

**LAMBORN SUGAR
RESOLUTION: HEARINGS, 67
CONGRESS, 2ND SESSION,
APRIL 17 AND 18, 1922**

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RESOLUTION: HEARINGS, 67
CONGRESS, 2ND SESSION,
APRIL 17 AND 18, 1922**

COMMITTEE ON AGRICULTURE.

HOUSE OF REPRESENTATIVES.

SIXTY-SEVENTH CONGRESS, SECOND SESSION.

GILBERT N. HAUGEN, Iowa, *Chairman*.

JAMES C. McLAUGHLIN, Michigan.

CHARLES B. WARD, New York.

FRED S. PURNELL, Indiana.

EDWARD VOIGT, Wisconsin.

M. O. McLAUGHLIN, Nebraska.

CARL W. RIDDICK, Montana.

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JOHN D. CLARKE, New York.

H. M. JACOWAY, Arkansas.

JOHN W. RAINEY, Illinois.

JAMES B. ASWELL, Louisiana.

DAVID H. KINCHELOE, Kentucky.

MARVIN JONES, Texas.

PETER G. TEN EYCK, New York.

L. G. HAUGEN, *Clerk*.

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LAMBORN SUGAR RESOLUTION.

COMMITTEE ON AGRICULTURE,
HOUSE OF REPRESENTATIVES.
Monday, April 17, 1922.

The committee met at 10 o'clock a. m., Hon. Gilbert N. Haugen (chairman) presiding.

There were present: Mr. Haugen, Mr. McLaughlin of Michigan, Mr. Purnell, Mr. Voigt, Mr. McLaughlin of Nebraska, Mr. Riddick, Mr. Tincher, Mr. Sinclair, Mr. Hays, Mr. Clague, Mr. Clarke, Mr. Aswell, Mr. Kincheloe, Mr. Jones, and Mr. Ten Eyck.

The CHAIRMAN. The committee has met this morning to give consideration to House joint resolution 284.

(The resolution referred to follows:)

[H. J. Res. 284, Sixty-seventh Congress, second session.]

JOINT RESOLUTION Authorizing the President to require the United States Sugar Equalization Board (Incorporated) to take over and dispose of two thousand tons of sugar imported from the Argentine Republic and adjust the loss sustained thereby.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized to require the United States Sugar Equalization Board (Incorporated) to take over from the copartnership, Lamborn and Company, a certain transaction entered into and carried on by said copartnership at the request, under direction, and as agents of the Department of Justice, which transaction involved the purchase in the Argentine Republic, between May 25 and June 15, 1920 of two thousand tons of sugar, the importation thereof into the United States, and the distribution of the same within the United States, and to require the said United States Sugar Equalization Board (Incorporated) to liquidate and adjust the entire transaction in such manner as may be deemed by said board to be equitable and proper in the premises, paying to the copartnership aforesaid such sums as may be found by said board to represent the actual loss sustained by them in said transaction, and for this purpose the President is authorized to vote or use the stock of the corporation held by him, or otherwise exercise or use his control over the said United States Sugar Equalization Board and its directors, and to continue the said corporation for such time as may be necessary to carry out the intention of this joint resolution.

The CHAIRMAN. Who is the first witness?

Mr. HUNT. Mr. Lamborn, the head of the firm of Lamborn & Co., is here.

The CHAIRMAN. Before we proceed, I would like to state that I have a request here from Mr. Bush-Brown, who desires to be heard on this Mount Weather proposition. He has appeared before the committee once before. Will you hear him to-morrow?

Mr. KINCHELOE. Why do they want to be heard any further? I got the impression that the committee was practically unanimous against the proposition.

The CHAIRMAN. The committee has agreed to hear Mrs. Boggs to-morrow and I presumed it might hear him at the same time.

Mr. KINCHELOE. What does Mrs. Boggs want to talk about?

The CHAIRMAN. About turning over part of the forest reserve for the use of the soldiers as recreation grounds and the committee had agreed to hear her in the morning, and I thought possibly we could hear Mr. Bush-Brown for a few minutes.

Mr. KINCHELOE. If they have any more supplemental statements to make, why not file them with the committee instead of taking up the committee's time with this Mount Weather proposition? We have had some hearings on that already.

Mr. McLAUGHLIN of Michigan. If he has no more than what he had when he was here before to offer, I do not care to waste any time on it.

Mr. KINCHELOE. I do not, either.

Mr. ASWELL. I move, Mr. Chairman, that he be invited to file any supplemental statement he desires to submit.

Mr. JONES. I second that motion, Mr. Chairman.

(The motion being duly seconded, prevailed.)

The CHAIRMAN. We will hear you now, Mr. Lamborn.

STATEMENT OF MR. A. H. LAMBORN, OF THE FIRM OF LAMBORN & CO., 132 FRONT STREET, NEW YORK, ACCOMPANIED BY MR. DON M. HUNT, OF THE FIRM OF LAMBORN & CO.

Mr. HUNT. Mr. Chairman, we have prepared a statement of the facts in the case and we would like to have that made a part of the record before Mr. Lamborn goes ahead. It is a brief, concise statement of what the facts are, and then Mr. Lamborn and Mr. Riley will appear and be questioned on the subject.

Mr. ASWELL. Is that the Mr. Riley who was in the Department of Justice?

Mr. HUNT. Yes, sir.

Mr. ASWELL. Is he here?

Mr. HUNT. Yes, sir; he is sitting over there [indicating].

Mr. CLARKE. Are there any more of these sugar claims?

The CLERK. None filed here.

Mr. CLARKE. But are there any others?

The CHAIRMAN. We have some bills on the grain proposition.

Mr. CLARKE. I had reference to sugar claims.

Mr. McLAUGHLIN of Michigan. What is the request; to have this brief printed in the record?

Mr. HUNT. Yes; it is a brief, concise statement of all the details in the case and is really in better shape than we could give it to you verbally. Of course, Mr. Lamborn is here to be questioned and to go into details in addition to the brief.

Mr. ASWELL. If you are going to print all this in the record, why do you want to be heard—if all the facts are here?

Mr. HUNT. All the facts are really there.

The CHAIRMAN. What is the pleasure of the committee?

Mr. McLAUGHLIN of Michigan. A lot of this relates to the American Sugar Co. case.

Mr. LAMBORN. There is just a reference to the American Trading Co. case.

Mr. ASWELL. Why do you talk about the two cases that have already been acted upon by the committee?

Mr. LAMBORN. Only comparing them with our case, that is all.

Mr. CLARKE. May I ask why you did not come down at the same time the other sugar interests came down before our committee?

Mr. LAMBORN. We considered the matter a year and a half ago and we talked it over, and the firm of Lamborn & Co., composed of 11 members, discussed the matter, and then they decided it would be best to wait and see just how the other bills fared and how they got along.

Mr. CLARKE. In other words, to see whether you stood a show of getting away with it; is that the idea?

Mr. LAMBORN. Not exactly that; no, sir; but to let them lay the groundwork. There was no reason why we should all come in at once.

Mr. KINCHELOE. Is it not a fact that this was really a second thought with all of you—to come down and unload it on the Government if they could not get by with this proposition and got stung.

Mr. LAMBORN. That was not our thought, sir.

Mr. KINCHELOE. No; you are late in coming here, but after they took the initiative, then you are trailing.

Mr. LAMBORN. If they had not done so, we would have taken the initiative ourselves.

Mr. KINCHELOE. Why did you not do it then?

Mr. LAMBORN. We told them we were going to, and they said that they already had a bill up.

Mr. KINCHELOE. The truth about it is there is no love between the B. H. Howell claim and the DeRonde claim.

Mr. LAMBORN. We know nothing about that. There is no question of love about the matter at all. It is a question of justice.

Mr. KINCHELOE. You seem to be very familiar with those claims from your allusions to them in this brief.

Mr. LAMBORN. We have naturally studied their case.

Mr. ASWELL. If the other bills had not been favorably reported, you would not have come.

Mr. LAMBORN. I think not.

Mr. ASWELL. That is what I thought.

Mr. KINCHELOE. You knew there was not a unanimous report from this committee as to those claims?

Mr. ASWELL. There was on the De Ronde case.

Mr. KINCHELOE. There was not a minority report filed.

Mr. ASWELL. No.

Mr. KINCHELOE. There was no minority report so far as the De Ronde case is concerned and I am frank to say that while I am against all of them, I think De Ronde has just as meritorious a claim as the others have.

Mr. ASWELL. I think a little better.

Mr. HUNT. I think our claim is as good or better than any one of them.

Mr. VOIGT. Have you ever had the Attorney General pass on this claim?

Mr. LAMBORN. We have never talked with the Attorney General about it.

Mr. ASWELL. I object to printing this brief in the record because it is a long discussion of the other claims which has no bearing on this case.

Mr. JONES. Mr. Chairman, it seems to me these people have a right to present their claim.

Mr. ASWELL. Certainly.

Mr. JONES. They may be a little late, but it seems to me they have the right to make references to similar claims that might have already been filed, and I think they have really done the committee a favor in presenting the claim in this way; if they have it in concise form and if they had made some effort to get it in concrete form for the benefit of the committee, and it seems to me, as a matter of fairness, that they ought to be permitted to put their condensed statement in the record. I would a good deal rather do that than sit here and listen to them read it all, and that is what was done in one or two other matters, and it seems to me that that is really a courtesy that ought to be given to them.

Mr. ASWELL. My position is that if they have a good claim, I am anxious to find out the facts, but I am not willing to have the Government go to the expense of printing all this stuff discussing the other claims that have been acted on by the Senate and by this committee.

Mr. JONES. If this were not filed, I would like to have a comparative statement along beside the other claims, and it seems to me that this is a rather proper way to do it. I did not vote for the other claims, and I do not assume I will vote for this one, although I may; at least, I would like to have the matter in the record, and I think the committee and the Congress, if the matter is reported, ought to have a complete statement.

Mr. ASWELL. The committee has been furnished with complete copies of it; what else do you want?

Mr. JONES. If the matter should be reported to the Congress, the Congress would not have access to a copy of it unless it was printed in the record. The Congress secures copies of the statements that are made by securing the printed hearings, and if these statements are not printed in the hearings the other Members of Congress who will be called upon to vote on the matter would not have access to the full statement.

Mr. KINCHELOE. What do you have reference to there that is objectionable?

Mr. ASWELL. I think we ought to print whatever these gentlemen wish printed on their case, but for them to go ahead and discuss the other two cases which have been acted upon, I think is none of their business.

Mr. KINCHELOE. I think you are right about that, and what I was anxious to do was by having this statement of their case to put it in the record and get rid of this hearing.

Mr. ASWELL. If that would shorten the hearing, I would be with you.

Mr. McLAUGHLIN of Michigan. A large part of this statement relates to the other cases and has no relation whatever to this case.

Mr. KINCHELOE. I just picked it up and I have not looked through it.

Mr. LAMBORN. May I make this statement—

Mr. McLAUGHLIN of Michigan (interposing). Any correspondence between these people and the Attorney General's department or the State Department that we have not already in the record, I would be glad to have, but this would be repeating a lot of matter that we already have, and I do not think it is necessary to print this in the record.

Mr. CLARKE. Have we got this gentleman's name here?

Mr. HUNT. My name is Hunt, and I work for Lamborn & Co.

Mr. CLARKE. In what capacity?

Mr. HUNT. I am in the legal department of Lamborn & Co., and I prepared this statement of facts.

Mr. LAMBORN. But he is an employee. He is not our general counsel.

Mr. JONES. It seems to me that these transactions all occurred along about the same time and they are all more or less mixed up with the same proposition, and I do not think a brief should be literally thrown out simply because it might make some reference to other claims and compare other claims that are of the same nature and happened at the same time.

Mr. LAMBORN. Mr. Chairman, may I offer the suggestion that we are not here to attack anybody else's claim. Either we deserve this money in return for the service we rendered at the request of the Government or we do not. On the other hand, on page 16 of this brief, we did make a comparison of our claim with the other claims in justice to ourselves, and we produced this brief so it would save both our time and the time of the committee, because most of this matter has been gone over at great cost to the Government and a great deal of your time personally has been taken on these other cases. I do not think you will find anything here except a statement of actual facts, with the exception of a comparison of our claim with the other claims that have been filed here, and we are not trying to attack those claims in any way. On the contrary, if they are just, we want them paid, just the same as we desire ours paid.

Mr. ASWELL. Just on that point, what I had in mind was that you say if you have a just claim you want it paid, and if you have not, you do not, and I agree with you; but you have no business discussing the other claims.

Mr. HUNT. The reason we discussed those claims is this—

Mr. JONES (interposing). When the other claims were discussed, the American Trading Co.'s representatives and even the Department of Justice made comparison with other claims that were filed in discussing their claim, and there has not been a claim presented to this committee that did not involve, to a certain extent, a discussion of comparative or contemporaneous claims.

Mr. VOIGT. Mr. Chairman, I would like to suggest that we will probably get about as long a record here by rag-chewing about this matter as we would if we let the statement go in as it is.

Mr. JONES. I think so, too.

Mr. LAMBORN. I am sure, Mr. Chairman, in comparison with the record already printed, that this brief is very short indeed.

Mr. ASWELL. But it is a repetition.

The CHAIRMAN. There are about 21 pages of it.

Mr. HUNT. I want to state in addition to that—

The CHAIRMAN. What is the pleasure of the committee?

Mr. ASWELL. I move that the gentleman be heard and the brief they have be left in the hands of the members of the committee.

Mr. JONES. I move as a substitute, Mr. Chairman, that the request for printing of the brief be granted.

(The motion as amended by Mr. Jones, having been duly seconded, prevailed.)

Mr. HUNT. We have here the original documents referred to in that statement that are subject to your inspection, and we will leave them with the committee if you desire it. They have all been printed in the statement of facts, but here are the originals and we can file them with the clerk. They are the telegrams and the correspondence relative to this claim.

The CHAIRMAN. What is your request?

Mr. JONES. They are printed in the brief.

Mr. HUNT. They are printed in the brief and I want to leave these with the committee for whatever the pleasure of the committee is with regard to them. They are the originals.

The CHAIRMAN. Mr. Lamborn, you may proceed.

Mr. McLAUGHLIN of Michigan. I would suggest printing in the record letters from Mr. William A. Glasgow, jr., who is counsel for the Sugar Equalization Board. This letter is in answer to a letter written to him by the chairman of this committee, the last one suggesting his attendance at this meeting. In reply he speaks of these claims.

Mr. ASWELL. Will he be here, Mr. McLaughlin?

Mr. McLAUGHLIN of Michigan. He says he is not able to attend to-day.

The letters referred to as being written by the Chairman were written at the request of Mr. Glasgow, who requested to be notified.

Mr. ASWELL. May I inquire whether the chairman of the committee knows what the Sugar Equalization Board is doing, what serviceable record it is making, and how much expense is it enjoying now or how much it has spent for the past two or three years?