Shipping Board, notwithstanding this mandate in section 7 to extend this preference, notwithstanding that this preference was part of the implied contract when they got the managing operators to take over these lines and to run them for the Government, was going to set aside the preference in certain sales, the Committee on the Merchant Marine unanimously passed a resolution some weeks ago requesting the Shipping Board, if it intended to ignore the preference provision of the law in making any such sale, to report that fact to the Committee on the Merchant Marine in order that we might take such appropriate action to enforce the law and to see that it was followed and obeyed as would be within our power and within our jurisdiction.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. SHREVE. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. LEHLBACH. This policy of establishing 38 lines serving the United States to all parts of the world, so far as possible, of developing them, and of ultimately selling them to the managing operators when the managing operators had built up their good will and their business sufficiently to take over the service on their own account was not possible in every instance, although half of them have now been sold; and I do not know of a single instance, and I do not believe there is a single instance, where an important line has been sold to anybody other than the managing operator, where the managing operator desired to be the purchaser.

Now, in order further to facilitate the sale of these lines to the managing operators a provision for mail contracts was inserted in the Jones-White Act of 1928; the idea being that as the managing operators wished to take over these lines, but there was doubt as to their ability to operate successfully the lines, a contract compensating them for carrying the mails would be such an aid as in doubtful cases would insure the success of their enterprise.

The mail-contract provision was in furtherance of this policy of the act of 1920, as shown by this language in section 1 of the act of 1928. I will have to state it from memory—"the declaration of policy with respect to the merchant marine set forth in section 1 of the act of 1920 is hereby reaffirmed."

Consequently, a provision for mail contracts is in furtherance of this policy under which these steamship lines were established, maintained, and are ultimately to be disposed of under section 7.

Now, notwithstanding that was the intent of Congress, and that was the purpose substantially of the legislation of 1928, a strict construction seems to raise a doubt as to whether the mail contract must not be let to the lowest bidder rather than to the purchasing managing operator, because nothing declaring this purpose is expressly stated in the 1928 act.

So the Merchant Marine Committee is considering a bill, introduced by its chairman, Mr. WHITE, of Maine, expressly giving the same preference in regard to mail contracts to purchasers of established lines operated heretofore for the Government, as the purchase of lines is given in section 7 of the act of 1920 to managing operators.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. LEHLBACH. I yield.

Mr. WAINWRIGHT. Does not the gentleman think that was the intent of Congress?

Mr. LEHLBACH. Undoubtedly, we never had any other thought. I have been a member of the committee for years. I have kept myself reasonably well informed of the situation over which we have jurisdiction. We are fortunate in having members of the committee, a preponderance of the membership of that committee, who have served year after year, and know exactly what it is all about.

Mr. WAINWRIGHT. Many of us are delighted to have that expression from the committee.

Mr. LEHLBACH. So I say that is the policy of the Government as we understand it, and we thought we were so legislating when we made possible the establishment of these 38 services and then turning them over to the managing operators when they were strong enough to operate them on their own account, and to aid in building them up they were to get these mail contracts. The avowed purpose of our merchant-marine policy, as set forth in section 1 of the act of 1920, is to provide for the establishment of an adequate service for our commerce and the means whereby it will ultimately be privately owned. [Applause.]

I thank you.

Mr. OLIVER of Alabama. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. SANDLIN].

Mr. SANDLIN. Mr. Chairman, ladies and gentlemen, I want to congratulate the committee for the increase of appropriations for printing for the Bureau of Mines. While it is not sufficient in my judgment, it is the best they could do probably within the limits of the Budget. The Congress appropriates large sums for investigation and research work. I do not think we are justified in appropriating large sums for research work and investigation unless we give the information to the public by allowing adequate appropriations to publish the results of these investigations. One of two things should be done: Those appropriations for the investigation and research should be cut, or sufficient amount should be given to give the information to the public. The way the departments have to operate now is this: They pay the total amount necessary for investigation. They find when the reports are made by experts of the different departments that they have not money enough to give the information to the public, as they have insufficient funds for printing. They then have to go out to some private concern, some oil concern, or some mining company, some one interested directly in the research, and say to them that they will turn over the information to them and put up 1 or 2 per cent of the amount necessary to have it printed, the outside company to put up the balance, and the distribution of this information is not made by the departments. It is unbusinesslike and, in my opinion, it should be corrected.

I have no criticism to make of this committee, because other committees of the House are doing the same thing, but, in my opinion, it is absolutely indefensible, and it should be corrected in some way. However, the appropriation for the Bureau of Mines for printing at this time is increased by about $11,000, and that will be of great benefit. I thank the committee and congratulate them on giving this increase.

Mr. OLIVER of Alabama. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. OLIVER of Alabama. The committee was unanimous in recommending additional funds for some publications, but the expense incident to publications has grown so rapidly that it is almost impossible to provide money to print all of the information the departments collect. The gentleman will be interested to know that under legislation which the House recently passed for the purpose of providing in a limited way employment for prisoners there may be worked out a plan whereby, within

reasonable limits, prisoners can print bulletins and information for free distribution. That may suggest a way hereafter of providing for the distribution of information now collected and unpublished.

Mr. SANDLIN. I am very glad to have that information.

Mr. LaGUARDIA. Does the gentleman suggest printing in prisons?

Mr. OLIVER of Alabama. We already have it.

Mr. LaGUARDIA. Well, it better be curtailed.

Mr. SANDLIN. Mr. Chairman and gentlemen of the committee, there is another matter that is engaging the attention of the country at this time, as much among the independent merchants of the country as any that I know of, and that is the question of chain stores. I have no remedy at this time to suggest to correct that alleged menace to the country, but there was lately delivered over radio station KWKH at Shreveport, La., one of the most intelligent discourses that I know of on this subject, and I believe that it would be of interest to every Member of the House whose constituents naturally are interested in this question. Without taking any further time of the House, I ask unanimous consent to include this address entitled "The Menace of the Chain-Store System," by Philip Lieber, president of the Shreveport Mutual Building Association, as a part of my revision.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The address referred to is as follows:

AN ADDRESS ON THE MENACE OF THE CHAIN-STORE SYSTEM

By Philip Lieber, president Shreveport Mutual Building Association, as broadcast over radio station KWKH, Shreveport, La.

Have you ever been to the movies when the picturization of news events showed an eruption of Mount Vesuvius? Did you observe the slow but irresistible advance of the stream of molten rock, the lava, stopped neither by nature nor by man, but advancing, creeping, pushing everything before it, inexorably destroying everything in its path—man and beast, trees and buildings, the humble homes and the imposing and gigantic edifices of brick and stone? Did you fail to shudder as scene after scene showed you beautiful towns and smiling fields changed to a storm-tossed surface of jagged hot rocks, a solitude and desert of destruction? Did it fail to invoke your sympathy to understand that under a wall of lava 40 feet thick lay the crushed remains of centuries of human endeavor—that nothing but poverty and hopelessness remained?

From this scene of physical destruction adjust your eyes introspectively and look about you nearer at home, in your own city or in any city in your own Nation, our own United States, our own country of big things, where everybody seems to be suffering from a peculiar disease of trying to do big things—big combinations, big mergers, big investment trusts, big power combines, big banks, big manufacturers—big everything except the people who make our country—especially the big things that are spreading, cancerlike, over the length and breadth of our land, and like a cancer taking everything from the healthy tissues with which to feed their abnormality. I speak of the great chain systems that have hundreds and thousands of branches throughout the country, in business for legitimate profit, it is quite true, but illegitimately using their profit for centralization of power and fortune, and not for the upbuilding and benefit of the communities whose very blood and vigor and energy are being thus sapped by the process of everything going out and nothing being put back in. Like the advancing wall of hot lava and like the insidious advance of a disease which fails to give its warning until too far advanced for cure, there is a blight spreading, no longer quietly, it is true, all over our country, with much already conquered and in its toils, but with many beginning to awaken and call the message that must arouse the people from the lethargy and paralysis into which they have seemingly been lulled by the soporific system in which these outside chains have gained the ascendency in most of our average communities.

That outside chains realize that the public is sleepily turning over and eyelids are fluttering, and that at any moment now we may become fully awake, may be shown by the fact that, in our principal business publications and at business gatherings, the heads of these great outside systems are beginning to send out oil with which to calm the storm-troubled waters. They are referring to the "bunk," which they call the outspoken sentiments gaining in force against this creeping paralysis of local American business industry. Are the ever-increasing expressions of alarm, the growing thoughtful consideration of this problem confronting the average American city merely "bunk," the mouthings of the uninformed, or the propaganda of the demagogue?

There is a limit to strength and endurance in all things. There is a limit to the heights to which a building may be built on a base of certain limitation. A building of brick or stone would arrive at such a height that the bottom materials would be crushed, while the taller the buildings of steel are built the more extensive their base area must be so as to take the more massive foundation pieces. So this limitation of the base of these outside chain systems being too centralized will be the principal thing that will eventually crush the system. Too great centralization of finance, of powers, and of activities have always torn things down. History records many gigantic achievements, only to have seen them crushed out of shape at the moment of their supposed supremacy.

The intelligent, analyzing this phase of the Nation's business, can not conscientiously indict the chain system merely because it is a chain system. But they can and do indict and convict every extensive, every national, every widespread chain system that under one ownership seeks to take everything out of the various communities, without putting back in return. Of course, great arguments are made that these chains cause buildings to be remodeled for their tenancy; that they employ lots of help; that they occupy buildings and grounds that would otherwise be vacant. The law of nature demands compensation for everything, and natural laws apply to man-made affairs as thoroughly as to nature itself. You can not continue to take out without putting back. The farmer has learned his lesson by rotation or he has to purchase artificial fertilizer.

Now, how have cities been built? The necessity for common meeting places, trading places, amusement places, places of worship, etc., have caused the erection of a store, or a trading post, or a little church, or a hall at some convenient crossroad, or on a river. People came to live in these places—the farmers to sell their produce, the trappers to sell their catch, the people living in these places selling their necessary services, making profit, if possible, and using that profit to build up their communities. It is a fact that profits, that material excess not merely of receipts over cost but the net excess remaining after expense of existence has been deducted from gross income, have built up our cities. Where have you any record of one of these outside chains building a pioneer store, putting its shoulder to the wheel in the building and development of the cities? It is only after the pioneering days have been accomplished, after these towns afford a sure return, that any of these outside chains will consent to go in. That is why the local people in all communities should resent the usurpation of their business life by these outside stores, which are really foreign to every local good interest.

Are American cities to be in the future mere trading posts? Is the outside chain to be the depot of trade hereafter, eliminating the individual tradesman, who has done his share in building up our Nation? Are our merchants going to have to buy farm lands and their clerks become tenant farmers? Banking is being subjected to such huge mergers and movements are being quietly initiated for such changes in our laws legalizing branch banking nationally that some day our leading powers—the local bankers—will wake up in bed to read the papers that they have been promoted to be office boys of the New York gang. Power trusts, insurance alliances, manufacturers' combinations—are we headed for doctors' and lawyers' chains, too? Are we headed for educational chains so that, after a variation of the old Spartan custom of the sacrifice of the physically defective, the best and most likely of our youth will be educated under rules and regulations of these rulers of the earth, while the great mass of us will revert to the farm and the laboring camp?

In discussing this problem as it makes impression on my mind, I am trying to visualize only the economic and moral effect on the people in general. I do not attack chain stores in general—only that type of chains owned and operated from a central point, whose motto is to take everything out of a community and which never thinks of recultivation or replenishment. I pay no attention to charges and countercharges of false weight and measure and the trickery which is called business acumen. I do, however, feel that one custom of chains in general use is subject to criticism in this age of business, fair dealing, and ethics of a higher order. All over the country many of such units have a best seller, something in general demand, a staple article whose value and quality is well known—this article is standardized at a price that is mostly below wholesale cost and is so sold the year around. It is not advertised at special sale but, without special mention, is so sold that the public by comparison receives the psychological impression that everything handled is on the same basis of quality and price. There is one truism all over the world—the people get only what they pay for and the cheap shirt handled by an outside chain can not compare in style, material, or workmanship with any of the dozen national brands that have, by offering the best, built up national reputations. And so it is with any other article. The carpenter does not go into one of these chains to buy a hammer or saw or chisel. He goes to the builder's hardware store and buys brands that have stood the test for scores of years. But the painter or ordinary business man, attracted by a price half of what is received for good goods, falls for it. The painter will not buy his brushes at the chains, but the carpenter wanting to do a little painting at his home may also fall. Quality for quality, there is not a great deal of difference, if any, in the cost to the ultimate consumer of purchases from the chains and purchases from the local stores.

Mr. Julius Klein, Assistant Secretary of Commerce, recently said in Chicago: "Admittedly there has been occasional provocation for hos-

tilities against the chains. Certainly there is no excuse for illegal trade restraint, for marketing malpractices, for vicious rebates; and wherever such offenses develop the instruments of the law should be promptly and vigorously applied." What effect has this system on the community generally? I am unable to find one lasting good feature. The story from all cities is practically the same. I have received information from eastern and northern and western and southern cities, and they all have the same story of the gradual elimination of the individual tradesman and store and the usurpation by the outside chain. In one of the largest western cities, not over a month ago, a financier told me that a very large chain had a year ago entered; the manager told him that it had lost over $200,000 the first year there; it expected to lose a hundred thousand this year; break even next year, and then—watch their smoke! What kind of competition is it that can and is willing to do this? A business that must secure a foothold in a community by slashing prices in that fashion, admittedly too low to pay even expenses, is not morally worth a durn to a community. Now, how many local businesses are forced to the wall every time one of these enormous chains does this?

The real-estate owner in business districts and the real-estate dealer are usually the first beneficiaries of the advent of the chain into a city. And these two have a great deal of argument for the chains. Why? Well, the representative of the chain will select a location and make a deal that it will spend a certain amount of money in alterations and will pay a certain rental for a term of years. Then the chain representative will tell the realtor that all their transactions are handled through a certain office and the commission must be split—there is the first cut in price for you—the wrong way, of course. From the standpoint of the individual owner, the propaganda is very favorable that this great chain is entering the city and spending a lot of money improving the business district and a nice lease is fixed. But what about the half dozen small businesses in half a dozen locations that are forced to quit; what about the half dozen stores all within a stone's throw of this chain that become vacant and no person of limited capital can get in? Of course, you can have a sandwich stand or a shoe-repair shop, or another chain handling a different line.

I believe that it will be an actual experience that the day of the expiration of leases held by these chains will be a day of woe for the present landlords. The success of the chains is bound to create an overabundance of business locations, so that there will be many suitable stands vacant; and when these present introductory leases expire, watch out; the chains will be the dictators, for they will have no competition. It will be argued at this point that the location will be an asset to the chain. What is the difference of a block or two to the chain, especially when in any growing community the business district is continually moving? That is one thing that seems to be forgotten.

Now, the local business houses being eliminated, what happens to the army of partners and clerks and delivery men and porters? These chains, in the first place, do not deliver and most do not credit. Here, then, are lines of work eliminated and groups of workers thrown out of employment and forced to seek what they can find. It is an actual fact that most of these outside chains are content with clerical help in office and in stores at the cheapest obtainable wage. There have been many popular salesmen and saleslades, working in locally owned stores in any community, whose annual earnings have exceeded the salary paid to many branch chain-store managers. Therefore, in the change from the individual store to the chain, you have an army of people whose wages and income have become greatly lessened, whose ability to be self-supporting has become greatly impaired, whose purchasing power is reduced to a minimum, and whose ability to lay aside anything for the proverbial rainy day is nil. Everything must be in proportion. The wages of one class of the people can not show too great a variance without affecting the earnings of other classes. To the argument that chain stores rent buildings and provide employment for clerks, it may be truthfully answered that, without these outside competitors, a larger number of store buildings would be rented, the business being divided into smaller units, and a larger number of better-paid employees would be at work. To the argument of greater efficiency, it may be answered that it is far better for people to exchange values and services with each other and the profits of all expended locally for the betterment of the community than to reach that superefficiency which takes everything that is the result of such efficiency away from us.

Does the chain give service? No! Does the chain give more value? Again I say "No." For years the people of the various communities have flocked to their local merchants, demanding and securing the best to be had, obtaining free delivery, often submission of merchandise to their homes with benefit of approval or return, then having charge accounts opened, and some never paid. As against this, take the crowds now flocking into these chains, paying cash for every item, and carrying the bundles home. Any efficient local merchandiser, in association with others in the same line of business in various sections of the country, can purchase pretty nearly as cheaply as these chains, and could sell as cheaply if the people would be content with the same limited service. They have been ruined by their friends and neighbors, who believe that their local man should do ten times as much for them as the strange store just coming in.

The banks will tell you that the outside chains are selling their merchandise and sending their money to headquarters daily, the banks being used as nothing but overnight depositories. There is nothing local that these systems are interested in and their expenditures are the minimum. They have to pay local taxes on their stocks; they have to pay local wages; they have to pay local rent. That is practically all they spend in any community. Do they contribute to civic things? Ask your church workers, your community chest, your educators. Do they own anything except a minimum stock at tax-rendering time? Ask your assessor.

The only thing I have in opposition to the chain system is the failure to become a part of the community in which they are making money. Lest I be misunderstood, I say it is not the fact that the chains are powerful and rich. In this country anyone has the right to engage in any lawful undertaking, and if some concerns have power and finances to do business all over the Nation, all well and good, provided that they recognize their obligation to each such community that is earning for them the profits. But it is this failure on their part—their thoughtless milking the cow dry, their bleeding the communities white, their taking everything out and putting nothing back—that will eventually, almost without the public being aware of it, finally stamp out this system.

There are already among the ranks of the outside chain systems some large enough to have monopolized the entire output of factories or to own sufficient stock in them to dictate where, when, and to whom certain products shall be sold and at what price. This ownership is being used in the various communities to the utmost in putting the smaller concerns out of business.

This problem is the same as that of the competition found in nature and going on all the time except that it is not the competition of constructive force that is used but the competition of destruction. To the victor belongs the spoils has been a rule of history, but is there honorable victory to a concern that has never had a thing to do with the building up of any community to come in at the height of its power, finance, and might and ruthlessly push aside the many individuals who have done the pioneering and consign them to oblivion?

Economists and statisticians will tell you that it is only the inefficient individual merchant who is losing out and that the chain systems owe their success to the superefficiency which they have put into the great problems of distribution—how wonderfully well they are operating their stores, how perfectly the buying, handling, and selling of merchandise have been made by them. They will tell you that the chain system has taken the waste out of the merchandising business and that is why they are destined to succeed and the individual is destined to be laid by the wayside. If this so-called superefficiency must be achieved at the expense of starvation wages for the girls of our Nation, at the price of such low compensation for managers and responsible employees that they can not become factors in their various communities, at the expense of that aloofness from everything civic and moral in which the communities are interested for which outside chains are now famous (or infamous), then I say give us back the old-fashioned inefficiency. A promiment real-estate dealer told me just the other day that the manager for a new chain store just favoring our local community with its attention complained about having to pay $40 a month for a furnished apartment in this city; he said he would have to get one a little cheaper because his earnings did not justify that amount for rent. If this so-called superefficiency is lowering the cost of living, it is indeed lowering the quality of living, and it is lowering the production of the individual, measured in dollars and cents, and will eventually tend to lower and degrade the people financially. That is not the kind of lowering we need or want. I would rather pay a little bit more for everything I need in the knowledge that my city is being benefited by my purchasing at home than to eventually, even after a supposed saving in cost of some articles by trading with the outside chains, have to pay what I have so saved into my community in the form of extra taxes, donations to charitable causes, and other things whose general average of solicitation must be increased because of the failure of these outside chains to contribute their share. Is business to become dehumanized, are these outside chains that have no part in our communities any different, after all, from slot machines of the kind that always give you a piece of merchandise for the penny or nickel dropped in? Is there any more feeling or humanity associated with them?

There is after all only one way in which fairness is going to win victory and that is by the thoughtful cooperation of the people. The people, the thinking people, have got to make up their minds to look at this problem from all angles. Local merchants have for years warned us against the use of catalogue houses; the number of people in the past using these was very small compared to the total purchasing population. But this is not the case with the outside chain that moves into the community, remodels a building, puts in bright new fixtures, and keeps everything fresh and bright, outsells on a few carefully selected items, and makes its own price on everything else. They are receiving the bulk of the purchasers of the communities and will do so until the people wake up to what the continuous shipment of their earnings out of the city and out of the State will in the end amount to.

The success of the chains will teach our old-time merchandisers their lesson, if it has not already done so. Local people putting their business on an efficient basis should have and possess the preference of the people of their respective communities, and this argument is not a plea for local people to get the business irrespective of service and value. To that end, this bitter experience of local industry against the outside chains will prove of lasting value in its ultimate lesson-teaching experience.

It is a peculiar thing that all writers who take up for the chain system and defend the chains so very vigorously are noticeably silent on the great question whether the chains become community parts, of what is done with the profits made out of these communities.

In addition to draining these various communities by the withdrawal of profits from circulation locally, where they have in the past been used for development and building and investment and banking locally, there is a most pernicious feature of the outside chain centralized in one large city. It destroys local initiative. It tends to make of everyone in this particular line of business endeavor a mere routine-trained creature of habit, not thinking for himself, trained only to do as the central power directs. What of the future if this system takes the place of our past businesses? Some say that this is the age of inevitable change in the manner of doing business—will these same ones say that this will not make, if they are correct, the same kind of change in the thoughts, habits, education, training, and environment of our future generations—of your boy and your girld and of my boy and my girl? In the field of business in its various branches are the opportunities of devoting their talents to individualism going to be forever denied them?

Is business headed for such a superdegree of centralization that there will ultimately be one great national chain system for each commodity or group of kindred commodities, until each such chain will dictate quality of food, style of clothes, and kind of living quarters?

Are the United States of America to resolve into a feudal system of 125,000,000 souls with a couple of hundred overlords and all of the rest of us eternally consigned to a condition of peasantry, whose chief duty will be to bring to the laps of these Molochs of business the fruits of our unremitting labor? The answer is in the minds of and the solution in the hands of our people themselves.

Mr. OLIVER of Alabama. Mr. Chairman, I yield 20 minutes to the gentleman from Arkansas [Mr. RAGON].

Mr. RAGON. Mr. Chairman, I want to discuss for a short while a matter involved in our relations with the Philippines, which I do not believe in the many debates recently has been touched on.

There appeared before the Senate Insular Affairs Committee last week representatives of the American Federation of Labor, the Grange, the American Farm Bureau, and the Dairymen's Association asking for the independence of the Philippine Islands. It is not to the discredit of these organizations that perhaps they had in mind more the economic status of the American farmer and the wage earner than they did the political status of the Philippine Islands. The latter part of last week I received this telegram, which I will read, representing the attitude of one of the most powerful and potent factors in the economic life of this country:

LITTLE ROCK, ARK., *January 16, 1930.*

We must have tariff protection against the enormous imports of foreign vegetable oils and materials from which they are made. These tropical products are depressing the price of cottonseed oil, therefore the price of cottonseed, which is causing serious injury to our cotton producers. We are awakening to these impossible conditions, and our Representatives and Congressmen owe us relief. Our farmers can not exist on 20 cents per day, and their children are entitled to church and educational facilities. The imports from the Philippines should be limited or taxed at a preferential rate or given their independence. It is well to realize our obligations to them, but we owe a higher one to our own people under our present high standards. Will you furnish us tariff relief?

The author of this telegram is a gentleman of high standing and a very progressive and up-to-date business man in the city of Little Rock. The earnestness and sincerity manifested in this telegram is of unusual character. I think these great organizations must have considered our Philippine relations from every angle, and it is my judgment at least that they have come to the conclusion that there is but one solution of this difficult and irritating problem, and that is to give the Philippines their independence.

I want in a brief time to touch upon the history of our free-trade relations with the Philippine Islands, and therefore shall not discuss any other features of our relations with these islands. Our free-trade relations with the Philippine Islands was first suggested by Presidents Roosevelt and Taft, Governor General Taft being the greatest champion of this relationship. In 1909 provisions were made in the tariff bill of that year for partial free-trade relations with the Philippine Islands. It is immaterial to this discussion what the limitations in this particular bill were. After the initiation of the free-trade relations in 1909 Congress passed an act in 1913 opening wide the doors of the Philippine Islands for the passage of American products duty free. In the same bill we provided for the products of the Philippine Islands to enter our country free of duty except where not more than 20 per cent of such products was of foreign production. These relations have been practically undisturbed until the present time.

OUR TRADE IN THE PHILIPPINES BEGAN IN 1900

In 1900 we find the markets of Europe were receiving a vast majority of Philippine products. In fact of all the Philippine foreign trade we only had about one-sixth of its volume; whereas China had better than one-third and the United Kingdom had approximately one-fifth. To be specific, in 1900 the foreign commerce of the Philippine Islands amounted to 68,100,000 pesos, or $34,050,000. Of this the United States had 10,600,000 pesos, the United Kingdom 13,600,000 pesos and China 24,700,000 pesos, the remainder being divided among Japan, France, Spain, Germany, and the British East Indies. Therefore it will be seen when we took over the islands that of their 68,100,000 pesos the other nations of the earth had better than 58,000,000 pesos of this trade.

FILIPINOS OPPOSED TO FREE TRADE

When the first bill was introduced in 1909 proposing free trade the Filipinos strongly opposed it. A resolution was introduced in the assembly or lower house of their legislature strongly protesting against the United States imposing free trade upon them, and finally was passed by a unanimous vote. At that time they did not have a Filipino senate, but the Philippine Commission, composed of five members, served the purpose of a senate, and this commission, notwithstanding a majority of its members were American citizens, adopted this resolution by a majority vote. This resolution was transmitted to the Philippine Commissioners who were serving the islands in Congress at that time and one of those Commissioners, voicing the sentiments of himself and his colleague, took the floor of this House and strongly protested against the Filipinos being forced by this Government into a free-trade agreement. This briefly is the history of the attitude of the Philippines toward the present free-trade relations existing between them and this country. I do not know how more positively the voice of 10,000,000 people could have been expressed than through their assembly, the Philippine Commission and the Philippine Commissioners here in Congress. Whether it has been a good or bad bargain for either the Americans or the Filipinos, it must always be remembered that this great and powerful Nation forced a weak and humble people, against their protests, into our present commercial relationship.

REASONS FILIPINOS OPPOSED FREE TRADE

The reasons for the Filipinos opposing free trade can easily be seen when it is given thoughtful consideration. They had well-established markets in Europe and in the Orient. These markets had been established for decades and had produced nothing but good will between the Filipinos and the people with whom they traded. To break away from these pleasant relations and enter into a free-trade agreement with the United States meant to abandon an international acquaintance and good will for a concentration of all their trade with one country. Notwithstanding the Filipinos protested against the demoralization of their trade relations with European and oriental countries, the United States said, "You will have to take it," and the Filipinos took it.

It also meant a revolutionary change in providing revenues for their government. Approximately one-third of their revenues at that time was derived from customs duties. To enter into this relationship and permit the products of the United States to come into the Philippines duty free meant, of course, the shutting out of the products of other countries and the loss of revenues aggregating millions of pesos. Therefore the Filipinos had grave fears that such a revolutionary procedure would interfere with the stability of their revenues. But notwithstanding the Filipinos' fears the the United States said, "You will have to take it," and the Filipinos took it.

In the third place, the Filipinos who have for centuries longed for the day to come when they might be a free and independent people, mold their islands into one government, and have their own flag, saw in free trade an insurmountable barrier to their ambitions. Whatever error may have attended their judgment in the first two reasons named for opposing free trade, everyone now who has given any unbiased study to the Philippine problem knows that their protestations on this account were prophetic and well grounded. They felt that to exclude trade

with other nations, which a free-trade relation would do, would mean to invite American capital to come into their islands and to invite only the capital of other nations to get out. They knew that when American capital once became intrenched in the Philippine Islands that they would encounter the opposition of powerful groups who would always want back of them the political protection of the American flag and the security of the American Treasury. That the Filipino was thinking straight is amply justified by the existence to-day of powerful financial organizations which are opposing independence at any time. Notwithstanding the Filipinos saw in this free-trade relaton a death blow to their hopes and ambitions for independence, the United States said, "You will have to take it," and the Filipinos took it.

There are other reasons I might assign, but these come quickly to the mind and appeal to one as good and sufficient reasons for the attitude of the Filipino toward free trade relations with the United States. It is well for those who now would ask this Government to do away with free trade relations and subject the Filipino goods to tariff duties to remember that it was by no voluntary act of the Philippines that they came under the American flag. It is further to be remembered that he is the citizen of no country; he has no government except what we permit him to have, and therefore he has no flag. The Filipinos are simply adopted children of the United States. They are our wards, and the good or evil which has come to them through a free trade relation forced upon them by the United States must be maintained if the United States is to keep its face in dealing with other nations of the earth.

THE BENEFITS OF FREE TRADE

It would be difficult to discover which has been the greater beneficiary in this free relationship. The balance of our trade may, from the standpoint of dollars and cents, weigh to the advantage of the Philippines; but when you take into consideration the incidental benefits, such as banking, insurance, shipping, and various other enterprises, the American industry, I believe, will have received the greater advantage. It is interesting to note that over $29,000,000 of American agricultural products were sent into the Philippines in 1928, and that cotton products from the southern and western farmers amounted to more than $15,000,000.

American trade in the Philippines in 30 years has increased from 10,000,000 pesos to 398,000,000 in 1928.

Mr. PALMER. Will the gentleman yield?

Mr. RAGON. Yes.

Mr. PALMER. I believe the gentleman said the Filipino has no flag. Is it not a fact that the Filipinos are protected under the same flag that Arkansas and Missouri are protected and that they are protected in every nation where that flag goes?

Mr. RAGON. He has no citizenship; and I say again he has no flag he can call his own. I still insist on that statement.

The effect of our free trade relations upon the Filipino trade with other countries can be seen when the United Kingdom during that same period has only doubled its trade with the Philippines from 13,000,000 to 27,000,000 pesos. China in that same period has had her trade with the Philippines decreased from 24,000,000 pesos to 20,000,000 pesos. To-day, instead of the United States having only a little over 16 per cent of the Philippine trade it has 69 per cent. That the Philippine Islands have been an impetus to American trade in the Orient is shown by the fact that our trade with the Orient has increased many times since we have had the Philippines. This constitutes our reward for forcing upon the Philippine Islands the free trade relationship which now exists.

STATEMENT OF SECRETARY OF STATE STIMSON

Secretary of State Stimson, who was until recently Governor General of the Philippines, stated to the Ways and Means Committee, in opposition to the abandonment of free-trade relations, that when he became Governor General he called in a council of the best minds in the Philippine Islands to discuss how they might promote their general welfare. They agreed upon a program and he set about to carry it out by inviting American capital to come there and investigate the possibilities for profitable business enterprises in the Philippines. This several American enterprises did, some even going so far as to formulate plans.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. OLIVER of Alabama. I yield the gentleman 10 additional minutes.

Mr. RAGON. Then there was introduced into Congress the Timberlake resolution limiting the tonnage of sugar which would come into this country from the Philippines duty free. Immediately American capital became timid. Many business men who at first became interested then became indifferent. The results coming from this resolution had a bad effect, he said, in the financial development of the Philippines. If a resolution affecting only one of their products can have such an effect, what will be the effect upon the future development of the Philippine Islands with all of these powerful organizations pleading before the committees of Congress for a complete elimination of the free-trade relations with the Philippines upon all their products coming into this country. I not only received the telegram which I read, but in one mail received 8 or 10 letters from cottonseed-oil concerns representing themselves and the cotton farmers of the South and the West, pleading for either restoration of tariff upon the Philippine products or to give the islands their independence.

Agitation of this question has assumed such proportions that it can not help but drive American capital away from the Philippines. Its withering influence is not only manifested upon American capital but domestic capital of the Philippines becomes timid and is afraid to embark upon any program of industrial expansion. It simply means that with this agitation the present political status of the Philippine Islands can not with fairness to them be maintained.

Free-trade relations with the Philippine Islands was first prompted by Republican administrations under Roosevelt and Taft. A Republican Congress was the first to pass any kind of free-trade relations. I therefore not only appeal to members of the Democratic minority, but I more strongly appeal to the Republican majority, who have control of the executive and legislative branches of this Government, to solve this difficult problem.

INDEPENDENCE UNQUALIFIEDLY PROMISED

Freedom and independence has been promised the Philippines by every official spokesman of the United States Government in the Philippines since the administration of President McKinley. Taft, Roosevelt, Wilson, and subsequent administrations have made clear that to the Philippines it is our purpose to eventually give them independence. This sentiment was crystallized in the solemn covenants of a statute known as the Jones law, which provided that the Philippines should have their independence when a stabilized government was formed in the islands. We are facing this unqualified promise for independence upon one hand and the demands of these powerful groups to fulfill that promise on the other hand.

I will say to you frankly, these conditions which have only recently grown to such great proportions have caused me to change my mind and believe that we will never have a satisfactory solution of this question until we give them their independence. My friends, our flag has always stood as hope and protection of a weak and feeble people, even on our own shores, in the West Indies, in South and Central America; yes, since the World War even to the small and weak countries in the far reaches of Europe. That flag was carried into the Orient by a Republican administration. It was placed there as a guide rail for 12,000,000 weak and helpless people to use in learning the paths of self-government, and these people are now ready to walk alone and to stand alone, and to-day they are looking up onto the folds of that flag and they are asking you and they are asking me if it is our purpose to permit it to become a flag of a hope deferred and a promise broken.

The grange, dairy products organizations, and the American Farm Bureau, representing 25,000,000 American farmers who are in a condition of greatest distress, have demanded independence for the islands. They feel that the present commercial status with the islands is working a hardship upon the American farmer and they are asking that these cords of restraint upon our own flesh and blood be broken and the islands be given their independence. The strong plea of American labor is added in protection for itself and in sympathy for the pitiful condition of American agriculture. The industrialists of the East, smarting under their tariff disappointments, will complete the powerful coalition for independence of the Philippines. This perplexing problem is put squarely up to the Republican administration; it may be an unwelcome child upon your doorsteps, but it is your responsibility, and you should meet it fairly and squarely out in the open upon the floor of this House, where a majority of both Republican and Democrats can express themselves one way or the other. The question can not be settled by ducking and dodging through devious ways in the secret recesses of some committee room. Twenty-five million American farmers, twelve million Filipinos, several million American wage earners, and the industry of this country demand that this question be given a fair and open treatment.

Mr. SHREVE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. SPARKS]. [Applause.]

Mr. SPARKS. Mr. Chairman, this session of Congress has had and still has problems of supreme importance. Our attention was invited the other day to a matter that I trust will receive the favorable attention of Congress at this session. I have reference to a matter referred to by the distinguished

chairman of the Immigration Committee a few days ago in this House. We were informed by him that efforts would be made at this session to fix a basis for the admission of immigrants to this country from the other countries of the Western Hemisphere. Our present legislation does not cover a matter of this kind.

During the struggling days of our young Republic immigration problems were unknown, but about 1820, when the new Nation had demonstrated with reasonable certainty its ability to successfully endure, there began a substantial flow of immigration from the various countries of Europe. Our Republic, then in its infancy, welcomed the people of other lands to assist in the development of the vast resources of the Nation.

The people who then came to our shores realized that they were coming to a new country to share the hardships and privations that were incident to the settlement of a new country. The freedom from restraints that they believed themselves unjustly subjected to in their native lands sufficiently compensated them for the hazards they were assuming in fighting the battles that were incident to the exploration of undeveloped regions of the new country. Doubtless they felt that their labors would not only bring them greater enjoyment in the exercise of privileges they were denied in their mother country, but that their posterity might be the beneficiaries of a heritage enriched by their contributions.

The task which awaited the new arrivals to our country from other shores was of such a character that, generally, only the strong, physically and mentally, undertook the responsibility of meeting that task. The immigrant of such characteristics was a beneficial contribution to our country's welfare. They loyally cooperated with their new neighbors in the development of the agricultural and industrial life of the country.

The passing of years which has transformed our Nation from a struggling young republic to a nation with its vast resources greatly developed, its domains traversed with a network of industrial activities, and its population increased to an amazing extent, presents a picture entirely unlike the period when the burdens of development were in a primitive condition. Having reached such a development in our national life, our thoughts and attention should be directed toward the conservation of the rights and privileges which the citizenship of this country now enjoy.

In our consideration of this matter we should not be unmindful of our adopted sons and daughters, who are separated from those who are near and dear to them, and who are longing for the time to come, when they, too, may join their more fortunate loved ones in the land of great opportunities. We should deal with them reasonably, ever keeping in mind our obligations to our own countrymen. Through our citizenship and their ancestry the opportunities of to-day were made possible. A further encroachment upon their rights and privileges should be jealously guarded and protected. Our wide-open doors to the people of the Western Hemisphere should be sufficiently closed to meet our just obligations to our people.

The fact that the immigrant comes to our country is generally attributable to conditions less favorable to him in his own country. Such being true, he is readily agreeable to undermine those who come in contact with him in this country in their line of endeavor. Such attitude on the part of the immigrant weakens the standard previously maintained and proportionately weakens our national stability. The attitude of such immigrants not only undermines the economic conditions of our people with whom they come in competition but it injects into the communities where they reside different modes of living inferior to the high standards enjoyed by the people of this country, and requires our people to compete with conditions which are degrading and demoralizing to our standards of civilization.

Many of them, clannishly inclined, cling to their native customs and rules of conduct with no apparent desire to conform to the customs of this country. Inspired primarily by personal gain with no thought of responsibility for the administration of government, and with little, if any, concern for the perpetuity of our institutions, they move on in their selfish and restricted pathway, participating in the benefits of our economic system and the liberties we enjoy, but do not accept our country's obligations. The generosity of our Government should be so circumscribed as to protect for our own countrymen the rich heritage so generously bequeathed by our ancestry.

The greatest influx of immigrants to our country from the other countries of the Western Hemisphere of recent years is from Mexico. For the fiscal year ending June 30, 1929, there were 38,980 immigrant aliens, or newcomers for residence in this country, admitted from Mexico. During the same fiscal year, 10,500 Mexicans left this country for their native land, leaving a net increase of Mexican aliens in this country for said fiscal year of 31,885. Of those admitted during said period, 11,581 were unskilled laborers, 3,167 farm laborers, 4,252 skilled laborers, 1,266 servants, 732 engaged in various professions, 1,295 in miscellaneous occupations, and 16,687 were listed as having no occupation. Of the number so admitted during said fiscal year, 24,798 were male and 14,182 female and 22,391 were single.

During said period our immigrant admissions from Mexico were the second largest of our immigrant entries from the different countries of the world, and in the year preceding the immigration from Mexico to this country, exceeded by approximately 3,000 that of any other country. Germany furnished the largest contribution to our population during the last fiscal period.

During the last fiscal period there were 233 Mexicans deported for having participated in crimes involving moral turpitude, constituting the largest number of deportees of any nationality. Within this period 460 Mexicans were deported because they were criminals at the time of their admission, and in this class, also, they constituted the largest number of any nationality. Aliens of the immoral classes, including prostitutes after entry, procurers, and persons coming for immoral purposes, numbered 395 during this period, of whom 300 were Mexicans.

It will be observed that the nonquota country of Mexico has taken advantage of our liberality and poured their unsatisfied humanity within our borders. In justice to the other nations of the world, we should adopt some course of action relative to the admission of immigrants from such nonquota countries. In 1920 there were 478,383 Mexicans in this country; 433,028 were aliens. Only 4.8 per cent of the Mexicans then in the country were naturalized, constituting the lowest percentage among the immigrants.

We are, then, confronted with the serious problem. Shall we continue to extend our hospitality to those who have been unappreciative of the rights so generously granted, who maintain their loyalty to their native country, who do not choose to share our country's obligations? Our country has been the asylum for the oppressed of other lands who cheerfully assumed their responsibilities of government and who marched by the side of the citizen of this country in upholding our Nation's honor either in time of peace or war. While our country has been enriched by such contributions, it should not blind us in meeting the problems which are materially affecting our economic conditions, and will burden our population with an unsympathetic people through whose veins the patriotic and loyal blood of true American citizenship does not flow, and whose hearts do not beat in unison with the progressive development of the present time.

The people of other lands have partaken liberally of our hospitality. We have shared with them the liberties we prize and cherish. We are now faced with conditions that make it imperative that we demonstrate our loyalty to the citizenship of our land. We must protect our wage earners, farmers, and laborers from the perils that will inevitably result from a continued flow of immigrants to our country from the nonquota countries. We should meet that responsibility in a spirit of fairness actuated by a noble purpose to so act that we may transmit to our posterity a heritage of great opportunities, and that industry and toil may continue to receive its just reward. [Applause.]

Mr. SHREVE. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman and gentleman, the matter I present is based on a controversy I had on the 16th day of December last, with the gentleman from Minnesota, in which our statistics did not agree. So I desire to submit the definitely ascertained facts.

On the 16th day of December, 1929, in a speech delivered on the floor of the House relative to Nebraska's diamond jubilee, I made the statement that Nebraska had a larger attendance at its State fair than any other State. The statement was challenged by my friend, Hon. Mr. KNUTSON, of Minnesota, whose State had heretofore led in State-fair attendance. I have taken time and opportunity to verify the correctness of my statement of leadership and the following figures fairly support my general statement then made. The attendance for the years 1928 and 1929 at the leading State fairs are as follows, arranged in the order of the State's rank in 1929:

	1928	1929
Nebraska State Fair	427,034	437,660
Ohio State Fair	338,587	437,000
Minnesota State Fair	457,212	433,268
Iowa State Fair	367,226	432,257
Kansas State Fair	350,000	350,000
Illinois State Fair	331,000	330,900
Missouri State Fair	235,075	281,992
Wisconsin State Fair	267,471	272,411
Indiana State Fair	254,587	245,194
New York State Fair	225,913	235,900
Michigan State Fair	232,388	196,400
Oklahoma State Fair	260,449	145,000

Mr. SIMMONS. Will the gentleman yield?

Mr. SLOAN. I yield to my colleague.

Mr. SIMMONS. How much was the attendance at the Nebraska fair?

Mr. SLOAN. Four hundred and thirty-seven thousand six hundred and sixty.

Mr. SIMMONS. This probably does not have anything to do directly with what the gentleman is saying, but charges have been made on the floor of the House regarding the enforcement of the liquor law in Nebraska, and it might be said that at the State fair in the eight days that the fair was in session out of the 437,000 that attended there were only two arrests for intoxication. [Applause.]

Mr. LAGUARDIA. Mr. Chairman——

Mr. SLOAN. I thought that would get a rise out of New York. [Laughter.]

Mr. LAGUARDIA. If we had such lax enforcement as they have in Nebraska, we might have as good a percentage as the rest. [Laughter and applause.]

Mr. SLOAN. I suppose if New York would do its duty and help the Federal Government, you could join with us in a proper boast. New York State Fair in 1929 had an attendance of 235,996. According to population, Nebraska had an attendance of 337 out of a thousand at its State fair, good, law-abiding citizens, as my colleague has stated, while New York had 22 people for every thousand population attending its State fair. I do not know whether the inducements were greater at the State fair or Manhattan, but at any event they did not attend the New York State Fair.

Mr. SIMMONS. Will the gentleman again yield?

Mr. SLOAN. I yield to my colleague.

Mr. SIMMONS. Has the gentleman any information as to what the condition of the twenty-two out of the thousand were that attended the New York State Fair? [Laughter.]

Mr. SLOAN. Mercy characterizes me always, and I will say nothing about it. [Laughter.]

Let me say for the benefit of my Minnesota friend that Minnesota had a 9-day fair, while we had only eight days, and her average daily attendance was 48,000 and ours was 54,000.

The following are the number of people in each of the States mentioned for every 1,000 inhabitants thereof, based on the 1920 census:

Nebraska	337
Kansas	198
Minnesota	181
Iowa	179
Wisconsin	103
Indiana	83
Missouri	82
Ohio	75
Oklahoma	71
Illinois	51
Michigan	50
New York	22

That Nebraskans take such cordial interest in their State fair is warranted by the following facts:

First. Nebraska this year moved up from the sixth rank in value of farm products to fifth.

Second. From a yield of $323,524,000 in 1928 to $343,707,000 in 1929.

Third. Nebraska during 15 years averaged ninth place.

Fourth. She is outranked this year by Texas, California, Iowa, and Illinois.

The State fairs in the Corn Belt are the "Well organized harvest homes" of that section.

Of the States given, Nebraska has the smallest population as well as the largest fair attendance, and our fair like our State is out of debt. Our fair is located out at the crossing of the meridian "Best of the West," and parallel "Worth of the North." [Applause.]

Mr. Chairman, I ask permission to revise and abbreviate my remarks. [Laughter.]

The CHAIRMAN. Without objection it is so ordered.

Mr. SHREVE. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I have had occasion to call to the attention of the House more than one the tendency on the part of the Federal courts to encroach upon the duties and powers of State regulatory commissions having jurisdiction over public-utility companies. I made a very serious charge several months ago concerning an order that was signed at night, taking from the State courts a case, commonly known as the 5-cent fare, of great importance to the people of the city of New York, improperly taken from the State courts, and I shocked some of my colleagues in my attack on and criticism of that particular judge. That judge has since resigned under fire and in disgrace. We have now another situation in New York, and this one will come home to every city in this country before long. I refer to the interference of the Federal court with the powers of the State public-service commissions in regulating telephone rates. I have introduced in the House every year for the last five years what is now known as H. R. 132, which has been referred to the Committee on the Judiciary, a bill which would limit the jurisdiction of Federal courts in seeking to interfere with the order of a commission or administrative board of a State regulating a public-utility company, except, of course, in cases involving interstate commerce.

Be it enacted, etc., That no district or circuit court of the United States or judge thereof shall have jurisdiction to entertain any bill of complaint to suspend or restrain the enforcement, operation, or execution of any order made by an administrative board or commission in any State, acting under and pursuant to the statutes of such State, where such order was made after hearing upon notice, nor to entertain jurisdiction of any bill of complaint to suspend or restrain the enforcement, operation, or execution of the statute under which such order was made in any case where under the statutes of that State provision is made for a judicial review of such order upon the law and the facts: *Provided,* That nothing herein contained shall limit or affect in any manner the jurisdiction of district and circuit courts of the United States and judges thereof in matters affecting interstate commerce, nor to prohibit such court or courts or the judges thereof from entertaining any bill of complaint to suspend or restrain the enforcement, operation, or execution of any order made by an administrative board or commission in any State in so far as such order affects interstate commerce.

I have been unable to get action on this bill for some reason or other. When the Federal courts in other States become as brazen as our court in New York, then I expect the country will see the necessity for curbing the power of the Federal court and preventing it from becoming the handmaiden of public-utility companies, willing to do their dirty work. In New York State we have a public-service commission that has been generous to the public-utility companies. It has been so generous as to be charged with being partial to the public-utility companies. In 1924 the New York Telephone Co. went before the public-service commission of our State and obtained an increase. They were not satisfied with that increase, and they took their demand for still higher rates to the Federal court, on the fiction that the increased rate granted to them by the State public-service commission was not sufficient and that even the rate granted was confiscatory. The Federal court appointed a master, who has been holding hearings for four years. In the notice which I received as a subscriber to the telephone—and I admit we have the greatest telephone system in the world in New York City; I will even concede that it is most efficient, with 1,000,000 subscribers—they said:

NEW YORK TELEGRAPH CO.,
New York, January 21, 1930.

To all users of our service:

The recent decision of the United States district court in the telephone-rate case is of importance to the people of the State of New York. As one of our customers, we are anxious to have you know the facts, briefly as to the history of the case and more completely as to the necessity for such increases as will be made in the rates charged for local telephone service.

The court's decision is the final determination in a series of rate proceedings first started nine years ago. At that time the company found its rates entirely inadequate because of higher wage levels, increased material prices, and changed operating conditions arising out of the economic situation brought about by the war. Application for adequate rates was then made to the public-service commission. This investigation, extending over two years, resulted in increasing somewhat the rates in New York City and decreasing them outside of New York City. The company gave these rates the test of actual experience which showed that they not only failed to produce a fair return but failed—by several millions of dollars—to produce even the return which the commission had intended.

In January, 1924, therefore, the company asked the commission for an immediate increase in rates. This the commission did not grant, and the company was forced, in April of the same year, to bring a suit in the United States district court to stop confiscation of its property. The court granted a surcharge of 10 per cent on rates for local service in New York City pending final disposition of the case. Outside of New York City no change was made. As is usual in such cases, the court appointed a special master as its representative to take testimony and hearings were begun in October, 1924. The defendants in the case were the public-service commission, the city of New York, and the State of New York. In 1926 the commission granted some further relief, which was still inadequate.

During the four years consumed in these hearings every phase and angle of the company's property and business was presented to the master in great detail and with great frankness. Both sides had

ample opportunity to present any facts or arguments bearing on their views in this case. The case for the defendants was presented by representatives of the city of New York, of the State of New York, and of the public-service commission. Their experts examined the company's books, records, and property. The results of this examination were placed before the master in the form of testimony and exhibits. More than 600 witnesses were heard and their testimony covered 36,500 typewritten pages. In addition, over 3,000 exhibits relating to the company's operations were placed in evidence.

After the taking of testimony was concluded the master considered the record of the case for six months before presenting his report to the court on March 11, 1929. This report was, of course, subject to the court's review. Eight months later, after a final hearing, the court rendered its decision and on December 27, 1929, entered its final decree, in which it fixed the value of the property for rate-making purposes, named 7 per cent as the rate of return to be earned upon that value, held that the rates complained of did not produce an adequate return and were confiscatory, and authorized the company to charge higher rates, provided such rates should not produce a return greater than 7 per cent upon the fair value of the property.

During the entire period of nine years covering these various rate proceedings, wages which constitute 65 per cent of our total operating expense have continued to rise. Other expenses, notably for service improvements, have also risen in spite of the fact that we have taken advantage of every economy resulting from increased efficiency, improved operating methods and practices, as well as technical developments in the art produced by the Bell Laboratories.

Notwithstanding the inadequate return the company has gone ahead with the tremendous expansion program required by the constant economic growth of the State in order that industry might not be retarded by inferior telephone service. Paralleling our expansion program, which now makes it possible to give telephone service when and where the demand arises, we have gone ahead with a service-improvement program which has been largely responsible for the high grade of service now being rendered throughout the State. During the last five years the average time for establishing all toll connections has been reduced about 45 per cent and the average time for establishing connections on calls to the more distant points has been decreased about 65 per cent. The time required to install service after receiving the order has been reduced by approximately two days, and because of large expenditures for preventive maintenance a substantial reduction has been made in the amount of trouble experienced on subscribers' telephones. Local service has improved proportionately in both speed and accuracy.

During the last five years $376,000,000 has been expended in carrying out our expansion and service-improvement program. Constant progress in dependability and speed has been made, but it is obvious that progress can not continue unless the financial stability of the company is assured. The industries of the State are growing rapidly and we must continue to meet the demands of an ever-increasing volume of service. The company must continue to invest millions of dollars each year on construction of new buildings, central-office equipment, underground cables, toll cables, etc., to provide more service to existing customers and to satisfy promptly the requirements of new customers. In the current year alone we shall require about $120,000,000 to carry out our construction and service-improvement program.

The telephone industry must attract large sums of money each year from the investing public. A fair return must be assured or the public will make its investments elsewhere and the company can obtain a fair return on its property only by charging adequate rates for the service its renders. The interests of the public and the company are common in this respect for no community can expand unless its utilities can expand with it. Inadequate revenues, if continued, would mean an inferior service which would be more costly to the public than the rates necessary to assure good service.

In accordance with the court's decree, the company will put into effect February 1, 1930, new rates for exchange service throughout New York State. New rates will also be introduced on that date in that portion of Connecticut operated by this company. During the last few years many communities have grown faster than others, both in population and the number of telephones which can be reached in the local calling areas. This situation has brought about inequalities in rates charged for service in the various communities. In addition, there are items of equipment used for special services which are not bearing their proper share of the cost of rendering such service. For these reasons all adjustments in the new rates will not be in equal amounts. Some rates will be increased more than others, some will not be changed, and in some instances rates will be reduced. The new rates will remove inequities existing in our present schedules, and will be fair to all customers in all classes of service and in all sizes of exchanges. Throughout the rates have been developed in accordance with the policy of this company, many times publicly stated in the following words:

"In the best interest of our customers and ourselves rates for telephone service should be adjusted on the basis of the best possible service at the lowest cost consistent with financial safety, thus permitting full use of the service with a reasonable margin above the cost of furnishing such service."

The total additional gross revenue will represent an increase of approximately 7 per cent over the present annual gross revenue of the company, which increase will yield a return of approximately, but not more than, 7 per cent on the value of our property, as fixed by the court.

A statement discussing the new rates is inclosed. Changes in the method of charging for certain services have been made in some exchanges, all of which are related to our plans for service improvements. The changes affecting your locality are discussed in the rate statement.

In this letter an effort has been made to inform you as to the different aspects of the rate case and the introduction of the new rates. With the new rates in force, we expect to constantly improve the service to the end that you will find your use of the telephone increasingly dependable and satisfactory to you.

If further information is desired, any of our business-office employees will gladly furnish it.

J. S. McCULLOCH, *President.*

Gentlemen, do you know what the court considered? They went back to the early days of the telephone. They went back to the laying of the original conduits 25 or 30 years ago, and valued that property on a reproduction theory. To give you an idea how far-fetched they were in their greed, they capitalized what they called experience, and that was added to the consumers' rate. They took the cost of training operators, multiplied it by the number of thousands of operators they had, and they capitalized the amount and that was included. Some of these wild theories were allowed by the court. In other words, they not only owned the physical property, but they took the stand that they owned their employees, and that their employees could not work for any other company, assuming they would lose their franchise.

Let me give you an idea of what this means, because it is coming to your cities. The initial cost of a call for a business concern now is 8 cents—an increase of 26 per cent on the initial number of calls. On the residential phones there is an increase of 12 per cent. Most of you gentlemen are familiar with New York. If I call from Manhattan one of my colleagues in Brooklyn, which is now considered a double call, it will cost me 16 cents to talk across the river for 3 minutes; and they have established a 3-minute time on a local call, so that if I spoke for 4 minutes it would add 10 cents to my charge, which would make 26 cents for talking to one of my colleagues across the river for 4 minutes. Talk about your crime wave! That is the greatest judicial larceny that has ever been committed on the American people. Here is a sample of only a few of the increased rates granted:

RATES FOR TELEPHONE SERVICE

In accordance with the Federal court decision discussed in the inclosed letter, rates for local service are being increased generally throughout the State, effective February 1, 1930. An explanation of the rates applying in your central office district is given in this folder.

Below are shown the new rates for the principal classes of service available in your district.

Message rate service

	Monthly charge
Business:	
Individual line, including 75 local messages	$6.00
Extension telephones, each	.80
Private branch exchange—	
Switchboards, per position (depending on type)	5.00–35.00
Telephones, each	.80
First trunk, including 75 local messages	6.00
Additional trunks, each	2.50
Residence:	
Individual line, including 66 local messages	4.50
Extension telephones, each	.65
Additional local messages per month:	
Allowance to 300, 5 cents each.	
From 301 to 600, inclusive, 4½ cents each.	
From 601 to 900, inclusive, 4 cents each.	
Above 900, 3¾ cents each.	

The regulations covering extra directory listings have been changed to limit free listings to one per subscriber. These regulations will not become effective for listings now in the directory until the summer 1930 issue.

Modifications have also been made in the rates and regulations applying to other forms of service.

Changes have been made in the method of charging for calls to points in New York City, as shown on the following pages.

Mr. COOPER of Wisconsin. What judge made that order?

Mr. LaGUARDIA. A statutory court. The master was Isaac R. Oeland, and the judges of the statutory court were Judges Manton, Swan, and Chase. This is based upon the theory that the rate fixed by the public-service commission was confiscatory, and here I have the returns of the telephone company.

They started this action in 1924, and to date they have paid every year 8 per cent dividends on their common stock, and 6½ per cent on the preferred stock. In 1924 their telephone operating revenues were $136,375,001, and their operating expenses were $105,465,417. That year the company paid out $16,375,360 dividends equal to 8 per cent on their common stock. The figures for the intervening years I shall put in the RECORD.

They continued to pay 8 per cent on their common and 6½ per cent on their preferred stock all through these years to date.

We come now to 1928. Their operating revenue was $180,908,592 and their operating expenses $129,493,917. Then, after paying taxes, and after paying interest on their bonded indebtedness, after providing for a sinking fund, they paid preferred dividends to the amount of $1,625,000 at the rate of 6½ per cent, and also paid $22,446,000, which is 8 per cent on their common stock.

Here is a summary of the financial condition of this company since 1923:

Income account, years ended December 31 (New York Telephone Co. only)

	1928	1927	1926	1925	1924	1923
Telephone operating revenues	$180,908,592	$186,495,378	$178,205,668	$157,128,099	$136,375,001	$120,540,555
Telephone operating expenses	129,493,917	133,066,057	127,427,964	115,064,459	105,465,417	91,314,502
Net telephone operating revenues	51,414,675	53,429,321	50,777,704	42,063,640	30,909,584	29,226,053
Uncollectible operating revenues	856,065	986,149	984,259	990,938	793,257	694,966
Taxes assignable to operations	13,164,313	14,189,548	13,591,589	10,572,362	8,634,023	8,344,462
Total operating income	37,394,297	38,253,624	36,201,856	30,500,340	21,482,304	20,186,625
Net nonoperating revenues	5,245,298	5,059,127	3,646,040	3,816,859	6,913,218	9,637,234
Gross income	42,639,595	43,312,751	39,847,896	34,317,199	28,395,522	29,823,859
Deductions:						
Rent and miscellaneous	4,779,540	4,665,193	4,463,838	4,164,551	3,790,388	3,424,506
Funded debt interest	7,040,037	7,108,746	7,163,597	7,198,290	7,260,323	7,327,830
Other interest	1,438,703	3,013,250	1,305,550	3,716,155	2,200,214	848,652
Debt discount and expense	212,295	212,774	213,209	213,470	213,885	214,368
Balance net income	29,169,020	28,312,788	26,701,702	19,024,733	14,930,712	17,990,503
Preferred dividends	1,625,000	1,625,000	1,625,699	1,625,766	1,593,521	1,198,581
Common dividends	22,448,000	22,448,000	22,448,000	16,375,360	16,375,360	16,375,360
Miscellaneous appropriations of income			998,000			
Balance for corporate surplus	5,096,020	4,239,788	1,630,003	1,023,607	3,038,169	416,562
Times bond interest earned	5.14	4.98	4.72	3.64	3.05	3.45

And they paid the 8 per cent on the common stock in 1924, in 1925, in 1926, in 1927, and in 1928. I can not understand—it is difficult to explain—how they can base an action and receive a judgment and decree on the ground that the rate as fixed by the State commission is confiscatory when they paid an 8 per cent dividend on the common stock all through those years.

Mr. Chairman, that is the kind of conduct that shakes confidence in our Federal judiciary. There was no need to go into the Federal court. We have a public-service commission, which I say has been so generous that it is charged with being partial to these corporations. They have the right of review in the State courts.

Now, Mr. Chairman, these utility corporations have simply got to be stopped from interfering in such purely local matters. In going to the Federal court public-utility corporations have nothing to lose. I have demonstrated to you the abuse on the part of a Federal judge in removing the 5-cent fare case from a State court, and the Supreme Court passed upon that, and it cost the users of our subways many hundreds of thousands of dollars. If the corporation loses its case the cost goes to operating expenses and is charged on to the consumer; and if they get away with it—and they often get away with it in the Federal courts—then they have legal authority to unduly mulch the consuming public.

Mr. COOPER of Wisconsin. In the case you mentioned how did they come into the Federal court?

Mr. LAGUARDIA. On the theory that the rate fixed was confiscatory. But they paid dividends, as I have shown. What is the true function of the Federal court? It was never contemplated that the Federal court should be a wet nurse for public-utility corporations.

It was never contemplated that the Federal court was constituted for the purpose of fixing exorbitant rates for public-utility corporations; it was never intended that the Federal court was an institution to nullify proper and legal orders of public-service commissions of States. We can not see these things done without uttering a protest.

Every telephone company now, I believe, does an interstate business. We ought to legislate and put them under proper Federal supervision, because it is the only public utility now doing an interstate business that is not under Federal supervision. I am making this protest as notice to the telephone companies, because this is not a local matter only. While it affects Greater New York to-day, it has already reached out to the State of Connecticut and increased rates in the State of Connecticut. To-morrow a similar grab may be attempted in other States.

I hope that the Members will give some consideration to my bill, H. R. 132. It is not original with me. Other Members introduced bills of this kind years ago. A similar bill was introduced some years ago by the gentleman from New Jersey [Mr. BACHARACH] when I was president of the board of aldermen in New York City. He felt that there was a demand; there was a demand from many municipalities for hearings on his bill at the time. If we can not depend on the good faith, upon the judgment, upon the integrity of our Federal courts, then it is our duty to limit their jurisdiction so that they will not take up these rate-fixing matters, overriding State commissions and State courts. It is time for public-utility corporations to come into the Federal courts after they have exhausted their remedy in the State courts, and when they apprehend a real case of confiscation of their property; but not upon false and artificial figures, based upon crooked bookkeeping, in order to charge exorbitant fares and rates. It is an abuse of the statutory court that is unjustifiable, both in morals and in law. [Applause.]

Mr. SHREVE. 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. MAPES, Chairman of the Committee of the Whole House on the state of the Union, having had under consideration the bill (H. R. 8960) making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1931, and for other purposes, reported that that committee had come to no resolution thereon.

HEADSTONES FOR DECEASED CONFEDERATE SOLDIERS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks concerning headstones of deceased Confederate soldiers.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks on the subject indicated. Is there objection?

There was no objection.

Mr. COLLINS. Mr. Speaker, the War Department appropriation bill for the fiscal year 1931, as passed by the House, carries the first appropriation under the act of February 26, 1929, for supplying headstones for the graves of deceased Confederate soldiers.

The bill carries for this purpose a total of $111,139, which will supply 10,896 headstones, at an estimated cost of $10.22 per headstone, which is the same unit cost for headstones supplied for graves of Union and Spanish-American soldiers.

The amount allowed is in accordance with the estimate presented in the Budget. The Committee on Appropriations never reduces estimates that come to it for supplying headstones.

ADJOURNMENT

Mr. SHREVE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 26 minutes p. m.) the House adjourned until to-morrow, Tuesday, January 28, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, January 28, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

(10.30 a. m. and 2 p. m.)

Deficiency appropriation bill.

(10 a. m.)

District of Columbia appropriation bill.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To authorize the Secretary of the Navy to proceed with certain public works at the United States Naval Hospital, Washington, D. C. (H. R. 8866).

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 THE JUDICIARY—SUBCOMMITTEE NO. II

(10.30 a. m.)

To establish a term of the district court of the United States for the District of Nevada at Las Vegas, Nev. (H. R. 7643).

To amend section 180, title 28, United States Code, as amended. (H R. 185.)

Authorizing appointment of attorneys to represent pauper defendants (H. R. 7988).

COMMITTEE ON PENSIONS

(10 a. m.)

Granting pensions and increases of pensions to certain soldiers, sailors, and nurses of the war with Spain, the Philippine Insurrection, or the China relief expedition (H. R. 2562).

COMMITTEE ON THE MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

To further develop an American merchant marine, to assure its permanence in the transportation of the foreign trade of the United States (H. R. 8361).

COMMITTEE ON AGRICULTURE

(10 a. m.)

Extending protection to the American eagle (H. R. 7994).

To amend the migratory bird treaty act with respect to bag limits and more effectively to meet the obligations of the United States under the migratory-bird treaty (H. R. 5278).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

A bill to authorize the creation of organized rural communities to demonstrate the benefits of planned settlement and supervised rural development (H. R. 1677).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

291. A communication from the President of the United States, transmitting supplemental estimate of appropriation for the Department of the Interior, National Park Service, for the fiscal years 1930 and 1931, amounting to $65,000 (H. Doc. No. 272); to the Committee on Appropriations and ordered to be printed.

292. A letter from the Acting Secretary of the Navy, transmitting draft of a proposed bill for the relief of LeRoy Moyer, Supply Corps, United States Navy; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. MERRITT: Committee on Interstate and Foreign Commerce. H. R. 11. A bill to protect trade-mark owners, distributors, and the public against injurious and uneconomic practices in the distribution of articles of standard quality under a distinguishing trade-mark, brand, or name; with an amendment (Rept. No. 536). Referred to the Calendar.

Mr. HOUSTON of Delaware: Committee on Rivers and Harbors. H. R. 4767. A bill to authorize sale of iron pier in Delaware Bay near Lewes, Del.; without amendment (Rept. No. 537). Referred to the Committee of the Whole House on the state of the Union.

Mrs. KAHN: Committee on Military Affairs. H. R. 8527. A bill to amend the act entitled "An act to enable the mothers and widows of the deceased soldiers, sailors, and marines of the American forces now interred in the cemeteries of Europe to make a pilgrimage to these cemeteries," approved March 2, 1929; with amendment (Rept. No. 538). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H. J. Res. 207. A joint resolution 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; with amendment (Rept. No. 539). Referred to the Committee of the Whole House on the state of the Union.

Mr. PORTER: Committee on Foreign Affairs. H. J. Res. 223. A joint resolution to provide for the expenses of participation by the United States in the International Conference for the Codification of International Law in 1930; with amendment (Rept. No. 540). Referred to the Committee of the Whole House on the state of the Union.

Mr. MORGAN: Committee on Foreign Affairs. H. J. Res. 229. A joint resolution authorizing an appropriation to defray the expenses of participation by the Government of the United States in the Inter-American Conference on Bibliography, to be held at Habana, Cuba, on February 26, 1930; with amendment (Rept. No. 541). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McCLOSKEY: Committee on Military Affairs. S. J. Res. 69. A joint resolution authorizing the Secretary of War to receive, for instruction at the United States Military Academy at West Point, Edmundo Valdez Murillo, a citizen of Ecuador; without amendment (Rept. No. 519). Referred to the Committee of the Whole House.

Mr. DOUGLAS of Arizona: Committee on Military Affairs. S. J. Res. 72. A joint resolution authorizing the Secretary of War to receive for instruction at the United States Military Academy at West Point, two citizens of Honduras, namely, Vicente Mejia and Antonio Inestroza; without amendment (Rept. No. 520). Referred to the Committee of the Whole House.

Mr. FISHER: Committee on Military Affairs. S. J. Res. 100. A joint resolution authorizing the Secretary of War to receive, for instruction at the United States Military Academy at West Point, Godofredo Arrieta A., jr., a citizen of Salvador; without amendment (Rept. No. 521). Referred to the Committee of the Whole House.

Mr. HOFFMAN: Committee on Military Affairs. S. J. Res. 107. A joint resolution authorizing the Secretary of War to receive, for instruction at the United States Military Academy at West Point, Señor Guillermo Gomez, a citizen of Colombia; without amendment (Rept. No. 522). Referred to the Committee of the Whole House.

Mr. SPEAKS: Committee on Military Affairs. H. R. 325. A bill authorizing the President of the United States to present in the name of Congress a congressional medal of honor to Capt. Edward V. Rickenbacker; without amendment (Rept. No. 523). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 1088. A bill for the relief of James Luther Hammon; with amendment (Rept. No. 524). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 1428. A bill for the relief of Thomas Murphy; with amendment (Rept. No. 525). Referred to the Committee of the Whole House.

Mr. WAINWRIGHT: Committee on Military Affairs. H. R. 2694. A bill conferring the rank, pay, and allowances of a major of Infantry to date from March 24, 1928, upon Robert Graham Moss, late captain, Infantry, United States Army, deceased; without amendment (Rept. No. 526). Referred to the Committee of the Whole House.

Mr. GARRETT: Committee on Military Affairs. H. R. 4081. A bill to confer the medal of honor for service in the Philippine insurrection on William O. Trafton; without amendment (Rept. No. 527). Referred to the Committee of the Whole House.

Mr. HOFFMAN: Committee on Military Affairs. H. R. 7901. A bill for the relief of Ed Burleson; with amendment (Rept. No. 528). Referred to the Committee of the Whole House.

Mr. GLYNN: Committee on Military Affairs. H. R. 9070. A bill for the relief of William Fisher; with amendment (Rept. No. 529). Referred to the Committee of the Whole House.

Mr. HOFFMAN: Committee on Military Affairs. H. R. 9129. A bill for the relief of John J. O'Connor; without amendment (Rept. No. 530). Referred to the Committee of the Whole House.

Mr. JOHNSON of Illinois: Committee on Military Affairs. H. R. 9138. A bill for the relief of Israel Brown; with amendment (Rept. No. 531). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 2166. A bill for the relief of Mrs. W. M. Kittle; without amendment (Rept. No. 532). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 2167. A bill for the relief of Sarah E. Edge; without amendment (Rept. No. 533). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 8995. A bill for the relief of Weymouth Kirkland and Robert N. Golding; without amendment (Rept. No. 534). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 8996. A bill for the relief of Don C. Fees; without amendment (Rept. No. 535). 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. 2057) for the relief of Andrew Boyd Rogers; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 2086) for the relief of Harold Lytle; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

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. 2334) to reimburse Yalmor G. Swanson for injuries sustained and for damages to his car in an accident with a truck operated by the United States marines; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 2645) for the relief of Homer Elmer Cox; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 3455) for the relief of A. D. Rieger; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 3811) for the relief of Elmo K. Gordon; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 3833) for the relief of Gilbert P. Chase; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 4861) to provide for the reimbursement of Guillermo Medina, hydrographic surveyor, for the value of personal effects lost in the capsizing of a Navy whaleboat off Galera Island, Gulf of Panama; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 5911) for the relief of Lieut. H. W. Taylor, United States Navy; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 6176) for the relief of Julia M. Holland; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 6889) for the relief of Dr. Luis H. Debayle; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 7063) for the relief of H. E. Mills; Committee on Claims discharged; and referred to the Committee on Indian Affairs.

A bill (H. R. 8954) granting a pension to Annis M. Lagel; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 7882) to authorize the payment of the sum of $2,500 to the dependents of the officers and men who lost their lives on the submarine *S–4;* Committee on Naval Affairs discharged, and referred to the Committee on Claims.

A bill (H. R. 9100) granting an increase of pension to Augusta Letzgus; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 753) for the relief of the State of Maine; Committee on Naval Affairs discharged, and referred to the Committee on Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KERR: A bill (H. R. 9180) granting the consent of Congress to the North Carolina State Highway Commission to construct, maintain, and operate a free highway bridge across the Roanoke River at or near Weldon, N. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. HARE: A bill (H. R. 9181) to amend an act providing for Federal intermediate credit banks; to the Committee on Banking and Currency.

By Mr. HARTLEY: A bill (H. R. 9182) to prevent professional prize fighting and to authorize amateur boxing in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. HOUSTON of Hawaii: A bill (H. R. 9183) to provide for the exercise of sole and exclusive jurisdiction by the United States over the Hawaii National Park in the Territory of Hawaii, and for other purposes; to the Committee on the Public Lands.

By Mr. VINSON of Georgia: A bill (H. R. 9184) to amend the United States cotton futures act of August 11, 1916, as amended, to provide for the prevention and removal of obstructions and burdens upon interstate commerce in cotton by further regulating transactions on cotton-futures exchanges, and for other purposes; to the Committee on Agriculture.

By Mr. DICKSTEIN: A bill (H. R. 9185) to amend the Judicial Code of the United States; to the Committee on the Judiciary.

By Mr. LEAVITT: A bill (H. R. 9186) to authorize and direct the Secretary of War to issue a lease to the Veterans' Bureau covering the grounds and property at Fort Harrison, Mont., necessary to the operation of Veterans' Hospital No. 72; to the Committee on Military Affairs.

By Mr. FITZGERALD: A bill (H. R. 9187) to favor World War and other veterans suffering from battle injuries, and for those whose armed service extended to more than one war; to the Committee on World War Veterans' Legislation.

PRIVATE BILLS AND RESOLUTIONS

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

By Mr. ARNOLD: A bill (H. R. 9188) granting a pension to Nora Hardwick; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 9189) granting an increase of pension to Mary E. Claypool; to the Committee on Invalid Pensions.

By Mr. BEEDY: A bill (H. R. 9190) granting a pension to Isabella F. Strickland; to the Committee on Invalid Pensions.

By Mr. BLOOM: A bill (H. R. 9191) for the relief of Girolomo Cimbalo; to the Committee on Claims.

Also, a bill (H. R. 9192) for the relief of Herbert L. Lee; to the Committee on World War Veterans' Legislation.

By Mr. BRAND of Ohio: A bill (H. R. 9193) granting an increase of pension to Sallie M. Binkard; to the Committee on Invalid Pensions.

By Mr. BRIGHAM: A bill (H. R. 9194) granting an increase of pension to Louisa Robinson; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 9195) for the relief of Lieut. LeRoy Moyer; to the Committee on Naval Affairs.

By Mr. COOPER of Ohio: A bill (H. R. 9196) granting an increase of pension to Harriet Thomas; to the Committee on Invalid Pensions.

By Mr. HARE: A bill (H. R. 9197) for the relief of Cassie T. Culbertson; to the Committee on Claims.

Also, a bill (H. R. 9198) to remove cloud as to title of lands at Fort Lyttleton, S. C.; to the Committee on the Public Lands.

Also, a bill (H. R. 9199) for the relief of John F. Williams and Anderson Tyler; to the Committee on Claims.

By Mr. HOGG: A bill (H. R. 9200) granting an increase of pension to Harriett Hagedorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9201) for the recognition of meritorious service performed by Chief Gunner Clarence L. Tibbals; to the Committee on Naval Affairs.

Also, a bill (H. R. 9202) granting an increase of pension to Ida M. Wigent; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 9203) granting an increase of pension to Rose A. Pettigrew; to the Committee on Invalid Pensions.

By Mr. HULL of Tennessee: A bill (H. R. 9204) granting a pension to Allen C. Griffith; to the Committee on Pensions.

By Mr. IRWIN: A bill (H. R. 9205) for the relief of Julian E. Gillespie; to the Committee on Claims.

By Mr. JOHNSON of Oklahoma: A bill (H. R. 9206) granting an increase of pension to Clara Serviere; to the Committee on Invalid Pensions.

By Mr. KENDALL of Kentucky: A bill (H. R. 9207) for the relief of William Brewer; to the Committee on Military Affairs.

By Mr. KENDALL of Pennsylvania: A bill (H. R. 9208) granting a pension to Bell J. Norris; to the Committee on Invalid Pensions.

By Mr. LANKFORD of Virginia: A bill (H. R. 9209) to reimburse certain individuals for damages by reason of loss of oyster rights in Little Bay, Va., due to the taking of the same by the United States for the purpose of operating thereon a naval air training station; to the Committee on Claims.

By Mr. McCLINTOCK of Ohio: A bill (H. R. 9210) granting an increase of pension to Dora Horn; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 9211) granting an increase of pension to William F. Slack; to the Committee on Pensions.

By Mr. NEWHALL: A bill (H. R. 9212) granting an increase of pension to Martha G. Sleet; to the Committee on Invalid Pensions.

By Mrs. NORTON: A bill (H. R. 9213) granting an increase of pension to Jennie Wedemeyer; to the Committee on Invalid Pensions.

By Mr. O'CONNOR of Oklahoma: A bill (H. R. 9214) granting a pension to Samuel Gwartney; to the Committee on Pensions.

By Mrs. OWEN: A bill (H. R. 9215) for the relief of Jessie Axton; to the Committee on Claims.

By Mr. ROWBOTTOM: A bill (H. R. 9216) granting an increase of pension to Mary L. Carlisle; to the Committee on Invalid Pensions.

By Mr. STEVENSON: A bill (H. R. 9217) for the relief of John H. Cathcart; to the Committee on Claims.

By Mr. STRONG of Kansas: A bill (H. R. 9218) granting an increase of pension to Mary E. Devore; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 9219) granting an increase of pension to Mina Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9220) authorizing and directing the Secretary of War to lend to New Castle Post, No. 100, Grand Army of the Republic, Department of Pennsylvania, D. M. Clark, commander, 350 small wall tents, 9 feet by 9 feet, complete; one assembly tent, 40 feet by 80 feet, complete, to be used at the encampment of the Grand Army of the Republic, department of Pennsylvania, to be held at New Castle, Pa., in June, 1930; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 9221) authorizing the President to reappoint Maj. Harry Walter Stephenson, United States Army (retired), to the position and rank of major, Coast Artillery Corps, in the United States Army; to the Committee on Military Affairs.

By Mr. TURPIN: A bill (H. R. 9222) granting a pension to Jane Harmony; to the Committee on Pensions.

PETITIONS, ETC.

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

3609. By Br. BLAND: Petition of citizens of Newport News, Va., and vicinity, urging consideration and passage of Senate bill 476 and House bill 2562, providing for increased rates of pension to Spanish War veterans; to the Committee on Pensions.

3610. By Mr. BLOOM: Petition of the New York Association of Biology Teachers, numbering about 400 members and teaching aproximately 70,000 high-school pupils in New York City, urging the passage of the bald eagle protection act, Senate bill 2908 and House bill 7994, and as science teachers they know no authentic evidence which proves that this American eagle constitutes any real menace to agriculture, the fur-farming industries, or salmon-fisheries industry; to the Committee on Agriculture.

3611. Also, petition of the Linnaean Society of New York, approving Senate bill 2908 and House bill 7994, which afford adequate Federal protection to the American eagle, which is the emblem of the Nation, and to put a penalty on its wanton destruction; to the Committee on the Judiciary.

3612. Also, petition of citizens of Boston, Mass., protesting against killing of citizens of Massachusetts by members of the Coast Guard; to the Committee on the Judiciary.

3613. Also, petition of American citizens, protesting against the passage of House Joint Resolution 334, as it would upset the weekly cycle and destroy Sabbath observance, it would displace patriotic and religious holidays, and it would add another month's expense to the rent payer; to the Committee on Foreign Affairs.

3614. By Mr. BOYLAN: Resolution adopted by the Chamber of Commerce, State of New York, favoring a deep-water canal between the Great Lakes and the Hudson River; to the Committee on Rivers and Harbors.

3615. Also, resolution adopted by Chamber of Commerce of the State of New York, favoring an appropriation to purchase additional land for the Military Academy at West Point, N. Y.; to the Committee on Military Affairs.

3616. Also, resolution adopted by the Chamber of Commerce, State of New York, requesting the Navy Department to assign to the State of New York a modern practice ship which will meet the needs of cadets in the New York State Merchant Marine Academy; to the Committee on Naval Affairs.

3617. Also, resolution adopted by Chamber of Commerce of the State of New York, respectfully urging the Congress of the United States to include in the appropriation for rivers and harbors for the fiscal year ending June 30, 1931, the recommendation for New York Harbor made in the report of the Chief of Engineers; to the Committee on Rivers and Harbors.

3618. Also, resolution submitted by Miss M. Louise Gross, chairman of the Women's Committee for Repeal of the Eighteenth Amendment, to consult the people upon the question of retaining or repealing the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3619. Also, resolution adopted by the Westchester County Conservation Association, White Plains, N. Y., favoring the bald eagle protection bill; to the Committee on Agriculture.

3620. Also, resolution unanimously adopted at a meeting of the New York Association of Biology Teachers, New York City, N. Y., favoring the bald eagle protection bill; also letters from Jules Breuchaud, James M. Motley, A. C. Weaver, David E. Fishel, and Mrs. Paul C. Ransom, all of New York City, favoring the bald eagle protection act; to the Committee on Agriculture.

3621. By Mr. CORNING: Petition signed by John P. Heth and other citizens of Albany, N. Y., urging the passage of House bill 2562, providing for an increase of pension to the veterans of the Spanish-American War; to the Committee on Pensions.

3622. By Mr. CRAIL: Six telegrams from associations and persons of southern California, protesting against the passage of the Box and Johnson bills, which would place Mexican immigration on a quota basis; to the Committee on Immigration and Naturalization.

3623. By Mr. FENN: Petition of citizens of Hartford County, Conn., favoring the establishment of a department of education; to the Committee on Education.

3624. Also, petition of 25 citizens of Bristol and Forestville, Conn., favoring increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

3625. By Mr. GARBER of Oklahoma: Petition of the council of the New York Library Association, urging consideration of its firm opposition to proposed language of section 305, House bill 2667, prohibiting importation of printed matter judged capable of advocating or urging treason, insurrection, or forcible resistance to any law of the United States; or any obscene book, pamphlet, paper, etc.; to the Committee on Interstate and Foreign Commerce.

3626. Also, petition of M. N. Brumley, postmaster, Seiman, Okla., urging support of House bill 5686, introduced by Hon. F. R. Lehlbach, and House bills 109 and 229, introduced by Hon. Clyde Kelly; to the Committee on the Civil Service.

3627. Also, petition of Southern Plant Board, Montgomery, Ala., urging support of appropriation bill for eradication of Mediterranean fruit fly; to the Committee on Appropriations.

3628. By Mr. HADLEY: Petition of citizens of Snohomish and Clallam Counties, Wash., urging enactment of House bill 2562, for the relief of Spanish War veterans; to the Committee on Pensions.

3629. By Mr. HANCOCK: Petition of Albert Jones and other residents of Onondaga County, N. Y., favoring increased rates of pension for Spanish War veterans; to the Committee on Pensions.

3630. By Mr. HOGG: Petition of John J. Kolmly and several Spanish War veterans and other public-spirited citizens of La Grange County, Ind., urging early action on legislation to grant increases of pension for Spanish War veterans and their dependents; to the Committee on Pensions.

3631. By Mr. HOOPER: Petition of H. O. Billings, of Sherwood, Mich., and 18 other residents of that town, asking that radio station KWKH be retained; to the Committee on the Merchant Marine and Fisheries.

3632. By Mr. IRWIN: Petition of Henry Roedersheimer, 509 Borman Street, Belleville, Ill., and numerous other citizens of St. Clair County, Ill., urging the enactment of Senate bill 476 and House bill 2562 in the Seventy-first Congress; to the Committee on Pensions.

3633. By Mr. JOHNSTON of Missouri: Petition of sundry citizens of Mountain Grove, Mo., praying for the passage of legislation granting increased pension to Spanish War veterans; to the Committee on Pensions.

3634. Also, petition of C. A. Walterscheidt, William P. Wafford, Clyde Looper, and others, of Hennessey, Okla., urging favorable consideration of Senate bill 476 and House bill 2562, providing increased pension for all Spanish War veterans who have attained the age of 50 years; to the Committee on Pensions.

3635. Also, petition of James F. Cussen, Edward S. Wamsley, E. C. Schlitt, and others, of Anadarko, Okla., indorsing Senate bill 476 and House bill 2562, providing for increased rates of pension to Spanish-American War veterans; to the Committee on Pensions.

3636. By Mr. KERR: Petition of citizens of Rosemary, N. C., asking for the enactment of House bill 2562 and Senate bill 476; to the Committee on Pensions.

3637. By Mr. KIESS: Petition of the Clinton County (Pa.) Ex-Service Men's Political League of Pennsylvania, favoring Senate bill 476 and House bill 2562; to the Committee on Pensions.

3638. By Mr. KORELL: Petition of residents of Portland, Oreg., favoring passage of legislation to increase pensions of the men who served in the armed forces of the United States during the Spanish War period; to the Committee on Pensions.

3639. Also, petition of residents of Portland, Oreg., advocating increased pensions for veterans of the Civil War; to the Committee on Invalid Pensions.

3640. By Mr. LETTS: Petition of Everett N. Smith and other citizens of Davenport, Iowa, urging the passage of pension legislation in behalf of Spanish-American War veterans; to the Committee on Pensions.

3641. Also, petition of Earl M. Ashmore and 52 other citizens of Davenport, Iowa, urging the passage of pension legislation in behalf of the Spanish-American War veterans; to the Committee on Pensions.

3642. By Mr. McCLINTOCK of Ohio: Petition of 80 citizens of Canton, Ohio, favoring increased pensions for Spanish War veterans; to the Committee on Pensions.

3643. By Mr. McLAUGHLIN: Petition of William W. Bretbrunner and 56 other residents of Fremont, Newaygo County, Mich., urging passage of Senate bill 476 and House bill 2562, providing for increased rates of pension for Spanish War soldiers; to the Committee on Pensions.

3644. Also, petition of Alfred Smith and 28 other residents of Wellston, Manistee County, Mich., urging passage of Senate bill 476 and House bill 2562, providing for increased rates of pension for Spanish War veterans; to the Committee on Pensions.

3645. By Mr. MANSFIELD: Petition of American Legion No. 166, of Victoria, Tex., favoring legislation on House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

3646. Also, petition of Victoria fire department, urging the passage of the Spanish-American War pension bills, House bill 2562 and Senate bill 476; to the Committee on Pensions.

3647. Also, petition of Lions Club, of Victoria, Tex., urging the passage of House bill 2562 granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

3648. Also, petition of city council of the city of Victoria, Tex., urging the passage of Senate bill 476 and House bill 2562, granting an increase of pension to Spanish-American War veterans; to the Committee on Pensions.

3649. By Mr. MAPES: Petition of 65 residents of the Michigan Soldiers' Home, Grand Rapids, Mich., recommending the early enactment by Congress of House bill 2562 and Senate bill 476, providing for increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

3650. Also, petition of 25 residents of Holland, Mich., including members of the National Woman's Relief Corps, A. C. Van Raalte No. 231, recommending the early enactment by Congress of the House bill 2562 and Senate bill 476, providing for increased rates of pension to veterans of the war with Spain; to the Committee on Pensions.

3651. By Mr. MILLIGAN: Petition signed by citizens of Liberty, Mo., urging additional legislation for veterans of the Spanish-American War; to the Committee on Pensions.

3652. By Mr. MOORE of Ohio: Petition of C. W. Robertson and others, expressing an interest in House bill 2562, providing for increased rates of pension to the men who served in the Spanish-American War; to the Committee on Pensions.

3653. By Mr. MOUSER: Petition of citizens of Kenton, Ohio, in regard to radio station KWKH, Shreveport, La.; to the Committee on the Merchant Marine and Fisheries.

3654. Also, petitions of citizens from Toledo, Kenton, Marion, Findlay, Ada, Belle Center, Dunkirk, Dola, Ridgeway, and Mount Victory, Ohio, asking favorable report and passage of House bill 2562, known as the Knutson bill, providing an increase in the pension of Spanish-American War veterans; to the Committee on Pensions.

3655. By Mr. MURPHY: Petition of John K. Banks, 122 South Third Street, Steubenville, Ohio, and 50 other residents of that city, asking that the Spanish-American War pension bill be passed; to the Committee on Pensions.

3656. Also, petition of John E. Poole, 827 Roswell Avenue, Steubenville, Ohio, and 78 other residents of Steubenville, Ohio, urging the passage of the Spanish-American War pension bill; to the Committee on Pensions.

3657. Also, petition of George W. Anderson, 1444 West Market Street, Steubenville, Ohio, and 77 other residents of that city, asking for the passage of the Spanish-American pension bill; to the Committee on Pensions.

3658. By Mr. O'CONNELL of New York: Petition of Timothy Sweeney, 1397 Greene Avenue, Brooklyn, N. Y., and 37 other citizens, favoring the passage of Senate bill 476 and House bill 2562, granting increase of pensions to Spanish War veterans; to the Committee on Pensions.

3659. Also, petition of Albert V. Lawson, 175 Chauncey Street, Brooklyn, N. Y., and 70 other citizens, favoring the passage of Senate bill 476 and House bill 2562, granting increases of pensions to Spanish War veterans; to the Committee on Pensions.

3660. Also, petition of Peter Kraus, 68 Granite Street, Brooklyn, N. Y., and 67 other citizens, favoring the passage of Senate bill 476 and House bill 2562, granting increases of pension to Spanish War veterans; to the Committee on Pensions.

3661. Also, petition of the Women's Committee for Repeal of the Eighteenth Amendment, of New York City, to consult the people upon the question of retaining or repealing the eighteenth amendment to the Constitution; to the Committee on the Judiciary.

3662. By Mr. O'CONNOR of Oklahoma: Petition of Charley Colum and 44 other citizens of Bartlesville, Okla., urging the enactment of House bill 2562, providing for increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

3663. Also, petition of John R. Knight and 44 other citizens of Collinsville, Okla., urging enactment of House bill 2562, providing for increase of pensions for veterans of the Spanish-American War; to the Committee on Pensions.

3664. Also, petition of T. W. Smith and 66 other citizens of the State of Oklahoma, urging the enactment of House bill 2562, providing for increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

3665. Also, petition of R. N. James and 23 other citizens of Ochelata, Okla., urging the enactment of House bill 2562, providing for increased pensions for veterans of the Spanish-American War; to the Committee on Pensions.

3666. By Mr. OLIVER of Alabama: Petition of veterans of the sixth congressional district of Alabama, urging favorable action on Senate bill 476 and House bill 2562; to the Committee on Pensions.

3667. By Mr. FRANK M. RAMEY: Petition of Ray T. Hickman and 43 other residents of Taylorville, Ill., urging the 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.

3668. By Mr. ROBINSON: Petition from J. A. Trimble, of Waterloo, Iowa, and signed by 62 citizens of Black Hawk County, Iowa, urging the passage of pension legislation increasing the rates of the pensions for Spanish-American War veterans; to the Committee on Pensions.

3669. Also, petition signed by Fred Repeach, 2535 Washington Street, Dubuque, Iowa, and about 64 other citizens of Dubuque, Iowa, urging the passage of pension legislation increasing the rates of pensions for Spanish-American War veterans; to the Committee on Pensions.

3670. By Mr. ROMJUE: Resolution of Cyril A. Graham Post, No. 261, Edina, Mo., favoring increased pensions to veterans of the Spanish-American War; to the Committee on Pensions.

3671. By Mr. SNOW: Petition of Addie F. Alward, of Bangor, Me., and many others, urging passage of bill increasing pensions of Civil War veterans and widows of veterans; to the Committee on Invalid Pensions.

3672. Also, petition of Ernest M. Swett, of Bangor, Me., and many others, urging the speedy consideration and passage of House bill 2562, providing for increased pension to veterans of the Spanish-American War; to the Committee on Pensions.

3673. By Mr. STRONG of Pennsylvania: Petition of citizens of Callensburg, Pa., in favor of increased rates of pension for Spanish War veterans; to the Committee on Pensions.

3674. By Mr. SWICK: Petition of H. M. Fulton and 138 residents of New Castle, Pa., and vicinity, urging enactment of House bill 2562 and Senate bill 476, for the relief of veterans of the Spanish-American War; to the Committee on Pensions.

3675. By Mr. TEMPLE: Petition of a number of residents of Washington County, Pa., in support of legislation that would increase the rate of pension to veterans of the Civil War and widows of Civil War veterans; to the Committee on Invalid Pensions.

3676. By Mr. UNDERHILL: Petition of Florence MacLean, of West Somerville, Mass., and others, for a change in the reading of the Public Law No. 952, Seventieth Congress; to the Committee on World War Veterans' Legislation.

3677. By Mr. WARREN: Petition of D. R. Britten and 63 other citizens of Harrellsville and Colerain, N. C., favoring the enactment of House bill 2562, for increased pensions for Spanish-American War veterans; to the Committee on Pensions.

3678. By Mr. WHITTINGTON: Petition of C. S. Budgers, of Leland, Miss., and 36 other citizens, favoring the passage of House bill 2562; to the Committee on Pensions.

3679. Also, memorial of the Legislature of the State of Mississippi, asking for a tariff on all foreign-raised cotton; to the Committee on Ways and Means.

3680. By Mr. WOLVERTON of New Jersey: Petition of citizens of Penns Grove, N. J., and Carneys Point, N. J., and vicinity, urging enactment of Senate bill 476 and House bill 2562, granting increased pensions to Spanish-American War veterans; to the Committee on Pensions.

3681. By Mr. WOOD: Petition of residents of Hammond, Ind., asking for legislation which will increase the rates of pension of the Spanish-American War veterans; to the Committee on Pensions.

3682. By Mr. WYANT: Petition of uncompensated disabled American veterans of the World War, of National Military Home, Dayton, Ohio, advocating passage of Rankin bill (H. R. 7825); to the Committee on World War Veterans' Legislation.

3683. Also, petition of citizens of Greensburg, Westmoreland County, Pa., advocating passage of Senate bill 476 and House bill 2562, providing for increased rates of pension for Spanish-American War veterans; to the Committee on Pensions.

3684. Also, petition of citizens of Irwin, Westmoreland County, Pa., and vicinity, advocating passage of Senate bill 476 and House bill 2562, providing for increased rates of pension for Spanish-American War veterans; to the Committee on Pensions.

3685. Also, petition of citizens of western Pennsylvania, advocating passage of Senate bill 476 and House bill 2562, providing for increased rates of pension for Spanish-American War veterans; to the Committee on Pensions.

3686. Also, petition of members of Yukon Council, No. 213, Junior Order United American Mechanics, Yukon, Westmoreland County, Pa., urging Congress to put Mexican immigration on a quota basis; to the Committee on Immigration and Naturalization.

SENATE

TUESDAY, *January 28, 1930*

(Legislative day of Monday, January 6, 1930)

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

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

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

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

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

Mr. FESS. I wish to announce that my colleague the junior Senator from Ohio [Mr. McCULLOCH] is unavoidably detained from the Senate. I would like to have this announcement stand for the day.

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

PETITIONS

Mr. SHIPSTEAD presented numerous resolutions adopted by branches of the Minnesota Federation of Women's Clubs and allied organizations in the State of Minnesota representing over 70,000 women, favoring the prompt ratification by the Senate of the proposed World Court protocol, which were referred to the Committee on Foreign Relations.

Mr. VANDENBERG presented a resolution adopted by the City Commission of Grand Rapids, Mich., favoring the passage of legislation designating October 11 as a memorial day for Gen. Casimir Pulaski, Revolutionary War hero, which was referred to the Committee on the Library.

Mr. JONES presented a resolution adopted by Elias J. Messenger Post, No. 1428, Veterans of Foreign Wars, of South Tacoma, Wash., favoring the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

Mr. CAPPER presented a resolution adopted by the Board of City Commissioners of Emporia, Kans., favoring the passage of legislation granting increased pensions to soldiers, sailors, and nurses of the war with Spain, the Philippine insurrection, and the China relief expedition, which was ordered to lie on the table.

Mr. THOMAS of Oklahoma presented petitions of sundry citizens of Oklahoma City, Okla., praying for the passage of legislation granting increased pensions to Spanish War veterans, which were ordered to lie on the table.

Mr. TYDINGS presented a petition of sundry citizens of Anne Arundel County, Md., praying for the passage of legislation granting increased pensions to Spanish War veterans, which was ordered to lie on the table.

REPORT OF POST OFFICES AND POST ROADS COMMITTEE

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 5616) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes, reported it with amendments and submitted a report (No. 144) thereon.

REPORT OF POSTAL NOMINATIONS

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry postoffice nominations, which were 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. GEORGE:

A bill (S. 3332) for the relief of J. T. Bonner; to the Committee on Claims.

By Mr. NORRIS (by request):

A bill (S. 3333) to authorize the Public Health Service to provide medical service in the Federal prisons; to the Committee on the Judiciary.

By Mr. McNARY:

A bill (S. 3334) granting an increase of pension to Nellie A. Getchell (with accompanying papers); to the Committee on Pensions.

A bill (S. 3335) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon; to the Committee on Indian Affairs.

By Mr. COPELAND:

A bill (S. 3336) to provide for cooperation with the several States in the care, treatment, and rehabilitation of crippled children, and for other purposes; to the Committee on Commerce.

By Mr. TYDINGS:

A bill (S. 3337) for the relief of the American Transatlantic Co.; to the Committee on Claims.

A bill (S. 3338) granting a pension to Benjamin C. Walker; to the Committee on Pensions.