

## PENNSYLVANIA.

John W. Andrews, Ariel.  
J. H. Fagan, Clymer.

## TEXAS.

J. D. Hooks, Onalaska.  
Rufus L. Hybarger, Pineland.

## WYOMING.

H. H. Given, Gillette.

## HOUSE OF REPRESENTATIVES.

THURSDAY, September 7, 1916.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou great Spirit, heavenly Father, who doest all things well, help us to lean with more faith and confidence upon Thee that we may be able to solve the intricate and perplexing problems as they present themselves, in accordance with the light Thou hast given us and art ever ready to give to those who seek Thee. The world is plunged into darkness and despair through the selfishness, greed and unhallowed ambitions of men but Thou dost live and out of it all shall come a brighter day when wrongs shall be righted and hate turned to love, for Thy will is good will and shall at last prevail, for Thine is the kingdom and the power and the glory. Thy purposes shall be fulfilled, wrong die and right live on forever. Thus we hope and aspire and pray for now abideth faith, hope, love, these three, but the greatest of these is love. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the amendments of the House numbered 1, 2, 3, and 5, and also had agreed to House amendment numbered 4 with an amendment, to bill S. 5886, an act extending the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., authorized by an act entitled "An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912," in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had passed without amendment bill of the following title:

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station.

The message also announced that the Senate had passed without amendment joint resolution of the following title:

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

The message also announced that the President had approved and signed bills and a joint resolution of the following titles:

On August 31, 1916:

§. J. Res. 129. Joint resolution extending until April 15, 1917, the effective date of section 10 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914.

On September 1, 1916:

S. 5103. An act authorizing and directing the Secretary of War to lease to Charleston-Dunbar Traction Co. a certain strip or parcel of land owned by the United States Government on the Great Kanawha River, in West Virginia.

On September 5, 1916:

S. 5496. An act to amend sections 5 and 6 of an act entitled "An act to authorize the drainage of certain lands in the State of Minnesota," approved May 20, 1908;

S. 6369. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors;

S. 6370. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors; and

S. 6497. An act for the relief of Oleanne Marie Zahl Branum,

## ADDITIONAL ASSISTANT CLERKS, COMMITTEE ON ENROLLED BILLS.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

House resolution 367 (H. Rept. —).

Resolved, That the chairman of the Committee on Enrolled Bills be, and he is hereby, authorized to employ such additional assistant clerks as may be necessary during the remainder of the Sixty-fourth Congress, first session, the payment for services, not to exceed the sum of \$60 to be paid out of the contingent fund of the House.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, reserving the right to object, is there such pressing need in these closing hours of the session for extra clerks for the Committee on Enrolled Bills when we have only one bill to be enrolled, the revenue bill?

Mr. LLOYD. Oh, there is the revenue bill and the general deficiency appropriation bill.

Mr. STAFFORD. Does that require the employment of these additional clerks? Of course, in the closing hours of other sessions, when we have appropriation bills in great numbers being thrown at us at the very last minute, I can see the need of additional help.

Mr. LLOYD. Mr. Speaker, I want to say for the present chairman of the Committee on Enrolled Bills that he has taken better care of that committee and has made less expenditure than anyone we have ever had, so far as I know; and now at the close of this long session he asks for \$60. No other chairman, so far as I know, has ever asked for so small an amount, and, in addition to that, I am assured that he may not spend all of the \$60.

Mr. MANN. Mr. Speaker, I do not know whether the Committee on Enrolled Bills needs these extra clerks, but I would like to make this observation: I believe the present enrolling clerk of the House is the best enrolling clerk any legislative body ever had. [Applause.]

Mr. LLOYD. And in that I concur.

Mr. MANN. Of course, I am not making that statement of the Committee on Enrolled Bills.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

## UNITED STATES DISTRICT COURT IN MAINE.

Mr. WEBB. Mr. Speaker, I ask the Speaker to lay before the House the bill (H. R. 15807) to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside, with Senate amendments thereto, and I move to concur in the Senate amendments.

The SPEAKER. The Clerk will report the Senate amendments.

The Senate amendments were read.

Mr. WEBB. Mr. Speaker, I move to concur in the Senate amendments.

The Senate amendments were concurred in.

## LEAVE TO ADDRESS THE HOUSE—EXTENSION OF REMARKS.

Mr. MANN. Mr. Speaker, yesterday there were two gentlemen on the list for speeches—my colleague from Illinois [Mr. DENISON] and the gentleman from Kentucky [Mr. KINCHELOE]—who did not speak, probably because they were reached sooner than they expected, and I ask unanimous consent that they may address the House to-day for the time that was allotted to them for yesterday, and that the gentleman from Minnesota [Mr. STENERSON], following them, have leave to address the House for one hour, not to interfere with conference reports or other privileged business.

The SPEAKER. The continuing order is: Mr. DENISON, 15 minutes; Mr. KINCHELOE, 10 minutes.

Mr. MANN. They were called yesterday, and I am asking to renew that order for them.

The SPEAKER. The gentleman from Illinois asks unanimous consent to renew the order, together with a request that the gentleman from Minnesota [Mr. STENERSON] may address the House for one hour, or not to exceed that time, at the close of the remarks of the gentleman from Kentucky [Mr. KINCHELOE]. Is there objection?

Mr. ALLEN. Mr. Speaker, reserving the right to object, I would like to couple with that a request that the gentleman

from Virginia [Mr. GLASS] may follow the gentleman from Minnesota [Mr. STEENERSON] for one hour upon the question of the Federal reserve act.

Mr. MANN. I shall not have any objection to that; but let my request be put.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. LINDBERGH. Mr. Speaker, I reserve the right to object, for a moment.

The SPEAKER. The three gentlemen involved in the request of the gentleman from Illinois are the gentleman from Illinois [Mr. DENISON], the gentleman from Kentucky [Mr. KINCHELOE], and the gentleman from Minnesota [Mr. STEENERSON]. Is there objection?

Mr. HASTINGS. Mr. Speaker, reserving the right to object—and I shall not object—I think it is absolutely unfair that any man be given an hour to-day, when we are expecting to adjourn to-night. It is well known that there are not going to be half a dozen men in the House to listen to these speeches. The speeches could be printed in the RECORD, and granting the time keeps anyone else from having an opportunity to make a speech—practically monopolizes all of the time of the House to-day. I am a new Member of the House, and if I were an older Member I would object.

Mr. MANN. Oh, we will have plenty of time.

The SPEAKER. Is there objection?

Mr. STAFFORD. Mr. Speaker, will the gentleman from Oklahoma yield?

The SPEAKER. The gentleman from Oklahoma has not the floor.

Mr. STAFFORD. Has the gentleman any assurance that we are going to adjourn to-day?

Mr. LINDBERGH. Mr. Speaker, I rise to a point of order.

Mr. HASTINGS. Mr. Speaker, I do not possess such information as my distinguished friend from Wisconsin.

Mr. LINDBERGH. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. LINDBERGH. I make the point of order that there is no quorum here.

The SPEAKER. The Chair will count.

Mr. LINDBERGH. I will withhold it for the moment.

Mr. MOSS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. While the gentleman is withholding it, the Chair will put the request of the gentleman from Illinois about these three Members making speeches.

Mr. HEFLIN. Mr. Speaker, I ask unanimous consent to address the House for 20 minutes some time to-day.

The SPEAKER. The Chair will put the request after he gets through with the others. Is there objection to the request of the gentleman from Illinois as to Messrs. DENISON, KINCHELOE, and STEENERSON?

Mr. BURNETT. Mr. Speaker, reserving the right to object, I ask the gentleman if he will not cut that down to half an hour apiece.

The SPEAKER. Mr. DENISON has 15 minutes, Mr. KINCHELOE has 10, and the gentleman from Minnesota asks for an hour. That makes 1 hour and 25 minutes altogether.

Mr. BURNETT. I ask the gentleman from Illinois if he will not make it half an hour or three-quarters of an hour?

Mr. MANN. I think there is time enough. I think there will be time enough.

Mr. BURNETT. Will not the gentleman make it 45 minutes?

Mr. ALLEN. It will not interfere with privileged matters.

Mr. BURNETT. Then I would like to couple with that the privilege of addressing the House for 20 minutes, after these remarks have been concluded, on the failures of the Republican Party and on the achievements of the Democratic Party.

Mr. MANN. Mr. Speaker, I think the requests should be submitted separately.

The SPEAKER. The Chair puts the request of the gentleman from Illinois for the three gentlemen already named. Is there objection? [After a pause.] The Chair hears none. Now does the gentleman from Minnesota insist on his point of order?

Mr. HEFLIN. While it is being withheld I ask unanimous consent to address the House for 20 minutes.

Mr. MOSS. I would like to have my request to extend my remarks to come in after this.

The SPEAKER. The Chair thought I had put the request. The gentleman from Indiana [Mr. MOSS] asks leave to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none. The gentleman from Alabama asks leave to address the House for not exceeding 20 minutes following the speech of the gentleman from Minnesota [Mr. STEENERSON]. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on two subjects, one the National Guard and the other protection.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks on two subjects, the National Guard and the tariff. Is there objection? [After a pause.] The Chair hears none.

Mr. BURNETT. Mr. Speaker, I ask leave to address the House for 20 minutes, on the subject I announced a while ago, after the conclusion of the remarks of the gentleman from Alabama [Mr. HEFLIN].

Mr. SINNOTT. Mr. Speaker, reserving the right to object, I desire to couple with the request of the gentleman from Alabama a request that I may be permitted to address the House for half an hour.

Mr. MANN. These requests should be put separately.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. BURNETT]? [After a pause.] The Chair hears none.

Mr. SINNOTT. Now, Mr. Speaker, I request that after the remarks of the gentleman from Alabama [Mr. BURNETT] I may be given the privilege of addressing the House for 45 minutes.

The SPEAKER. The gentleman from Oregon asks unanimous consent that at the end of the remarks of the gentleman from Alabama [Mr. BURNETT] he may address the House for 45 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. ALLEN. I would ask that the gentleman from Virginia [Mr. GLASS] be permitted to address the House for 45 minutes, following those who have already obtained permission.

The SPEAKER. The gentleman from Ohio [Mr. ALLEN] asks unanimous consent that at the conclusion of the remarks of the gentleman from Oregon [Mr. SINNOTT] the gentleman from Virginia [Mr. GLASS] be permitted to address the House not to exceed 45 minutes on the reserve bank bill. Is there objection? [After a pause.] The Chair hears none.

Mr. NORTON. Mr. Speaker, I ask unanimous consent that at the conclusion of the gentleman's remarks I may be permitted to address the House for 10 minutes.

The SPEAKER. The gentleman from North Dakota asks unanimous consent that at the conclusion of the remarks of the gentleman from Virginia he may be permitted to address the House for 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. WATSON of Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Virginia [Mr. FLOOD] may be permitted to extend his remarks in the RECORD on two subjects, our diplomatic representatives and general political conditions.

The SPEAKER. The gentleman from Virginia asks unanimous consent that his colleague [Mr. FLOOD] be permitted to extend his remarks in the RECORD on two subjects, diplomatic relations and general political conditions. Is there objection? [After a pause.] The Chair hears none.

Mr. LINTHICUM. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter from Emmet A. Jones, chief of the bureau of agricultural industries, department of immigration and markets bureau, Montgomery, Ala., in reference to the convention of the American Dairy, Food, and Drug Officials recently held in Detroit, Mich.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I could not hear the request of the gentleman. I would like to suggest that it is not a very good practice to go down in front of the Speaker's desk and make a request where nobody else can hear it.

Mr. LINTHICUM. I will say to the gentleman from Illinois that I merely followed suit with him. [Laughter.] I was out there when he advanced to the front.

Mr. MANN. Well, I talk loud enough to be heard all over the Chamber, and the gentleman does not.

Mr. LINTHICUM. I endeavor to do that myself. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD by printing a letter received by me, dated August 14, 1916, from Mr. Emmet A. Jones in reference to the American Dairy, Food, and Drug Officials' convention which recently met in the city of Detroit, Mich.

The SPEAKER. Is there objection?

There was no objection.

Following is the letter referred to:

WASHINGTON, D. C., August 14, 1916.

HON. J. CHARLES LINTHICUM, M. C.,  
Washington, D. C.

MY DEAR MR. LINTHICUM: The American Dairy Food and Drug Officials met in annual convention at Detroit, Mich., last week. The mem-

bership of that organization is restricted to the executive State officer or officers, or their subordinates, regulating the sale of drug, dairy, and other food products.

The object of their official position and the purpose of the national association is to protect human life by preventing the sale of unwholesome food products.

I attended that convention, representing the State of Alabama, bearing my authority from the commissioner of agriculture, who is the executive officer regulating the sale of food products. Upon presenting my credentials to a committee for the purpose of passing on the same I was promptly seated, and the president soon after named me as a member of one of the important committees, showing conclusively that I was recognized as the official representative of Alabama in the convention.

Later on I introduced a resolution in that convention calling upon Congress to enact and put into operation some adequate plan of inspection of dairy products, inasmuch as milk products are especially exempt from the meat-inspection act as well as the pure-food law.

A number of the members of that association seemed to be considerably agitated that such a resolution should be introduced at that convention, and immediately set to work to prevent the discussion and otherwise oppose this resolution. They succeeded by practically doing away with the constitution and by-laws and all other parliamentary rules and usages, and they also succeeded in declaring me as not the official representing the State of Alabama, thereby putting themselves on record as being opposed to inspection of dairy products. The members of that association know, or ought to know, that 61 1/2 per cent of all the butter made in the United States is classed as No. 3. This class is bad butter. A large per cent of this butter is made from cream that is often putrid; 94.5 per cent of the creameries in this country are insanitary to a greater or less degree. I am in position to support these statements by the highest authorities.

I was a legal delegate at the convention held in Detroit of the American Dairy Food and Drug Officials, having my proper credentials from Hon. James A. Wade, commissioner of agriculture and industries, and his excellency Charles Henderson, governor of Alabama.

It was a cowardly act of the officials of that organization to throw me out on a technicality for the specific reason of preventing a fair discussion of the insanitary dairy conditions and the unwholesome butter that the American people must eat or go hungry.

This organization, whose duty it is to prevent such criminal practices, refused to put themselves on record as favoring Federal inspection of dairy products. If the dairies are clean, and if the butter is made from pure, wholesome cream, why should the officials of this organization, who, as I understand, represent the dairy interests, object to inspection?

The American dairy food and drug officials are the ones whom the American people have a perfect right to look to for protection against impure and diseased foods, and for that organization of food officials to take the position to oppose Federal inspection by their official act in convention at Detroit, August 10, they have gone directly contrary to the purpose for which their office was created.

Milk products, the most universally used food, and a food eaten raw, and a food most subject to contamination of impurities and disease, these officials have violated the public trust invested in them by the people of these United States. They have commercialized their office and the association. They have, by their official act in refusing to even consider this important resolution, as much as told the American people that the almighty dollar was of more importance than human life.

The members of the association know, or should know, that 15 per cent of all tuberculosis is of bovine source, and a greater per cent of typhoid fever is directly traceable to milk products. In Alabama alone last year more than 2,600 of our people died of tuberculosis, according to Dr. Schroeder, the highest authority on this subject; 15 per cent of that figure means that 390 of these deaths were preventable. Federal inspection of dairy products is the unquestionable cure for this evil, inasmuch as nearly all the State officials in charge of this work frankly state that they are not able to cope with these conditions, owing to the flood of interstate milk products pouring in upon them, together with inadequate State laws, as well as funds.

It is beyond me why such State officials admit they are not able to prevent the sale of butter made from rotten cream and at the same time refuse to ask Congress to enact a law that would supply Federal aid and would accomplish the end that their office was created for, namely, to protect human life by preventing the sale of impure, diseased food products.

In this case the people's representatives in their pure-food department have refused to do this. The American people must take the matter in their own hands and in no uncertain terms communicate their views to their Congressmen and Senators in Washington.

It was clearly the duty of the members of that organization to take up and discuss the insanitary condition of dairies and to look into and prevent the sale of butter made from cream that is unclean, decomposed, and putrid. These conditions do exist, and State officials refused to do their duty when they took part in disfranchising me at this convention. From the proceedings it would seem that the powerful and, to my mind, iniquitous Butter Trust dominates State officials regulating pure food.

The leading dairy journals and health officials declare that insanitary conditions exist in many instances, and that a large percentage of the milk products are produced from decomposed, putrid, and diseased cream.

We have sought some authoritative statement of the extent of this awful crime against the helpless and the innocent. In the annual report of the United States Department of Agriculture for 1912 it is said (pp. 315, 334) that cream is frequently shipped great distances to creameries to be made into butter and is often received in such a filthy and putrid state as to be thoroughly unfit to enter into the composition of a food product; that an examination of 1,554 lots of cream delivered to the creameries and cream-buying stations showed 113, or 7.3 per cent, to be of first grade; 484, or 31.1 per cent, of second grade; and 957, or 61.5 per cent, of third grade; that the third grade consists of cream that is dirty, decomposed, or very sour; that 94.5 per cent of 715 creameries investigated were insanitary to a greater or less degree; and that 72.6 per cent of these creameries did not pasteurize the milk so as to destroy any disease germs that might be present; that as disease-producing germs are known to survive for long periods in butter from unpasteurized cream, and as butter is eaten in the raw state, this product when made under such conditions as prevail in the majority of creameries can not be said to be wholesome and free from danger to human health; that millions of gallons of cream that have been allowed to stand in the barn, in the cellar, or in the wood-

shed until it is sour or decomposed is sent to the creamery and, without even being pasteurized, is made into butter; that aside from the danger of pathogenic infection, consumers should not be expected to eat a product from an insanitary place and made from material that is unclean and decomposed.

It is this 61.5 per cent of third-grade butter so terribly indicted by dairy journals and health officials and others, tried and found guilty by such conservative and well-informed men as the senior editor of Hoard's Dairyman and Prof. Farrington, and the sentence confirmed by the quoted highest authority in the land—it is this disease-laden, filthy product, beautifully but artificially colored and artistically wrapped, which a majority of the American people must eat or go hungry.

Allow me to call your attention to two excerpts from the Chicago Dairy Products, March 21, 1916. On page 18 a lengthy address is published, which says:

"Beware of the cream buyer that tells you he would just as soon have old, sour, rotten cream as good, clean, sweet-flavored cream. To-day competition in many localities is keen among the cream buyers, and they force one another to accept anything that looks like cream."

What does this association think of this kind of competition? Will you help to maintain or help to reform?

In the same address it is said:

"A good housewife does not leave the supper dishes stand overnight and use them again for breakfast without first washing them. And still the small amount of food particles left on the supper dishes is far less repulsive and objectionable than the dirty, filthy, often bloody pus matter that collects as slime in the separator bowl."

And one of your members stated during the convention this week that he had found the baby's soiled clothes soaking in the separator. Who eats this cream and butter separated from "the dirty, filthy, often bloody, pus matter that collects as slime in the separator bowl, with the additional flavor obtained from the baby's soiled clothes?"

On page 20 another address is given, in which it is said, quoting:

"It is claimed by the veterinary department of our State that in sections where whole-milk creameries are the most numerous they find a larger per cent of hogs infected with tuberculosis, all of which shows beyond a doubt that the disease is spread from farm to farm through this medium of skim milk. Another case is cited where a number of the family where market milk was produced were infected with typhoid fever, the raw milk from the dairy was delivered, and an epidemic of typhoid fever among the patrons of the dairy was the result. \* \* \* Butter itself may carry disease, according to a bulletin issued by the United States Department of Agriculture recently. It was found that tubercle bacilli existed in a raw-cream unsalted butter for a period of nine months after being made, and in raw-cream salted butter for six months after being made. It was also found that out of 1,233 samples of raw-cream butter made in different sections of the country 163, or 13.2 per cent, contained tubercle bacilli."

Does the producer of this kind of dairy products offer a word of denial to these charges? Do they suggest the slightest remedy?

Ex-Gov. Hoard, of Wisconsin, called, in hearings before a congressional committee, the "father of dairying," treasurer of the National Dairy Union and editor of Hoard's Dairyman, says in his issue of February 21, 1913:

"Resolutions have been passed and passed again. \* \* \* The cry is 'Something must be done,' but nothing is done. \* \* \* No one familiar with the work, and finding himself behind suitable closed doors, has denied the conditions. \* \* \* No one is more interested in this than the Farmers' Cooperative Creameries. \* \* \* They see tendencies working insidiously and eternally to break down quality. They labor under conditions that make them accept poor cream, do poor work, and sometimes keep things in insanitary condition. \* \* \* There are certain tendencies in the creamery business that are demoralizing to the last degree. We refer to the willingness of creameries to accept poor, bad, decomposed cream, knowing, if they do not, the cream will go to a competitor. The large central creameries have been the chief, though not the only, sinners in this respect. They have invaded the territory of the local creameries and forced them to let down the bars to all that is bad in cream. They have invaded the territory of each other until they have absolutely no control over the product they receive from the farmer."

Mr. David Klein, State analyst for the State Food Commission of Illinois, in a letter says:

"Adulterated milk and butter is somewhat frequent. \* \* \* Most of our adulteration consists of dirty milk or that which contains high bacterial content. \* \* \* The question of regulation of dairy products is exceedingly complex. \* \* \* By all means, the problem should be dealt with at its source and not at the end of its journey."

Minnesota Dairy and Food Department Bulletin No. 58, appendix 3, page 58:

"A special investigation has been made of economic and commercial conditions in the creamery industry, and information has been received showing that there is practically a monopoly in some sections; \* \* \* that the cream is received over a wide territory, and much of it is received in a stale condition, and that a very large percentage of the butter in the market is below grade."

Yearbook of the United States Department of Agriculture, 1910, page 46:

"The Bureau of Animal Industry has conducted the inspection of butter as it is received at the New York, Chicago, and San Francisco markets. The competition among creameries for the purchase of cream has resulted in cream being accepted which is sometimes in very bad condition, and as a result much butter of inferior quality is placed on the market."

Page 278:

"Through the dairy districts such as Iowa, Minnesota, Wisconsin, Illinois, Michigan, Ohio, etc., the farmers a few years ago delivered to the creameries clean, sweet milk, which was made into a first grade of butter that brought the highest price. Many of the same farmers are to-day delivering cream a week old. This is not done because of lack of knowledge, but because their cream, bad as it is, is accepted by the creamery. If one creamery does not accept it, another will; the farmer, therefore, is simply following the line of least resistance."

In a page advertisement appearing in one of the leading dairy journals was "How to make good butter out of rotten cream."

It would have been a reflection on the intelligence of that organization for me to proceed further in producing evidence showing that insanitary conditions do exist and that a large per cent of the milk products are made from decomposed, putrid, and diseased cream.

Now, I wish to dwell for a few minutes on the effect of such conditions. The health of a community, a State, and a country should

come first in the minds and the hearts of officials. Consequently disease-spreading foods should have had their serious consideration.

Dr. E. C. Schroeder, in the hearing before the Committee on Agriculture in the Sixty-first Congress said (p. 319):

"The remarkable thing found by Dr. W. H. Park and his associates was that among a certain number of fatal cases of tuberculosis among infants 10 per cent were due to bovine source; among a certain number of children under 5 years of age, not all of which were fatal, however, something in the neighborhood of 26 per cent were due to bovine source; among children between 16 and 5 years, about 16 per cent of all tuberculosis was due to bovine source." \* \* \*

Page 321:

"The more closely the bovine type is approached, the higher the virulence of the bacilli seems to be." \* \* \*

On page 325 he estimates that 15 per cent of all human tuberculosis is of bovine origin.

On page 324 he says:

"Estimates which have been made—not by myself, however—seem to indicate that about 60 per cent of all bacilli in a given sample of milk are concentrated in the cream. In making investigations myself I have repeatedly made butter from infected cream, and I found that when the cream was infected the bacilli were transferred to the butter. Quite a number of experiments with cheese have been made, and the investigations show conclusively that when cheese is made from infected milk the cheese will also contain infection. If typhoid germs get into milk, their presence there is more dangerous than the presence of the tubercle bacilli."

In the twenty-fifth annual report of the United States Bureau of Animal Industry it is said (p. 152):

"The conclusion is almost forced upon us that the tuberculosis dairy cow is, to say the very least, one of the most important sources of tubercle bacilli with which we have to deal."

Page 160:

"Infect on of cattle and hogs is most frequently seen in districts in which dairy interests are most prominent. \* \* \* It has been estimated in the Bureau of Animal Industry that the annual sum that may be charged to loss and depreciation through tuberculosis in cattle and hogs is in the neighborhood of \$23,000,000."

According to figures presented at the International Congress on Tuberculosis by the United States Public Health and Marine-Hospital Service, tuberculosis destroyed 60,000 more lives in the United States in one year alone than yellow fever destroyed in the United States during a whole century.

Dr. E. C. Schroeder, in the Twenty-sixth Annual Report of the Bureau of Animal Industry (p. 200), says:

"I am thoroughly convinced that there is no equal number of cases of tuberculosis \* \* \* that can be prevented as easily, as cheaply, and as certainly as the numerous cases that are due to persons infected with tuberculous bacilli derived from the bodies of tuberculous cattle."

I felt that every member of this convention is trying to develop their dairy interests for the health and happiness, not the disease and death of their people. They try to inspect the herds and destroy the diseased ones, but how can they compete with interstate butter pouring in upon them free from Federal inspection and regulation, which constantly infects their people and in turn reinfects their herd.

The unscrupulous dairyman and the dishonest creameries and butter factories seem to turn a deaf ear to the thousands of American mothers, whose children are every year being murdered by slovenly farmers and debauching creameries.

Some of the dairy journals have seen fit to attack me personally and officially for my views on this subject and have alluded to me as the "wicked Jones" and made out a case of "hard-headedness" against me, and to my mind a case of "hard-heartedness" against themselves.

If I must choose, I pray that my heart may ever be tender and true to the millions of our people who must buy food and that the cry of the little diseased children and their mothers may never go up against me.

And now, Mr. LINDBERGH, I wish to commend you for the brave and able fight you are making against these criminal practices, and I offer you my services wholeheartedly, and will consider it a favor if you will call on me at any time.

Very truly, yours,

EMMET A. JONES,

Chief of Bureau Agriculture and Industries Department,  
Immigration and Markets Bureau, Montgomery, Ala.

Mr. HULBERT. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the achievements of the present session of Congress.

The SPEAKER. The gentleman from New York [Mr. HULBERT] asks unanimous consent to extend his remarks in the RECORD on the achievements of the present session of Congress. Is there objection?

There was no objection.

Mr. MANN. If it is true, it will be very short. [Laughter.]

Mr. HOLLINGSWORTH. Mr. Speaker, I ask unanimous consent to extend my remarks on two subjects—world peace and the naval bill.

The SPEAKER. The gentleman from Ohio [Mr. HOLLINGSWORTH] asks unanimous consent to extend his remarks in the RECORD on two subjects—world peace and the naval appropriation bill. Is there objection?

There was no objection.

Mr. SMITH of Minnesota. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the achievements of the Republican Party if it had been in power in the last four years. [Laughter.]

Mr. ADAMSON. Romance, pure and simple. [Renewed laughter.]

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on what the Republican Party would have done if it had been in power in the last four years. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House joint resolution No. 1.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD on House joint resolution No. 1. Is there objection?

There was no objection.

Mr. EVANS. I ask unanimous consent, Mr. Speaker, to extend my remarks in the RECORD upon what the Democratic Party has done in the last four years while it has been in power.

The SPEAKER. The gentleman from Montana [Mr. EVANS] asks unanimous consent to extend his remarks in the RECORD upon what the Democratic Party has done in the last four years. Is there objection?

There was no objection.

POINT OF NO QUORUM.

Mr. LINDBERGH. Mr. Speaker, a while ago I made a point of order that there was no quorum here. I withhold that for half an hour on condition that I may make a statement now as to why I made that point, and it is this: That I understand there is a trading process going on between certain parties in this body and in another body that affects the legislation. I do not know whether that is so or not; but if it is so, we ought to have a quorum here, and I withhold my point now for half an hour.

The SPEAKER. The gentleman withholds his point of order. Mr. ADAMSON. Can you find out in half an hour?

BRIDGE ACROSS MISSISSIPPI RIVER AT MEMPHIS.

Mr. ADAMSON. Mr. Speaker, there is a bill on the Speaker's desk that the Senate has passed backward and forward two or three times. I would like to move to the House to end it by concurrence.

Mr. MANN. What is it?

Mr. ADAMSON. A bridge bill.

The SPEAKER. The Chair lays before the House the Senate bill 5886, which the Clerk will report.

The Clerk read as follows:

A bill (S. 5886) entitled "An act extending the time for the completion of the bridge across the Mississippi River, at Memphis, Tenn., authorized by an act entitled 'An act to amend an act approved July 20, 1912, entitled 'An act to authorize the Arkansas & Memphis Railway Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River,' approved August 23, 1912.'"

Mr. MANN. Mr. Speaker, until I saw that the Senate had acted upon this bill yesterday I was very strongly of the impression that it was only recently that the gentleman from Arkansas [Mr. CARAWAY] moved to concur in the Senate amendment on this bill.

Mr. ADAMSON. They have concurred in our amendments with an amendment.

Mr. MANN. I think he moved to concur in the Senate amendment.

Mr. ADAMSON. I thought he did, too, but they are piling one mountain on top of another—I forget their names—Pelion on Ossa.

Mr. MANN. Unless I am very much mistaken, the gentleman from Arkansas [Mr. CARAWAY], when this same bill came over from the Senate before, moved to concur in the Senate amendments.

Mr. ADAMSON. Suppose the gentleman read what the House did there. He has it all there.

Mr. MANN. This was a House bill, was it not?

Mr. ADAMSON. No. It was a Senate bill. The House amended it, and the Senate now concurs in the House amendments.

Mr. MANN. The bill was reported to the House with certain committee amendments. Then the gentleman from Arkansas [Mr. CARAWAY] offered some further amendments.

Mr. ADAMSON. Yes.

Mr. MANN. I know I looked into the matter very carefully.

Mr. ADAMSON. The Senate amended that.

Mr. MANN. That went to the Senate, and the Senate amended that. I am sure that that bill came back, and the gentleman from Arkansas moved to concur in the Senate amendments. Now it comes back again from the Senate.

Mr. ADAMSON. I suggest that the Clerk read the action of the House, taken when the bill was last here.

Mr. MANN. I hope the gentleman will take time to look it up.

Mr. ADAMSON. Let it lie on the table in the meantime.

The SPEAKER. Is there objection?

There was no objection.

Subsequently,

Mr. ADAMSON. Mr. Speaker, the gentleman from Illinois finds that this is a different bill, and I move to concur in the amendment of the Senate, in which the Senate couple on a new

proviso. They accept the House amendments with an amendment.

The Senate amendment was read, as follows:

That the Senate agrees to House amendment numbered 4 to said bill with an amendment as follows: Insert the matter contained in said amendment with an additional proviso, to be inserted at the end of said amendment before the period, to read as follows: "Provided further, That the term 'passage' as used in the foregoing proviso, for which said sum of 25 cents is made the maximum rate of charge, shall include the right of the passenger to be carried over the approaches and connecting railway tracks of said bridge from the nearest stopping place to receive and discharge passengers at one terminal thereof to the nearest like stopping place at the other terminal thereof. And this proviso shall apply to and govern the authorized charge for passage to be made by the Kansas City & Memphis Railway & Bridge Co. for passage over its bridge and the approaches and connecting railway tracks thereof, across the Mississippi River, at Memphis, Tenn."

Mr. COOPER of Wisconsin. Mr. Speaker, it is impossible for Members of the House not having copies of the bill before them to understand the effect of the amendment. Will the gentleman from Georgia please explain it?

Mr. ADAMSON. The amendment simply provides that where a man has to pay a charge for crossing the bridge he shall have a place to get on and a place to get off at each end of the bridge. That is, that they can not charge him double, but that he can get on at the nearest station to the bridge and get off at the nearest station beyond the bridge without paying any extra fare except the charge for crossing the bridge.

Mr. COOPER of Wisconsin. Is that all there is to it?

Mr. ADAMSON. That is all there is to it.

The SPEAKER. The question is on concurring in the Senate amendment.

The Senate amendment was concurred in.

On motion of Mr. ADAMSON, a motion to reconsider the last vote was laid on the table.

The SPEAKER. The gentleman from Illinois [Mr. DENISON] is recognized for 15 minutes.

#### CHILD-LABOR LAW.

Mr. DENISON. Mr. Speaker, some days ago the Democratic Members of the Senate met in caucus and decided on a legislative program for the remainder of the session. The child-labor bill, which passed the House on February 2 and had been before the Senate since that time, was not included among those that were to be passed before adjournment. As the President has assumed the rule of umpire as to what bills should or should not be passed by Congress in addition to his regular duties as Chief Executive of the Nation, we are justified in concluding that he must have been consulted and have known and approved of the legislative program decided upon by the caucus. At least the program, omitting the child-labor bill, was published in the daily papers, and the President, so far as we know, made no objection to it.

But as soon as the action of the caucus became known over the country, telegrams began coming to Washington urging action on this bill before adjournment. The women of the country particularly, through their clubs and organizations, began sending telegrams demanding that the child-labor bill be passed.

It is interesting to note that a short time before this Mr. Hughes had made a statement of his personal views on extending the right of suffrage to women, and there was much discussion in the press of the country of the effect his statement on that question would have on the coming election in those States where the women vote.

Suddenly the President appeared one day at the Capitol unannounced and, if the reports in the daily papers can be taken as true, called some of the Democratic Senators before him and told them that the legislative program of the caucus must be rearranged and the child-labor bill must pass before adjournment.

Surprise was freely expressed about the Capitol at this precipitous action of the President; many of us could not, while others would not, understand the sudden reversal of the President's attitude toward this bill and his insistence that it be passed now. There was no national emergency connected with it, nor any public interest which would particularly suffer if the passage of the bill should be deferred until December.

Subsequent events, however, have thrown some light on this matter. The date of the President's notification of his renomination had been fixed and was soon to be. His speech of acceptance was to be a catalogue of the wise and beneficent legislation that had been enacted by the Democratic Congress under his benign influence and guiding hand. And, of course, this catalogue would not read well with many of the people unless the child-labor bill were included.

The caucus program was forthwith rearranged and the bill was passed.

On the 2d of September the President was notified of his renomination, and in his speech of acceptance he made the following statement, in reviewing the legislation for which the country, as he claims, is indebted to the Democratic Party under his administration:

We have effected the emancipation of the children of the country by releasing them from hurtful labor.

These are fine words. They appeal to human sentiment. And I have no doubt my friend Mr. HEFLIN, the gentleman from Alabama, one of the few States whose representatives fought so hard to prevent the passage of the bill, was swayed with profound emotions as he heard his chief tell in these touching words how the children of the country had been saved and emancipated from hurtful labor by the Democratic Party. And possibly there may be some voters somewhere in the country who will blindly accept this statement for what it says.

But to those of us who know the facts it is a huge joke. It is truly ludicrous. Those who are familiar with child-labor legislation in this country and who know the past records of the candidates of the two great political parties on this subject can not help wondering what motive inspired the President in claiming that the Democratic Party has emancipated the children of the country from hurtful labor. Could it be possible that the President has been ill advised or is otherwise not correctly informed on this subject?

Why, Mr. Speaker, in 30 States of the Union wise child-labor laws have been enacted by Republican legislatures and signed by Republican governors. I have not yet been able to learn whether the laws of Kentucky and Maryland were enacted under Republican or Democratic legislatures. If under the former, then the number would be 32. Many of these laws were enacted while the President was yet a school-teacher, and most, if not all, of them were enacted before he became President. The child-labor law of the District of Columbia, I am informed, was passed during a Republican administration. And the only States that have no child-labor laws or whose laws are entirely inadequate to protect their citizens from the evils of child labor are the States that always have been Democratic and where real Republicans can not grow.

Now, the child-labor bill that has just become a law was reported to the House by the Labor Committee, of which I am a member. On the motion to favorably report the bill out, four Democrats and five Republicans voted in the affirmative. Three of the Democratic members of the committee opposed it and filed a minority report against it. Three of the Democratic members of the committee fought the bill on the floor of the House.

If the five Republican members of the Labor Committee had opposed the bill the Democrats alone never could have gotten the bill before the House at this session, even if they had been disposed to do so.

In the House a determined fight was made on the bill by the Democrats alone; they even tried to kill it by a prolonged and determined filibuster which was aided by the able chairman of the Judiciary Committee, Mr. WEBB. The Democratic leader, Mr. KIRCHIN, opposed the bill and voted against it.

When the final vote on the passage of the bill was taken, 179 Republicans and only 158 Democrats voted in favor of it. Only 2 Republicans voted against it, while 44 Democrats are recorded against it.

So the record, with which we may reasonably presume the President was familiar, shows that generally speaking this bill was supported by the Republicans and opposed by the Democrats, and that without the aid of almost the solid Republican vote it never could have been passed by this Congress.

In the Senate every Republican Senator but two voted for the bill, while a number of Democratic Senators not only voted against it but conducted a determined fight to prevent its passage.

All who are at all familiar with this subject know that all the States have adequate child-labor laws of their own, except North and South Carolina and possibly two or three other Southern States where the large cotton mills are located; and therefore the provisions of this bill will only affect those few Democratic States.

Why, then, should the President declare in his speech of acceptance that the Democratic Party has "effected the emancipation of the children of the country by releasing them from hurtful labor"?

The facts are exactly to the contrary. The only States where the children have not been emancipated by releasing them from hurtful labor are Democratic States.

Such is briefly the record of the legislation of the country on this subject.

But what are the records of the two presidential candidates on the subject of child labor?

In 1907, nine years ago, while Mr. Hughes was governor of the State of New York, he made the following recommendation in a message to the legislature:

I recommend to your careful consideration the important subject of child-labor laws for the protection of children in securing for them their rights through an elementary education and in surrounding them with appropriate safeguards, making an especial appeal to human sentiment and that nothing should be left undone to give them full effect.

I am informed that during the term of office of Gov. Hughes child-labor laws were enacted by the Legislature of New York which followed fully the recommendation of the governor and received his approval.

Years after Gov. Hughes was urging the enactment of child-labor laws and was getting results at the hands of a Republican legislature, putting his words into deeds, Mr. Wilson was ridiculing the idea of child-labor legislation by Congress and declaring to the young men of the country that such proposed legislation was but the scheme of politicians.

In a lecture on constitutional law, delivered in 1911, Mr. Wilson, speaking of the power of the Federal Government with reference to child-labor legislation, said:

Its power is to regulate commerce between the States, and the attempts now made during every session of Congress to carry the implications of that power beyond the utmost boundaries of reasonable and honest inference show that the only limits likely to be observed by politicians are those set by the good sense and conservative temper of the country.

The proposed Federal legislation with regard to the regulation of child labor affords a striking example. If the power to regulate commerce between the States can be stretched to include the regulation of labor in mills and factories, it can be made to embrace every particular of the industrial organization and action of the country. The only limitation Congress would observe, should the Supreme Court assent to such obviously absurd extravagances of interpretation, would be the limitations of opinion and of circumstances.

Thus, according to Mr. Wilson's views before he became a politician, this child-labor bill that Congress has just passed "carries the implications of the power to regulate commerce between the States beyond the utmost boundaries of reasonable and honest inference"; it is an "obviously absurd extravagance of interpretation."

Of course, now that Mr. Wilson is no longer lecturing learnedly to the young men of the country on constitutional law, but has become a candidate for reelection to the Presidency, he has an entirely different and larger audience to reach, and the rules of interpretation of the Constitution are entirely different. What was then an "obviously absurd extravagance of interpretation" now becomes a very proper and benign law for the "emancipation of the children of the country from hurtful labor."

Such are the records of the two candidates for President upon this important question of child-labor legislation. And their records on this subject are not unlike their records on other important subjects in which the people of the country, and particularly the laboring people, are interested.

Mr. Speaker, my only purpose in calling the attention of the House and of the country to these matters at this time is that I think the statement of the President in his speech of acceptance will be misleading to the people. The fact is, the subject of child-labor legislation is not, never has been, and should not be a partisan question. It is one that affects the welfare of the whole Nation, and no political party nor the candidate of any political party should attempt to influence the voters of the country by a pretense or claim that such legislation has been partisan. I think it is most unfortunate that the President should have claimed in his speech of acceptance that the child-labor law just passed by Congress is one of the fruits of Democratic legislation.

Neither the Democratic Party nor the President is responsible for this law. The bill would have passed the Senate in December, or at least before adjournment, in March, without any pressure by the President.

The President, however, is entitled to credit for forcing the bill through the Senate before adjournment. But in view of his former opinions on child-labor legislation, as well as his strange statement on the subject in his speech of acceptance, we are justified in the conclusion that the purpose of his demand for immediate action on the bill was purely political.

The fact is, Mr. Speaker, the President forced the passage of this bill before adjournment for the same reason that he prevented the passage of the immigration bill. He forced it, not against the opposition of the Republicans, for we have all, with the exception of two in the House and two in the Senate, been in favor of the bill and wanted it passed as soon as possible; he forced it against the opposition of members of his own party and in the face of an approaching national election.

The country knows that the President will veto the immigration bill as soon as it passes the Senate. A veto of this important bill, in which the laboring men of the country are so deeply interested, would cost the President many votes. So he and his advisers have prevented the passage of the immigration bill before adjournment in order that his veto of the measure may be postponed until after the election.

Thus the country beholds the playing of politics in high places. [Applause on the Republican side.]

Mr. BARKLEY. I want to say to the gentleman that the child-labor laws of Kentucky were enacted under a Democratic administration.

Mr. BRUMBAUGH. I want to make the same observation with regard to the Ohio law.

Mr. DENISON. I thank the gentlemen for the information.

Mr. COOPER of Wisconsin. The gentleman in his remarks has referred to the fact that Mr. Wilson, before he became President, made the statement in one of his books that a child-labor law enacted by Congress would be unconstitutional.

Mr. DENISON. Yes.

Mr. COOPER of Wisconsin. I want to ask the gentleman a question: Is the President entitled to any credit for urging Congress to pass a law which, before he became President, he declared would, if enacted into law, be a violation—involve a dishonest interpretation—of the Constitution of the United States?

Mr. DENISON. That is a very pertinent question, and one that the country will have to answer.

Mr. LONDON. Does the gentleman contend that a Democratic President has no right to learn anything?

Mr. MILLER of Minnesota. He can not.

Mr. DENISON. I do not, of course, make the contention that he has no right to learn anything.

Mr. MEEKER. Does the gentleman insist that the Democratic President has learned anything?

Mr. BARKLEY. He has not learned anything from the gentleman from Missouri.

Mr. DENISON. I repeat that we are justified in the conclusion that the purpose of his demand for immediate action on this bill was entirely political. [Applause on the Republican side.]

#### BRITISH EMBARGO ON TOBACCO.

Mr. KINCHELOE. Mr. Speaker, I have the honor to represent in this House a great tobacco district. I was born and reared on a farm, and raised tobacco during the most of my boyhood years, and I think I am familiar with the hardships and obstacles with which the tobacco grower has to contend.

There are no more patriotic, industrious, and law-abiding citizens in this Republic than the tobacco growers of Kentucky, Virginia, and Tennessee, and yet they are the poorest and smallest paid laborers for the amount of work they do in this country. [Applause.]

These people are appealing to the American Congress for a right to which they are justly entitled, and that is an open market for their tobacco to every country on earth.

In March, 1915, by an order in council of the British Government, Great Britain placed an embargo on tobacco, together with other commodities. As a result of this embargo practically all tobacco exported from this country at that time was consigned to the Netherland Oversea Trust. The Netherland Oversea Trust then required every exporter to guarantee, by executing a bond, that the tobacco exported should go only to the country to which it was consigned, which in effect cut out the market of the European countries, except Great Britain. The fact is practically 60 per cent of the competition of the dark-tobacco buying in this country comes from Germany and Austria.

The State Department, through its able Secretary, Hon. Robert Lansing, and his assistants, immediately sent a strong protest to the British Government against this embargo. After various protests, the State Department finally succeeded, in November, 1915, in having this order in council of the British Government set aside. The result was, in a short time thereafter, the price of tobacco began to increase rapidly. The pathetic thing about this transaction was that by the time the tobacco increased to a good price nearly all of it was out of the hands of the growers. But notwithstanding this the tobacco growers, encouraged by future prospects, planted the crop of 1916 with great hopes that these high prices would continue, and they were also informed, and I think correctly so, that there would be a 25 per cent greater demand for tobacco this year than in 1915. With these assurances, the tobacco growers of my district, together with the rest of Kentucky, Tennessee, and

Virginia, have planted and are now housing one of the biggest and finest crops of tobacco that has been raised in these States for many years. Now, to their disappointment, Great Britain, without a reason and arbitrarily, has again placed an embargo upon tobacco, which became effective the 31st of last month.

So unless this embargo is removed or modified before this year's crop goes on the market the tobacco grower will be confronted with the sad fact that his crop of tobacco is to be sold with practically no bidders from the European countries. Practically 80 per cent of the tobacco grown in my district is export tobacco. The State Department now is earnestly protesting against this embargo and is doing everything in its power to have it removed, but with no power under the law to retaliate in any way.

Only last week I received a letter from Ross-Vaughn Tobacco Co., of Owensboro, Ky., saying that they had shipped 233 hogsheads of tobacco, worth \$30,000, to Philadelphia, consigned to Copenhagen, Denmark, and asking me to go to the British Embassy here and see if they would get authority from London letting the shipment go. I went to the embassy and pleaded in behalf of this company. I was informed by them that they had already wired London for permission for this shipment, but had not received a reply. I then asked them if they would not hurry the matter and was informed very frankly that there was no way to hurry it. I left immediately in disgust. I submit to you if it is not a shame that our citizens have to endure this kind of treatment. [Applause.]

I am delighted, however, to know that the Senate has passed amendments 265 and 266 to the revenue bill, which empower the President to enforce retaliatory measures to prohibit this great injustice to tobacco growers and to exporters of other commodities in this country, which amendments are as follows:

Amendment 265: That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals the President, within his discretion, shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles the products of such country, dependency, or colony.

Amendment 266: That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency, contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered, within his discretion, to prohibit or restrict, during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation shall be liable to a fine of not less than \$2,000 nor more than \$50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion.

So you will see from the reading of these amendments that whenever any country shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals the President of the United States, in his discretion, is empowered to prohibit, during such period, the importation into this country of similar articles, or if the United States does not import similar articles from that country, then any other articles. And after he shall make a proclamation stating the prohibitory articles the countries which continue to import them here shall be liable to a fine and imprisonment. These two amendments, if adopted, will give the President the power to retaliate whenever injuries are done to the people of this country, like the embargo placed upon tobacco by Great Britain.

I do not believe this country should or will suffer these outrages to be perpetrated upon the American people. Tobacco is not one of the necessities of life nor a contraband of war, and no reason can be given why this embargo is placed upon tobacco by Great Britain except that she and her allies hope to buy the tobacco from the tobacco grower at their own price and then sell it to the other countries of Europe at an enormous profit to themselves. Great Britain can not with any consistency give as a reason for placing this embargo on tobacco that she does not want Germany to have it. Germany's fighting powers would not be increased any if her soldiers got all the tobacco they wanted to chew and smoke; nor would they be decreased any if she did not get any. Besides, every dollar that Germany spent for tobacco would leave that much less in her treasury with which to buy ammunition, guns, and something to eat and wear for her soldiers. That argument or excuse would fall to

the ground of its own weight. This country is big enough and strong enough to protect the lives and property of its citizens, and I believe she will do it. On a great question like this I am neither pro-English, pro-ally, or pro-German, but I am pro-American. I want to right these wrongs, and I believe in doing it. The God of the Universe created the high seas for the whole human family, and I do not believe in permitting any nation to monopolize them for her own aggrandizement, to the detriment of any other nation and her citizens. [Applause.] If these two amendments are adopted, which will give the President of the United States power to retaliate, I am sure that he will be glad to exercise this right at once in behalf of the tobacco growers of this country, if necessary. His every act since he has been President of the United States toward labor has always been in favor of the laboring man and the downtrodden. I do not think he would have to exercise this power, for the moment Great Britain understands that we mean business and will tolerate the injustices to our citizens no longer, she will raise this embargo, for she needs us and what we have to sell worse than we need her. I am opposed to and shall fight to the last ditch against Great Britain or any other country coining the sweat and labor of the tobacco growers of my district into money to make her richer by the unfair and unjust methods of this embargo.

If I had my way about it, I would make these amendments even stronger than they are. I would not only give the President power to prohibit imports to this country as a retaliatory measure, but I would also give him power to lay an embargo, in his discretion, upon exports consigned to the countries that place an embargo upon such products as tobacco, because England wants to buy our products worse than we want hers. I would offer that amendment now if it were in order, but I realize under the rules of the House such an amendment would be subject to a point of order at this stage of this legislation.

Mr. MEEKER. Will the gentleman yield?

Mr. KINCHELOE. Yes.

Mr. MEEKER. Is it not that policy which you have been discussing that made it possible for Wilson to keep us out of war?

Mr. KINCHELOE. It is not. It is the firm stand that this great President has taken in his diplomatic relations with foreign countries, together with his love for peace, that has kept us out of war.

The Members of Congress and United States Senators from the tobacco-growing districts have been making this fight for the tobacco growers ever since the embargo was first laid upon tobacco in March, 1915, and are doing all in their power to have these two amendments adopted.

Tobacco is a product that takes 12 months in the year to produce and sell, and in former years the tobacco growers have been compelled to sell their tobacco at almost starvation prices. The tobacco grower not only gives practically a year's time and labor to the raising of tobacco, but gives his best land and best cultivation to it. They are now housing a great crop of tobacco, not only in quantity but in quality, and I want to see a free and open market this fall in order that this crop may bring the best prices possible. The tobacco growers, land owners, and tenants alike are looking to Congress for this relief, and I believe when these facts are detailed to you opposition to these two amendments will be small.

Mr. BENNET. Will the gentleman yield?

Mr. KINCHELOE. Yes; I yield with pleasure.

Mr. BENNET. Did the gentleman vote for the Sutherland amendment the other day?

Mr. KINCHELOE. Yes.

Mr. BENNET. I think in that the gentleman upheld the rights of his constituents, and that he did the wise thing.

Mr. KINCHELOE. I voted for the Sutherland amendment because my people are affected in this matter, and I will vote for any other amendment, whether offered by a Democrat or a Republican, to stop an embargo on the products of this country going to a neutral nation, and I do not care whether it is put on by England or Germany or any other country; we are too big a country to submit to anything of that sort.

Mr. BENNET. I think the gentleman is right in putting his Americanism above his Democracy.

Mr. KINCHELOE. I think so; I do not think Mr. Hughes, your candidate for President, has any corner on patriotism or Americanism in this country, notwithstanding he exploits it all over the country wherever he goes, in trying to make an issue in this campaign. [Applause on the Democratic side.]

Tobacco is the money crop of my district, and when the price is low it affects every character of business.

Personally, I have been assisting in the waging of this fight to remove this embargo on tobacco ever since I have been in Congress, and I expect to continue this fight until this injustice to my people has been removed, for the happiness and prosperity of over 3,000,000 people in this Republic are dependent almost entirely upon the raising of tobacco, and if I can assist in some way in the removing of this diabolical embargo on tobacco, placed there by Great Britain, I will feel that I have rendered great service to my people.

When these two amendments shall have been adopted, as I believe they will, and the 3,000,000 people living in the tobacco section of this country are apprised of this fact, happiness and contentment will be with them as never before, and this Congress will receive the undying gratitude of them all. [Prolonged applause.]

The SPEAKER. The gentleman from Minnesota is recognized for one hour.

#### POLITICAL ISSUES AND PARTY CLAIMS.

Mr. STEENERSON. Mr. Speaker, I thank the House for this courtesy. I want to make a few calm, dispassionate remarks on the subject of the political issues and party claims. I like to approach this subject in a judicial way. The word "issue" when applied to politics is often used with such looseness as to be confusing. Strictly speaking, in order to raise an issue, there must be an affirmation on the one side and a negation on the other. It should be remembered that four-fifths of all the legislation in Congress is based upon the unanimous report of committees composed of the two leading parties, and sometimes third-party members; and there is no division on party lines, but only an effort to perfect the legislation to accomplish the end in view. A good illustration of that is the child-labor law which has been discussed by the gentleman from Illinois [Mr. DENISON]. There were no politics in that law. There was a unanimous report from the committee upon it, and more Republicans, proportionately, than Democrats voted for it.

This is a growing country, and the need for new laws is constantly appearing. The Democratic orators in Congress and out have this year been especially active in making claims "in behalf of their party" of legislation accomplished since their advent into power. The claims are very extraordinary and extravagant, but it is noticeable that nearly every one relates to legislation, and not to administration. Political issues can properly be divided into two classes; those which relate to the administration or execution of existing law or policy, and those which relate to new legislation, or the formation of a policy to be followed. Legislation which is properly the subject of a political issue should be disputed legislation, dividing the parties on party lines, and must relate to subjects on which the parties are clearly divided.

It is not fair for the political party in power to claim all the credit for all the legislation enacted during its term of control, regardless of this distinction. Most of the legislation for which the Democratic Party claims entire credit really originated under previous Republican administrations. The Federal reserve act was the outcome of the work of the Monetary Commission created under Taft. The Federal Trade Commission was a Republican measure and was expressly advocated in the Republican platform of 1912, but never mentioned in the Democratic platform. The income-tax amendment to the Constitution was passed during a Republican administration. The first time that rural credits attracted public attention was during the administration of President Taft, who sent a special message to Congress on the subject and later appointed a commission to investigate the matter in Europe. The Republican platform of 1912 contained a plank in favor of rural credits, and a similar plank was later inserted in the Democratic platform of that year. Federal aid to roads was advocated by all leading political parties in their platforms. The parcel-post law was enacted and the service established before the present administration came into power; and so we might go on almost to the end of the list of Democratic accomplishments.

In reading over President Wilson's speech of acceptance and the campaign speeches printed in the CONGRESSIONAL RECORD, there is one thing that strikes one most forcibly, and that is that so much space is devoted to claims based upon legislation and so little is said about administration. Evidently the Democratic Party has great faith in legislation as a remedy for human ills. Bryan is known to fame as "The apostle of the quantitative theory of money," but Wilson seems to be the apostle of the quantitative theory of legislation. [Applause and laughter on the Republican side.]

He said the Democratic Party has fulfilled all its promises and points out what it has done, nine-tenths of which consists in

the enumeration of new enactments, but he overlooks the fact that the chief promises which his party made were to reduce the cost of living and to practice economy in public affairs, and both of these promises have been ruthlessly broken. [Applause on the Republican side.] The cost of everything has certainly advanced and extravagance has run riot both in legislation and administration, so that war taxes have been imposed in times of profound peace, and the burden of taxation for the ordinary operations of public affairs, excluding any question of military preparedness, has increased enormously. What good does it do the man whose meat or grocery bill has been increased 20 per cent, or the farmer or the motorist whose gasoline bill has been doubled, to tell him that "we gave you the trade commission act, the Clayton antitrust law, and besides that the Federal reserve system and rural credits?" What does it boot the man whose shoes and clothing cost him more than ever that "The laws against trusts have been clarified by definition with a view to making it plain that they were not directed against big business," as remarked by President Wilson in his acceptance speech? The Democratic newspapers and orators have been profuse in their condemnation of the Republican candidate, Mr. Hughes, for criticizing the performances of the administration. Before I go on with that I want to say a word about trusts. It is claimed on the part of the Democratic Party that they have enacted trust legislation. When the price of gasoline rose 100 per cent last fall, entailing an enormous expense upon the farmers of my district, because they use gasoline for motive power for their traction engines and do most of their farming in that way, and also entailing enormous expense upon all who use motor boats or automobiles, I introduced a resolution asking the Department of Justice to prosecute those responsible for this unnatural increase. I took the ground that it was self-evident that it was not a natural increase in response to the law of supply and demand, but that it was an artificial rise in price through combination and monopoly. The Department of Justice answered that they had no evidence sufficient to prosecute anybody, but that they would instruct their United States attorneys throughout the country to keep watch, and they said one thing which was remarkable.

They said that in these times of European war everybody that dealt in anything would be likely to claim that the rise in price was due to the war. I made up my mind at that time that all of the dealers, especially in gasoline, must be Democrats, because they were blaming the war for everything, but that, according to the Department of Justice, was the excuse given. I then introduced a bill providing for Congress to fix a maximum price on gasoline through the Trade Commission. The Trade Commission investigated, pursuant to another resolution at the session before, this question of gasoline prices, and they found, as a matter of fact, that the rise in price was not due to natural causes, but must be the result of natural monopoly or combination. A similar conclusion was reached after the investigation by the Bureau of Mines and the Committee on Mines and Mining and by the Interior Department. There seems to be no question that the high price of gasoline was due to a monopoly, and yet with all these improved antimonopoly laws the Democratic Party is boasting about how helpless we are, according to the Department of Justice, and can get no relief. [Applause on the Republican side.]

There has been nobody put in jail for a violation of the anti-trust laws during this administration that anybody ever heard of. [Applause on the Republican side.] They have pulled the teeth out of the antitrust law and they have instituted, according to the President's acceptance speech, the Trade Commission for the purpose of telling the people how they should monopolize and still not violate the law. Two years ago a leading member of the President's Cabinet, Mr. Bryan, went through the Northwest and made campaign speeches. Invariably he opened his speech by saying that for 12 years he had been prosecuting attorney, and had arraigned the Republican Party, the party which was then in power, for its misdeeds, but now that his own party had come into power he appeared for it as attorney for the defendant. The analogy is sound and complete. But now when our candidate for President and the Republican speakers criticize this administration for its performances the Democrats and their organs complain because they say we are criticizing them without telling them what we would have done under the circumstances. They are criticizing Mr. Hughes for his policy in this campaign, and yet his policy is exactly the policy they had pursued when they were in the minority and when we were in the majority and in power. It is therefore perfectly proper and fair for the Republicans to hold up the performances of the Democratic Party, both as to legislation

and administration, to the public view. It is the only logical view to take of a political campaign under free institutions. This is a Government of parties. The American Nation is the jury, and that party which has possession of the offices and is in power is the defendant.

It is the duty of the minority in Congress to criticize the majority and hold them up to their responsibility. The country is benefited by an active and vigilant minority. We are but discharging our duty and rendering the country a valuable service in pointing out the disgraceful pork-barrel legislation that has recently been enacted. The \$50,000,000 for flood control of the Mississippi is largely, it is said, to reclaim private lands, and the \$20,000,000 for the nitrate plant is merely to manufacture cheap fertilizers for the South, and these are proper subjects of criticism. There are numerous indefensible items in the rivers and harbors bill. Many of the items in the appropriation bills seem to have been designed so as to extract as much money as possible from the Northern States and spend it in one section of the country, to wit, the South. When these things were called to the attention of the American people by Mr. Hughes and others gentlemen on this floor raised the cry that we were "waving the bloody shirt." Nothing can be farther from the truth. It was not that kind of a garment we were waving. What we were waving was a greasy, pork-besmirched shirt which they themselves were guilty of soiling. You are fond of pointing to the "record" of your party, but what you refer to is mostly words, words, words, either written or spoken. What the people want is deeds. The performance of promises does not consist merely in things written in legislation or said in speeches, but in results and in things done. The test of your policies was from March 4, 1913, to August 1, 1914. Then there was no European war, and the commerce and industry of the whole world was in a normal state. What was the result of your policies from March 4, 1913, to August 1, 1914? That was before the European war began, and the commerce and industry should have been normal. Where, then, was our prosperity? More than three-quarters of a million idle workmen were reported from our large cities in 1914 and idle freight cars by the hundreds of thousands.

The balance of trade was falling and the Treasury balance disappearing. Then came the war, in August, 1914. Congress was in session. The President appeared to make a special address in September to recommend the imposition of special war taxes. The dominating note in the message and in the departmental reports in the fall of that year was that the hard times, the shrinking customs and postal receipts, were due to the European war. The administration had been in power 17 months before the war began, but had offered no explanation of the industrial depression, the shrinking customs and postal receipts, and hard times; but within a few weeks after the war began, then explanations were profuse. The whole industrial depression, they said, was due to the war in Europe. The Postmaster General, in trying to explain the extraordinary falling off in postal receipts during the fiscal year ending June 30, 1914—mind you, it was the fiscal year ending a month before the war began when the receipts had fallen off, showing that the business was smaller—in his official report said:

In July, 1914, the first month of the fiscal year 1915, the rumblings of the European war were plainly heard, and the postal receipts declined perceptibly.

[Applause on the Republican side.]

He said that the rumblings of the war were heard and affected the postal receipts before the war began.

I am very glad, however, that the Postmaster General committed himself to an unvarying test of prosperity. We have heard and seen applied a good many tests of prosperity.

Some say it is the total manufactures, some say it is the total bank deposits, some say it is the total number of freight cars, and some say it is the balance of trade, but the Postmaster General, in his annual report, and the same thing is repeated by two of his assistants, says:

It is a noteworthy fact that in no other activity, governmental or private, are conditions of prosperity or depression more quickly reflected than in the revenues of the postal establishment. Having a close relation to the affairs of all the people, the postal receipts may be used as a thermometer, as it were, to ascertain existing conditions of business, and as a barometer to forecast those to come.

With all due respect to the barometer part, I do not believe you can forecast so much, but you can certainly state what has happened. The quotation is a maxim in political truth, and it only has this qualification, that the laws in regard to mailable matter and postage should be the same for the two periods compared.

In comparing postal receipts in the years before parcel post and after, this distinction should be borne in mind.

"Now, for a good many years," says the Postmaster General in his official report, "the ordinary and usual increase in receipts has been 7 per cent, or a fraction over 7 per cent."

It is a notable fact that the tendency to blame the European war for the business and industrial depression continued until the summer of 1915, when orders for all kinds of supplies came in and business began to revive. The postal receipts then began to grow again. When there was business depression it was due to the war, and when business revived it was credited to the Democratic Party. Common fairness would have required that credit for business revival should have been given where it belonged, to the European war demand, but never a word was heard on that score. On the contrary, the chief effort has been to prove that the war orders were but a small part of the total business in our foreign and domestic trade. They began to say that after all it was the Underwood law that was beginning to show its merits. They began to magnify our prosperity on every occasion, and to attribute it to Democratic legislation and Democratic tariff policies.

The table of postal receipts from month to month follows.

From this table it will be seen that the falling off in the normal increase, which is 7 per cent, appears in the first eight months of 1914, and during the last four months there is an actual decrease which continues until July, 1915, when the war orders for munitions and supplies of all kinds began coming in, and by September, 1915, and from then on the receipts have been far above the normal, showing the real source of our prosperity.

Statement of postal receipts at the 50 largest post offices, by months, from January, 1910, to July 1, 1916, inclusive, showing the percentage of increase or decrease.

Month.	Year.	Receipts.	Per cent increase.	Per cent decrease.
January.....	1910	\$9,006,960	.....	.....
	1911	9,642,523	+ 6.1	.....
	1912	10,374,610	+ 7.5	.....
	1913	12,386,358	+10.7	.....
	1914	12,623,225	+ 1.1	.....
	1915	11,586,330	- 9.0	.....
February.....	1910	12,832,655	+ 9.8	.....
	1911	8,732,830	- 6.0	.....
	1912	9,361,872	- 8.1	.....
	1913	10,127,769	+ 8.1	.....
	1914	11,242,980	+10.9	.....
	1915	11,607,402	+ 3.2	.....
March.....	1910	11,074,330	- 4.8	.....
	1911	12,805,615	+13.5	.....
	1912	10,729,133	- 6.0	.....
	1913	11,175,486	+ 4.1	.....
	1914	11,361,515	+ 1.6	.....
	1915	12,833,338	+12.9	.....
April.....	1910	13,257,925	- 3.3	.....
	1911	13,223,870	- .25	.....
	1912	14,463,984	+ 8.5	.....
	1913	9,075,224	- 6.0	.....
	1914	9,715,129	- 9.2	.....
	1915	10,612,765	+ 9.2	.....
May.....	1910	11,565,746	- 8.9	.....
	1911	12,456,547	+ 7.7	.....
	1912	12,183,884	- 2.2	.....
	1913	13,285,070	+ 8.3	.....
	1914	8,561,262	- 7.9	.....
	1915	9,237,842	+ 7.9	.....
June.....	1910	9,988,187	- 8.1	.....
	1911	11,484,106	+15.9	.....
	1912	11,519,727	+ 1.1	.....
	1913	11,485,139	- .3	.....
	1914	13,445,301	+14.5	.....
	1915	9,325,113	- 5.0	.....
July.....	1910	9,341,831	- .01	.....
	1911	10,568,012	+13.2	.....
	1912	11,324,912	+ 7.1	.....
	1913	11,558,467	+ 2.5	.....
	1914	13,112,942	+11.8	.....
	1915	7,827,425	- 4.7	.....
August.....	1910	8,769,176	-10.7	.....
	1911	10,053,371	+14.7	.....
	1912	10,526,394	+ 4.7	.....
	1913	10,529,001	- .02	.....
	1914	8,511,822	- 7.0	.....
	1915	9,111,302	+ 7.0	.....
September.....	1910	9,803,385	- 7.5	.....
	1911	10,374,217	+ 5.8	.....
	1912	10,250,204	- 2.6	.....
	1913	10,663,912	+ 4.8	.....
	1914	9,920,635	- 7.0	.....
	1915	10,228,787	+ 3.1	.....
October.....	1910	10,233,005	- .00	.....
	1911	12,077,730	+18.0	.....
	1912	11,775,702	- 2.6	.....
	1913	12,341,479	+ 4.8	.....
	1914	9,721,403	- 5.4	.....
	1915	10,243,147	+ 5.4	.....
	1910	11,785,753	-15.0	.....
	1911	13,278,774	+12.7	.....
	1912	12,751,043	- 4.2	.....
	1913	13,207,259	+ 3.5	.....
	1914	13,207,259	+ 3.5	.....
	1915	13,207,259	+ 3.5	.....

<sup>1</sup>Limit raised 50 pounds.

<sup>2</sup>Books admitted.

<sup>3</sup>Weight limit raised to 20 pounds.

## Statement of postal receipts at the 50 largest post offices, etc.—Cont'd.

Month.	Year.	Receipts.	Per cent increase.	Per cent decrease.
November.....	1910	\$9,979,477	.....	.....
	1911	10,295,412	— 3.1	.....
	1912	10,757,250	— 4.4	.....
	1913	12,001,539	— 1.1	.....
	1914	11,316,311	.....	— 6.0
December.....	1915	13,349,450	17.9	.....
	1910	11,562,215	.....	.....
	1911	11,858,917	— 2.6	.....
	1912	12,387,422	— 4.4	.....
	1913	14,973,479	— 20.5	.....
	1914	14,243,922	.....	5.1
	1915	15,905,241	11.6	.....

Never in the history of this country have the different bureaus of this Government been so perverted to partisan purposes as they have been during this administration. [Applause on the Republican side.]

As proof of that I cite to you the fact that when the Postmaster General came in he was hardly "dry behind the ears" in his office before he changed the system of bookkeeping and wiped out a postal surplus of his predecessor as shown by the books of the auditor's department, who is an official of the Treasury. He wiped it out by main strength, because he said he was going to estimate it on a different plan, and then he went to work to show the figures, and he claimed that for the first time in 30 years there was a postal surplus. That was the year ending June 30, 1913.

Now, mind you, he had only been in office 3 months and 26 days. There was not a single Democratic law on the statute books. The Taft administration was in power until the 4th of March, 1913—8 months and 4 days of that fiscal year.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. STEENERSON. I certainly will.

Mr. COX. The gentleman recognizes, does he not, that that report to which the gentleman now refers was made by four men, and among them Gen. Stewart, Second Assistant Postmaster General, who was a Republican who had held that position for 16 years under a Republican administration, signed that report to which the gentleman refers?

Mr. STEENERSON. Well, it is so palpably wrong that I do not care who made it. You can not fool anybody who knows anything about that business. Of course, we know that subservient officials will do almost anything in order to hold their jobs, especially Republicans under a Democratic administration. Mr. Burleson had been in office 3 months and 26 days of that fiscal year, and he arrogated to himself the accumulation of four and one-half million dollars of postal surplus; and it was all due, he said, to the glorious legislation of the Democratic Party, although there was not a line of Democratic legislation on the books. [Applause on the Republican side.] The tariff act was not enacted until October. July, August, and September expired before it was enacted. Why should he claim that this postal surplus—the first in 30 years—was the great achievement of his party, when in fact it was accumulated by the Republican administration of President Taft that preceded him? The most he was entitled to claim was a million and a half for the 3 months and 26 days in which his party had been in office.

The next year he claimed \$3,500,000 as a surplus for the fiscal year 1914. Then comes the fiscal year 1915, and there was an \$11,333,000 deficit, wiping out all this boasted postal surplus.

But another thing happened. In order to force a showing of a surplus in the previous year he refused to pay the rural carriers their salaries as fixed by Congress. [Applause on the Republican side.] He withheld from them \$2,225,000, which a Democratic House and Senate, in this year A. D. 1916, ordered him to pay unwillingly, and which he had wrongfully withheld from them. [Applause on the Republican side.] It was a rebuke to an executive officer and to the President that they ought to take to heart, and when you consider that that must be deducted, then the deficit grows by that amount.

The department estimates that for this past fiscal year ending June 30, 1916, they will have a surplus of \$5,800,000, of which they say they paid over \$5,200,000 to the Treasury and kept \$600,000 as a working balance.

Assuming that they have this surplus for the last year, which will be the fourth year of the administration, and we add together \$3,500,000 and \$1,500,000; that is \$5,000,000, and \$5,800,000 more; that is \$10,800,000; but we deduct \$2,225,000 and \$11,333,000, the deficit for the last fiscal year, and the money withheld from the carriers, which has now been ordered

paid to them, and we have for the four years a net postal deficit of \$2,758,000. [Applause on the Republican side.]

Now, was it not remarkable that so versatile a writer and politician as the President should write a letter of acceptance and forget the most important department of his Government and its achievements? The Postal Service reaches every man, woman, and child in the United States in daily contact, and yet in his letter of acceptance he totally forgot this great service that the Postmaster General has been boasting of for the last four years. Why is that? I will tell you what I think. The Postal Service under the present administration started out with popularity, but placed at the head of that department was a very strong, a very ardent, Democratic politician. He started out, not to render service to the people, not to administer the functions of that department efficiently and well, but to make political capital for the Democratic Party, and seeing that the receipts of the Government were falling off and that it was necessary to impose war taxes he conceived the idea that they were going to bleed the Postal Service for the general expenses of the Government. So the first proposition came to substitute the contract system for rural carriers instead of having them appointed under the civil-service law—letting out the routes by contract. The Postmaster General figured that he was going to save \$18,000,000 by that. Also—and this was where the civil-service fidelity came in—he was going to abolish 2,800 assistant postmasters, or abolish their title, so as to be able to put in some new men, good and worthy Democrats, I have no doubt. But such publicity was given to the scheme, and the newspapers gave such voice to the resentment of the public, that the contract system for the rural service was abandoned. Even the Democrats in both houses were opposed to it.

What was the next proposition? That was to secure legislation authorizing the establishment of motor routes of 50 miles. The proposition went forth to motorize nearly all the rural routes in the country, consolidating the ordinary horse-drawn vehicle routes of 24 miles or less each and making two or three of those routes into one motor route. And, mind you, the man who ran the motor would not be under the civil service.

They would thus be able to do away with many, perhaps 25,000 civil-service employees, and substitute these contract men on the motorized routes. But this proved to be an unpopular proposition, and instead of getting it sanctioned by law, the Democratic House and Senate by law again rebuked the malfeasance in office of the administration of the Post Office Department by saying to them, "You must reorganize your motor routes. You must reemploy the old carriers. You must not establish new motor routes unless they are petitioned for by the patrons of the routes." And in the same provision the department was required to standardize the horse-drawn-vehicle routes. That was a limitation upon the discretion of the department that had never been thought of before; but they themselves said and thought that they could not trust this administration of the department with any discretion of that kind.

I want to call attention to another performance. In the great cities of Boston, New York, and Chicago, for instance, they took the old mail carriers and classified them into carriers of lower grades in order to reduce their salaries. Old and faithful employees were thus demoted and deprived of \$100 or \$200 a year. Their complaints were heard in Congress. So another clause went into the Post Office appropriation bill, requiring this administrative branch of the Government to reinstate those demoted carriers and restore them to their salaries. Can you wonder at the fact that the President of the United States forgot to say anything about the performances of this department?

Here is what a Democratic Senator, Senator HARDWICK, of Georgia, said about it:

"This is not an effort to cripple a great department of the Government, but, on the contrary, it is an effort to keep a department of the Government from absolutely crippling and ruining a great department of the public service."

[Applause on the Republican side.]

Then, again, says Senator HARDWICK:

"If my State were not as certainly Democratic as it is, the conduct of the Post Office Department in that State would have lost it to the Democratic Party, and as it is it may cost it many votes; although, thank God, we can stand it and still have plenty of votes to spare. If we were a State in the Middle West, it would be impossible for the Democratic Party to carry it with any such administration of its Post Office Department as we have had there in respect to this matter of rural-mail service."

There were a lot of others. One of the Members of this House from Georgia was almost as vigorous in his remarks on this floor.

Senator GALLINGER, the leader of the Republicans in the Senate, said:

"The manner in which they have torn to pieces the rural mail service in my State and cut it off has been something intolerable."

Senator GALLINGER further said:

"I want to say that the destruction is universal. I have been deluged with appeals and protests from my own State and from other New England States that the administration of the Rural Delivery Service was absolutely indefensible."

The newspapers took this up, and the result was legislation to force this department to cease its malpractice and abuse of discretion.

In this connection I want to say something in the same line, but which affects the claim of the Democratic Party to loyalty to the civil service. In the fall of 1914, when the annual report of the Post Office Department came before the Committee on Post Office and Post Roads, it contained a very innocent recommendation for new legislation which they wanted put into the appropriation bill as a rider. It simply declared that the Post Office Department should have authority to establish substations of any post office in the country.

The thing went through without much attention. The gentleman from Tennessee [Mr. Moon] incorporated it in the appropriation bill, which he introduced, and it passed the committee and the House without debate. It went to the Senate and was stricken out; but, as I am told, through the urgent lobbying of the Post Office Department, the conferees were induced to put it back into the bill. But, as you will remember, that bill failed in a filibuster in the Senate and never became a law. Now, I want to explain the effect of it, if it had become a law. It would have enabled the Post Office Department, as they said they intended, to make one head post office in each county, all the other offices to be substations in charge either of clerks at \$900 or more a year, or, if they did not have an income of \$900, they would be substations in charge of a contract supervisor, the same as the drug-store stations in the cities.

That, of course, would have removed all the 40,000 fourth-class postmasters who are now under the civil service, and it would have given the appointment of all the contract substation superintendents to the postmasters in the county seats, who would control their salaries and their tenure of office. The postmaster at the county seat would have been the biggest political boss ever known to American history. [Applause on the Republican side.] By that time every county-seat postmaster was a Democrat, and the First Assistant Postmaster General, Mr. Roper, a very shrewd politician, who is now managing the speakers' bureau of the Democratic national committee, and who appointed all the fourth-class postmasters of the United States during his incumbency of office, was a very ardent advocate of this proposition. To show that the present administration was vitally interested in it, I will say that after the Committee on Post Offices and Post Roads voted it down it reappeared in the annual report of the Post Office Department as a recommendation for new legislation in the appropriation bill. After the explanation the committee turned it down, and the Democrats on the committee, I believe, were influenced largely by the fact that it would enable the department to take from Members the patronage of the second and third class offices. So we defeated it in committee, and the department was so persistent that they went over to the Senate and got it inserted as an amendment to the postal-savings law.

Mr. AYRES. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. AYRES. Who does the gentleman mean by "we" defeated it, the minority of the committee?

Mr. STEENERSON. Oh, no; the whole committee. The department through its influence got it inserted by the Senate in the postal savings bank bill, and the conferees on that bill, of which I was one, opposed it, and the chairman and the two Democratic conferees, on the ground that it took away their patronage, were against it. The House sustained our position, and it went out.

That was not the end of it. When the appropriation bill went to the Senate and passed and came back to the House and conferees were appointed, lo and behold, the representatives of the department again brought in this proposition for a substation and for authority to abolish the 40,000 fourth-class postmasters in the country and make them subservient to the postmaster of the county seat, who would very largely fix their compensation and tenure of office, and insisted that it should go into the conference report. They brought to bear all the pressure they were capable of, and I never have been able to understand their great anxiety in the matter. I informed them it was not a proper subject for conference, because it was not in dispute between the

two Houses, and that I should make a point of order against it, and no effort was made to put it in the bill.

Now, the four items—first, to get rid of the assistant postmasters; second, to do away with the rural carriers and to establish a contract system; third, to motorize the routes; and fourth, to abolish the fourth-class post offices, were all in the interest of the spoils system. [Applause on the Republican side.]

You understand that it makes no difference; when the party in power has control of the postmasters, then they can appoint whoever they please. What they need is vacancies. The trouble with the civil service is that all the fourth-class postmasters have not been kicked out, and there are a few left that passed an examination. Under this they could create vacancies in the twinkling of an eye, and they would all be filled by deserving Democrats. I have mentioned these things to show you the record of the administration of the Post Office Department under Woodrow Wilson.

Mr. YOUNG of North Dakota. Will the gentleman yield?

Mr. STEENERSON. Yes.

Mr. YOUNG of North Dakota. The gentleman is the ranking Republican member of the Post Office Committee, and I would like to have him comment on the statement of the President in his speech of acceptance that the Democratic Party had created the parcel post.

Mr. STEENERSON. I do not think he says that; but if he does, it is not true. I think he says that they extended the parcel post.

Mr. YOUNG of North Dakota. The ordinary Democratic speakers claim it in a vague way as a Democratic achievement, and the President went them one better.

Mr. STEENERSON. How much time have I, Mr. Speaker?

The SPEAKER. The gentleman has nine minutes remaining.

Mr. STEENERSON. I would like to say, in a general way, that it seems to me that the President and his supporters in the claims that they have made have misconceived the functions of the President. The Constitution says that the President shall take care that the laws are faithfully executed. That is his principal function. Nine-tenths of what is stated by the Democrats and the President about the achievements of the party consists in making new laws, but nothing about administering efficiently the existing laws.

As a good illustration, I noticed in the paper this morning the following statement from Dr. Wiley, formerly the Chief of the Bureau of Chemistry, who supported Mr. Wilson four years ago:

ADMINISTRATION INDIFFERENT TO PURE FOOD, SAYS WILEY.

WASHINGTON, September 3.

Dr. Harvey W. Wiley, the noted pure-food expert, who was active in the campaign for Wilson in 1912, has come out for Hughes.

In a letter made public here to-day, Dr. Wiley says he favors the election of Hughes for reasons entirely different from those held by most of his supporters.

"It is not because of the Mexican or the foreign policy of this administration nor by reason of its domestic policies," says Dr. Wiley, "that I favor the election of Mr. Hughes."

"It is because of the indifference of the administration of President Wilson to the cause of pure food and drugs. Practically all of the abuses which were injected into the pure-food law by the preceding administrations are still in force. Benzate of soda is still regnant. The fumes of burning sulphur are marching along undisturbed.

"There is evidently a joll in the activities of the administration of the law. Coca Cola, declared by the Supreme Court misbranded and amenable to the pure-food law, has not been molested. No attempt has been made to enforce the law on the bleaching of flour. The repeal of the mixed-flour law, that splendid safeguard to the purity of our bread, has been tacitly approved by the Treasury Department.

"Mr. Hughes, in his activities on the Supreme Bench, has stood like a stone wall for the proper administration of the food law. I believe his election would see a radical change in the attitude of the Government toward pure food and pure drugs, so vital to the welfare of our people. For this reason I sincerely hope that Mr. Hughes will be chosen our next President."

Mr. YOUNG of North Dakota. Will the gentleman yield for me to read a sentence from the President's speech of acceptance?

Mr. STEENERSON. Yes.

Mr. YOUNG of North Dakota. (reading)—

We have created, extended, and improved the service of the parcel post.

Mr. STEENERSON. That is not true. It was created before this administration came into power and everybody knows it. [Applause on the Republican side.]

Mr. HASTINGS. Was it not created during the Cleveland administration, and was not the first route established at that time—in 1896?

Mr. STEENERSON. The gentleman is mistaken. I will not yield for any historical misstatements of that kind.

Mr. COOPER of Wisconsin. The gentleman from Oklahoma is thinking about the Rural Delivery Service, and not about the parcel post.

Mr. HASTINGS. I thought the gentleman from Minnesota was speaking about the Rural Delivery Service?

Mr. STEENERSON. Mr. Speaker, I said that evidently the President and his supporters had misconceived the functions of the President, because they speak almost entirely of new legislation and have not said a word about how he has administered existing laws. He waited to accept the nomination until he had a few more scalps on his belt in the shape of new laws, the last being the child-labor law, which he dangled before the people. That is not the business of the President. He can recommend, but he should not force legislation in that way. Nor is it a thing to be especially boastful of. He wants it to appear that he is the greatest lawgiver since Moses. What he ought to show is that he has been the best administrator of the law since Abraham Lincoln, and he can not do it. [Applause on the Republican side.]

What the country needs is efficiency in administration and execution of the laws. This tendency to make new laws and create new functions and functionaries is an expensive matter to the people. Instead of lightening the burdens of taxation, the present administration has added to them. Not only have they packed pork barrels and enacted extravagant appropriations, but they have created more new offices than any Congress ever did before. There is published a Senate document each year giving the number of these new offices for each session. The record for the present session is not yet completed, and probably will not be until after election. But the record for the Sixty-third Congress shows that 24,900 new offices were created which add an expense of \$26,000,000 per annum for their salaries. As the appropriations are much larger this present session, it is a fair estimate that more than 50,000 new offices have been created already. Mind you, this has nothing to do with the military program, or the Army and Navy, but relates to the civil service exclusively.

No fair-minded man can review the Mexican policy without coming to the conclusion that it has been a lamentable and dismal failure from beginning to end.

It is not only a failure, but a colossal blunder. One hundred and fifty thousand American citizens, good, worthy, and industrious people, not exploiters of peons, as has been alleged, have been turned from their homes, and many of them robbed and outraged, and more than 500 of them murdered. The outrages committed upon American citizens are enumerated in the letter of Mr. Lansing to the Carranza government which I will insert in the Record, and which is a graphic description of the results of watchful waiting. Viewed from a legal standpoint, the policy of the administration is also indefensible. The power to declare war is in Congress. The President, as Commander in Chief of the Army and Navy and the Militia, may suppress insurrection and repel invasion, but he can not carry on offensive warfare and invade the territory of another nation without committing an act of war, as the Constitution has vested the power to declare war in Congress. He is not authorized to commit acts of offensive war or to begin a war of aggression without a previous declaration of war by Congress. A declaration of war is an act of Congress, and is signed by the President, and is one of the laws of the Union, and the Constitution expressly provides that the President shall have power to "execute the laws of the Union."

The first two things—suppress insurrection and repel invasion—he can do without consulting Congress, but the third should succeed, not precede—a declaration of war. In the case of Vera Cruz the President actually made war and invaded the country and seized the town before he obtained authority from Congress to do so. The resolution that was offered in Congress and subsequently passed was not even a declaration of war, but a declaration that we authorized the use of the military forces for an invasion of Mexico, and added the hypocritical declaration that we did not intend to make war on the people of Mexico. It was like slapping a man in the face and then saying that we did not intend to assault him. Speaking from the legal point of view, the seizure of Vera Cruz was an act of aggressive war committed by the President without authority of Congress. It was an act for which there is no precedent. The next invasion was the so-called punitive expedition. Now, it may be conceded that as a part of the power to repel invasion the President had the right under international law to pursue the hot trail of bandits into Mexico and punish them. After the raid on Columbus our troops did pursue the raiders, and they were either disbanded or killed, and our forces returned to the United States. Then came the organization of the punitive expedition. Before sending it negotiations with the Carranza government were opened in Washington, and it was officially announced from the White House and the State Department that an arrangement was about to be completed. But here comes the latest blunder. Before the negotiations were completed the punitive expedition invaded Mexico, and the Mexican

Government demanded their withdrawal. Under these circumstances the Carrizal incident occurred, and some of our brave officers and soldier boys were killed, and our troops were forced back to their Mexican base.

Has any explanation ever been made of why the Secretary of State did not complete his negotiations before sending the expedition? By entering into negotiations he recognized that he had no right to send the expedition without consent.

The President, in explaining his foreign policy, says he treats small nations with the same consideration as great ones. Suppose that a warship in the harbor of Victoria, British Columbia, had sent a boat crew ashore and they had been arrested for some violation of the rules of the harbor, and the commanding officer had demanded an apology and they were released, and then a demand for a salute to the flag, and refusal. Then, do you suppose that the President would have ordered the sailors and marines to land and take the customhouse at Victoria? And suppose he had done so, what would have been the opinion of the American people of such a course? Would not the cry at once have gone up that the President had commenced a war of aggression without authority from Congress, or of law? Or, suppose that bandit raiders from Canada had invaded Montana, and suppose that after they had been pursued and disbanded and our forces returned, that we had begun negotiations with Great Britain for permission to send a punitive expedition to further punish the remnant of the bandits, and while these negotiations were pending our armed forces were actually sent to invade Canada, but after being ordered out were fired upon. There would be no question then of the illegality of such procedure. It would be a violation of our Constitution and laws, as well as of international law. But this is precisely the conduct of the President toward Mexico, and it does not bear out his statement that it is his policy to treat strong and weak nations alike. From the point of international law and right, Mexico has had the best of the argument in these conflicts. [Applause on the Republican side.]

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for two minutes more, in order that he may answer a question that I desire to ask.

Mr. STEENERSON. I would be glad to answer any questions if I had the time.

The SPEAKER pro tempore. That would interfere with the order of proceedings, which has already been fixed. The gentleman from Alabama [Mr. HEFLIN] is recognized for 20 minutes.

#### EXTENSION OF REMARKS.

Mr. OLIVER. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. HEFLIN. I yield.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record upon the naval appropriation bill and upon the rural credit bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. ROUSE. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. HEFLIN. Yes.

Mr. ROUSE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER pro tempore. Is there objection?

There was no objection.

#### PEACEABLE SETTLEMENT OF RAILROAD STRIKE.

Mr. HEFLIN. Mr. Speaker, I desire to submit some remarks upon the President's peaceable settlement of the railroad strike and the attitude of ex-Supreme Court Judge Hughes upon that subject. The gentleman nominated for President by the Republican bosses criticizes the President of the United States for bringing about a peaceable settlement of the greatest railroad strike that ever threatened the people of the United States. The Republican candidate for the office of President is indeed hard pressed for an issue. It seems that he is willing to oppose any position taken by the President, it matters not how grave and serious the question or how just the position of the President. [Applause on the Democratic side.] If the President had not acted and the strike had come, the President would then have been compelled to use force in breaking up the strike [applause on the Democratic side], and, Mr. Speaker, if the President had stood quietly by and permitted the strike to come, Mr. Hughes would have been the very first man to criticize—yes, and to denounce him for not preventing the strike. [Applause on the Democratic side.] If the course suggested by Mr. Hughes had been followed, the transportation facilities of the country would now be tied up, stagnation of business would prevail, and inside of a week the people of Chicago, New York, Phila-

delphia, and other large cities would be upon the verge of starvation. [Applause on the Democratic side.] But the candidate of the Republican Party, it seems, is willing to take up anything as an issue if his support of it will get him votes. [Applause on the Democratic side.]

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. I can not.

Mr. MEEKER. Just for a question.

Mr. HEFLIN. I can not yield.

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. No. I have but little time. Mr. Hughes is not fair when he tries to make the country believe that the settlement of the railroad strike was government by force. The failure to settle that strike would have produced business stagnation, starvation, and industrial war, and when President Wilson settled it he rendered a great service to the American people. [Applause on the Democratic side.]

President Wilson, in trying to settle the strike, said to railroad employer and employee: The matter in controversy affects both of you and it also affects the public, and if you should not agree and the strike should occur it will paralyze business and work great injury to people all over the country. [Applause on the Democratic side.] Then we hear him pleading with both parties to the controversy. He points out the necessity for a peaceable settlement of their differences. He shows how the business of farm and factory would be injured and he points out to them how utterly helpless the people would be if the strike should come. [Applause on the Democratic side.]

And finally, Mr. Speaker, the trainmen said: "Mr. President, your appeal touches us deeply. You have shown a disposition to do the fair and just thing, and we do not desire to embarrass you or to injure the country, and while there are several matters of difference between us we are willing to defer settlement of all of them but one, and that is, the eight-hour-a-day service for trainmen.

"Many of the railroads of the United States have already adopted the eight-hour plan, and they are pleased with the change from the old system. The trainmen look better and they fare better than those of us who are held down to the old system. We are convinced that the eight-hour principle for this character of work is right and just, and we feel that from the just and the humane standpoint we are entitled to it.

"We have seen the beneficent results of the eight-hour plan enjoyed by the other railroads and the other trainmen and we have determined to secure the adoption of that principle for our brotherhood. If the railroad presidents, some of whom have privately admitted that our contention is right, will give us a trial on the eight-hour plan, we will continue to work, and all of the other matters in controversy can be settled between us later."

[Applause on the Democratic side.]

But the spokesman for the railroad presidents said, "It will cost us money to adopt the eight-hour plan. We are willing to arbitrate the proposition." Whereupon the trainmen said, "We are willing to arbitrate all of the other questions in dispute, but there is nothing to arbitrate concerning the eight-hour plan until you institute it and obtain facts regarding its operation. We are willing for the trial of the eight-hour plan to determine whether it shall be temporary or permanent, but we insist that you put it on trial. Other roads have done so, and the good results to both roads and trainmen justify us in demanding that the experiment be made for us." This the railroad presidents declined to do, and the trainmen said, "We will order a strike." Then the President of the United States said, in substance, "Gentlemen, let me suggest a peaceable and a fair solution of this matter. I take it that both of you are willing to yield a little here and a little yonder in order to prevent a strike and that both of you are willing to concede that the public has rights in this matter which are paramount to those that you possess; and realizing, as I do, that a railroad strike would bring business ruin to the country and produce starvation in many sections of the United States, I am going to suggest that the eight-hour plan be adopted temporarily and given a few months' trial, and in order that the railroads may not be burdened with additional expense by adopting the eight-hour plan, I will appoint a commission to investigate the operation of it, and if it is shown that the inauguration of the eight-hour plan increases your operating expenses, you shall have the necessary increase in freight rates."

[Applause on the Democratic side.]

Mr. Speaker, could the President have been more considerate, fair, and just?

What did the trainmen say? They said, "We are willing to put aside all other matters in dispute and take the eight-hour plan on trial, and if this is agreed to we will not quit work, and there will be no strike." [Applause on the Democratic side.] What did the railroad presidents do? They refused to accept the suggestion of the President of the United States. And I submit that under all the circumstances their conduct showed no consideration for the public but was inexcusable and indefensible and, Mr. Speaker, the demeanor of some of them was exceedingly suspicious. [Applause on the Democratic side.] It was rumored here in the Capital of the Nation that certain railroad presidents had said before they left New York that no suggestion of the President would be accepted, and that the strike would surely come.

Yes; it was rumored that certain railroad presidents, belonging to the Republican Party, had agreed to be stubborn and unyielding and by their conduct force a strike, which would destroy the prosperity of the people and bring financial ruin to the country in the hope that it would injure President Wilson politically and help the Republican candidate in his race for President.

Was there ever a more gruesome game undertaken or criminal conspiracy formed by political desperadoes. [Applause on the Democratic side.]

Here is a statement that seems to substantiate the rumor that a conspiracy had been formed to force a railroad strike. I read from the New York World a statement made by a railroad president immediately after the President of the United States had signed the bill which prevented the strike. The statement was made by E. P. Ripley, president of the Santa Fe Railroad system.

He said, "I am sorry the strike has been called off," and now let me read what the World had to say editorially about this heartless statement of Mr. Ripley.

Sorry that American industry is not to be paralyzed? Sorry that thousands of innocent people are not to be ruined financially? Sorry that losses of hundreds of millions of dollars are not to be inflicted upon the country? Sorry that the people of the great cities are not to be in a state of famine, with all the suffering and death that this would cause? Sorry that the United States is not to be plunged into a civil war?

[Applause on the Democratic side.]

Mr. Speaker, in the settlement of the strike, the President of the United States has prevented stagnation and ruin in every line of business in the country, and he has done this without injuring any railroad in the United States. He has prevented industrial war, bloodshed, and starvation. [Applause on the Democratic side.] And yet Mr. Ripley, a partisan Republican, expresses regret because President Wilson has prevented untold suffering and misery amongst the people of our country. [Applause on Democratic side.]

Mr. Speaker, the big political bosses are sore because they are out of power. They are sore because they can not dictate the policies of the President or control the action of Congress. [Applause on the Democratic side.]

When the Republicans were in power the bosses had their way, and they got what they wanted, either by furnishing big campaign funds or by threatening to produce a strike or a panic.

In 1907, when Mr. Roosevelt was President, the stock gamblers of Wall Street desired Government money to carry on their operations, and they called on President Roosevelt for Government funds. He did not respond just then, and they threatened to produce a panic. They did produce a panic, demoralized business, and brought ruin to hundreds of thousands of our people. Then Roosevelt surrendered and opened the Treasury of the United States and let those who had produced the panic have millions of the people's money. [Applause on the Democratic side.] And those who got that Government money loaned it out in New York at a high rate of interest, and profited greatly at the expense of the public by the panic that they had produced by the ruin that they had wrought. [Applause on the Democratic side.]

Did Mr. Hughes say then that Roosevelt's act in trying to get rid of the panic was a cowardly surrender to those who had not only threatened to produce but who had actually produced a panic? [Applause on the Democratic side.]

Mr. Roosevelt used to say, "Down with the bosses"; but President Wilson says, "Down with the conditions that produce the bosses." With the Federal reserve act he took from a few money lords in Wall Street the power to produce panics, which tied up the money supply of the country and destroyed values over night. [Applause on the Democratic side.]

And in passing the strike-settlement measure he has prevented the carrying out of a strike conspiracy, which, if it had been successful, would have demoralized trade, shut down industries,

and injured business of every character in the country. [Applause on the Democratic side.]

When a Republican President was held up by the panic-producing plutocrats of the East and they demanded access to the funds of the Government, and that Republican President surrendered to them the key to the United States Treasury, Mr. Hughes found no fault with that criminal conduct. [Applause on the Democratic side.] But when a patriotic Democrat, like President Wilson, the servant of all the people, is face to face with a great railroad strike, whose attendant evils would bring business disturbance and ruin in nearly every field of endeavor, and when the President prevents that public calamity by peaceable means to the good of all the people and without injury to employer or employee, why, Mr. Hughes calls it government by force. [Applause on the Democratic side.]

According to Mr. Hughes's philosophy, it is all right to suspend a statute or open the Public Treasury to big organized interests when they demand it, but all wrong to avert a railroad strike by doing the thing necessary to prevent demoralization of trade and business ruin amongst the whole people of the United States. [Applause on the Democratic side.] If 20 per cent of the railroads of the country had already adopted the eight-hour plan, and employer and employee were both pleased with its operation, and if the presidents of these roads had said that the practical and beneficial results had been such as not only to fully justify the roads in its adoption, but that they would not exchange the eight-hour plan for the old system, was not the President of the United States justified, in the face of a threatened strike, in requesting the other roads to institute the eight-hour plan as an experiment, in order that we could try it out and let a commission appointed by the President watch its operation, with the view of reporting all the facts as to its feasibility and cost of operation and of granting an increase in freight rates, if necessary, to meet any additional expense placed upon the roads by the eight-hour plan? [Applause on the Democratic side.]

Then when certain Republican railroad presidents declined to submit the matter temporarily to Government investigation they showed a desire to aid in forcing a strike rather than a disposition to aid the President in preventing it. [Applause on the Democratic side.] And, Mr. Speaker, I submit to this House and to the country that President Wilson was not only justified in taking the steps he did to prevent the strike, but that he is entitled to the united praise of the American people for preventing the greatest industrial disturbance and business calamity that ever came upon the country, a calamity that would have cost the people of the United States \$100,000,000 a day. [Applause on the Democratic side.]

In seeking to settle the railroad strike and prevent widespread disaster and untold suffering amongst the American people the President has not sought to injure the railroads in question and he has not injured them. When President Wilson prevented the strike he performed a solemn duty and rendered signal service to the whole people of the United States. [Applause on the Democratic side.]

The railroads have rights and I respect them. I realize that they are rendering a great service to our people. Their trains are the vehicles of transportation and their roads the indispensable arteries of commerce. The commercial and industrial welfare of the country and the very lives of our people are dependent upon the railroads, and I for one favor just and fair treatment for all these mighty agencies in the service of my country. [Applause on the Democratic side.] I am the friend of railroad employer and employee, and if I know my own heart I want to see both of them fare well and prosper.

Mr. Speaker, the people also have rights, and it is my duty as a Representative to see that those rights are respected. Constant and uninterrupted railroad service is absolutely necessary to the conduct of our business and to the well-being and happiness of the American people [applause on the Democratic side], and the President of the United States owes it to the people to see to it that no quarrel between railroad employer and employee should be permitted to tie up these transportation facilities and bring stagnation and business ruin to the people of this country. [Applause on the Democratic side.]

Mr. MOORE of Pennsylvania. There are several strikes pending now. We would like to hear about them.

Mr. HEFLIN. Yes; and the American people are going to strike the boss-ridden Republican Party a tremendous blow on the 7th of November. [Applause on the Democratic side.]

It may be that some of the strikes that the gentleman has in mind are being inspired for political purposes; but I can assure the gentleman that as long as President Wilson is in the White House no strike of a national character will be permitted to curse the American people, while it fights the battles of the

time-serving Republican Party. [Applause on the Democratic side.]

Thank God for Woodrow Wilson. The cause of the humblest man commands his attention and every honest American citizen has a friend in him. [Applause on Democratic side.] When he was governor of New Jersey he gave to the trainmen of that State the full-crew law, but just across the line in the State of New York Gov. Hughes vetoed the full-crew bill passed by the legislature of that State [applause on the Democratic side], and when the people of New York City asked that the street car fare to Coney Island be reduced from 10 cents to 5 cents, stating that they could ride from one end of New York City to the other for 5 cents, a greater distance than that to Coney Island, and that if the reduction could be had it would be a blessing to the poor children in the city who could then be taken to Coney Island on Sunday for the sunshine and fresh air. What do you suppose Gov. Hughes did about it? Why the legislature passed the bill granting the 5-cent fare and he killed it with his veto. [Applause on Democratic side.]

Talk about the old boss-controlled Republican Party of today being the party of Lincoln, when Lincoln stood for the policy that placed the man above the dollar. Why, if Lincoln could come back to life there is one thing certain and that is he would repudiate the political oligarchy of PENROSE, SMOOT, and CRANE. [Applause on the Democratic side.]

Mr. MEEKER. Will the gentleman yield?

Mr. HEFLIN. No; I can not yield.

Mr. MEEKER. Then I will make the point of no quorum.

The SPEAKER. You can not take the gentleman from Alabama off the floor.

Mr. HEFLIN. But the desire to do it, Mr. Speaker, is in keeping with the spirit of fairness found in some of the hide-bound Republicans in this House. They rise in defense of plutocracy. They applaud those who stand for the aristocracy of the dollar, and they serve their masters, the special interests; but when some friend of the people rises here to plead for right, for justice, and humanity some hickory-nut-headed helgibite is ready to make the point of no quorum. [Applause and laughter on the Democratic side.]

Mr. Speaker, without fear or favor, but with a courage sublime and an eye single to the public good, President Wilson meets and masters public questions. In settling the railroad strike he pursued the wisest and best course open to him, and out of the 126 Republicans voting on the question in the House, 70 voted for President Wilson's plan as against the position of the Republican candidate for President, Mr. Hughes. [Applause on the Democratic side.] In the Senate, Senator LA FOLLETTE, a Republican, voted for the President's plan as against the position of Mr. Hughes, while PENROSE and SMOOT voted against the measure, the passage of which has prevented industrial war and business disaster of every kind, kept the wheels of industry going and the transportation facilities performing their helpful functions to the people of the United States. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman has expired.

Mr. HEFLIN. Mr. Speaker, I ask leave to print as a part of my remarks a portion of the arbitration commission's report on the railroad strike that threatened the eastern roads a few years ago. This report is signed by Charles R. Van Hise (chairman), Oscar S. Straus, F. N. Judson, Otto M. Eidlitz, Albert Shaw, and D. Willard.

The SPEAKER. Is there objection?

There was no objection.

The extracts are as follows:

#### THE SERIOUS NATURE OF A CONCERTED STRIKE.

Never in the history of the United States has there been a concerted strike on all the railroads of a great section of the country. The strikes have usually been upon individual roads, although in some cases strikes have taken place upon a number of roads at the same time. The present arbitration, involving as it does a concerted movement affecting 52 railroads, is therefore a new phase of development.

On January 27, 1912, the locomotive engineers made uniform requests upon all the railroads in the eastern district. The railroads affected by these demands had in 1910 an aggregate of 66,876 miles of main track, as compared with 266,185 for the whole United States, or 25.1 per cent of the total mileage. These railways represent nearly 40 per cent of the aggregate revenues and expenses of all the railways of the United States, from 42 to 47 per cent of the traffic, something over 40 per cent of the total number of employees, of the number of engineers, and of the compensation of these employees. The population of the great region immediately affected by this movement is over 38,000,000, as compared with approximately 54,000,000 for the remainder of the country, or about 42 per cent of the total population. If we assume that the wealth of the region is in proportion to the amount of railroad traffic and to the density of population, it may be fairly concluded that the territory affected by this demand represents at least four-tenths of the wealth of the country. As we have seen, the managers, after several conferences with the locomotive engineers, refused to accede to the requests of the engineers. The question of a strike was then submitted to the men. The vote showed 93.3 per cent of the men in favor of a strike, provided a satisfactory settlement could

not be made. All that was necessary for a strike to take place was the assent of the grand chief engineer in conjunction with the general committees of the different railroads. This assent is necessary, for if a strike is voted by the members of the brotherhood, the grand chief has the veto power.

At the hearings of the arbitration it seemed to be the opinion of the parties concerned that if the engineers had declared a strike it would have effectively tied up the railroads in the eastern district.

An effective strike on these railroads, extending through an area that includes all of New England, New York, New Jersey, Pennsylvania, Delaware, Maryland, Ohio, Indiana, the lower Peninsula of Michigan, much of Illinois, and a small part of West Virginia, would have had most disastrous effects upon the commerce and industry of this entire region, to say nothing of its effects upon the remainder of the country. Indeed it would be difficult to exaggerate the seriousness of such a calamity. While no statistics on the subject are available, it is safe to say that the large cities of the East, if the strike had taken place, would have found their supply of many articles of food exhausted within a week. Of so important a commodity as milk the cities have not usually more than a day's supply. Many of the people in the cities would therefore have been short of food if the strike had taken place. Assuming that no damage were done to their property, the loss of the railroads through cessation of business would have been enormous.

But the loss to the public would have been vastly larger than that of both parties to the conflict. Of necessity, building operations and many other lines of employment would have ceased in whole or in part; for not only are the people of the great cities dependent upon the railroads for their daily food supply, but the great industries depend on the railroads daily for their materials, and a week's failure on the part of the railroads to deliver materials to the manufacturers would have made it necessary for many to shut down even if the owners had wished to continue them in operation. But in any case many of the owners would have been compelled to shut down their plants, inasmuch as they could not afford to continue manufacturing articles of commerce which they had no means of transporting to the places of sale.

It thus appears if a strike of railway employees were successful in stopping traffic, its effects upon the industry of the country would be analogous to those of a general strike, simply because a great number of other industries could not continue if the railroads ceased to operate.

A case in the United States somewhat analogous to a railway strike for an entire region was the anthracite coal strike in 1902, where the stoppage of coal supply to a great commercial and manufacturing interest was deemed a calamity which compelled the intervention of the President of the United States. However, the stoppage of the anthracite coal supply was not nearly so serious as would be the stoppage of railway traffic, for bituminous coal can in an emergency in large measure take the place of anthracite, but there is nothing under modern conditions that can take the place of the railroads for transportation.

In short a general strike on the railroads for a great section of the country would have paralyzed the industries of that section, and even if food were obtainable millions of laboring people would have felt the pinch of want. If a strike of the character indicated lasted only for a single week, the suffering would have been beyond our power of description; and if it had continued for a month the loss, not only in property but in life, would have been enormous. Also, as usual in such cases, the disaster would have fallen most heavily upon those least able to bear it. While the rich might have felt themselves poorer because of depleted bank accounts, they would have had sufficient for the necessities of life. The middle classes would have been injured financially, but still they could have subsisted. The working classes would have suffered acutely. They would have been the ones to feel soonest, longest, and most intensely the unspeakable calamity of a general railroad strike.

At first thought it may appear that this picture is overdrawn, but it should be remembered that never has a railroad strike affected an entire region of the United States. There have been strikes on particular railroad systems. In such cases the neighboring roads took care of the more pressing necessities of the great terminal centers, and there was no acute suffering except at minor points served exclusively by one railroad system.

#### THE GENERAL RAILWAY STRIKE IN FRANCE.

A general strike for the eastern territory would put the Eastern States in much the same situation as France was placed two years ago, when there was a general strike on the railroads of that country.

On October 12, 1910, the National Federation of Railway Employees of France and the Federation of Unions of Railway Engineers and Firemen of France called a general strike on all the railways of the country. Immediately afterwards work came nearly to a standstill on the northern and western lines, and the next day the strike extended to a number of other lines. In ordering this strike the men asserted it was their legal right to cease work.

At various places during the strike there were acts of violence, "trains were held up, signals destroyed, rails ripped from the ties, telephone and telegraph wires cut." Many cities and towns were threatened with famine. There was immediately a large increase in the price of food. In this respect Paris fared better than some of the smaller towns, because of the prompt use of the Seine in bringing in food from the sea.

The Government appreciated at once that if this general railway strike were allowed to continue, the nation would be paralyzed. Therefore upon the very day that the general strike was declared, the ministers, using their full authority under military laws, called for the mobilization of the strikers, commanding them the following day to join the colors for three weeks' military training. The military duty to which the employees were summoned consisted in the maintenance of the railroads in normal working order and in obeying the orders of their official superiors. Disobedience would entail the punishment provided for by military law. The Government announced that the roads would be operated and the people of Paris would be fed.

So effective was the action of the Government that by the day following the strike a sufficient number of men had obeyed orders so that many passenger trains were running into Paris.

The strike of the railway men was regarded by the public in general as an act of criminal violence; indeed the ministry stated that the strike put the country in a condition of civil war. The action of the Government, with the prompt support of public opinion, led the railway labor organizations on the 18th of October to declare the strike terminated. Thus the total duration of the attempt for a general railway strike was six days.

In the later discussions in Parliament the principle advocated by M. Aristide Briand and the ministry was accepted, "that public servants must be required to discharge their duties regularly and without inter-

ruption." Indeed so imperative was it considered for the welfare of France that the railways be operated that in the discussion in the chamber, October 28, M. Briand declared that "if the Government had not found in the law that which enabled it to remain master of the frontiers of France and master of its railways, which are indispensable instruments of the national defense, if, in a word, the Government had found it necessary to resort to illegality, it would have done so." (The New International Year Book, 1910, pp. 269-271.) This he regarded as defensible under the doctrine *Salus publica suprema lex*.

#### THE EASTERN DISTRICT AND FRANCE COMPARED.

In connection with this arbitration it should be remembered that the population in 1910 of the territory concerned was more than 38,000,000, whereas the population of France in 1911 was 39,601,509. The great congested centers of the eastern district are much larger and more numerous than those of France. The figures in the United States, as given by the census of 1910, and in France for 1911, are as follows: New York City, population 4,766,883, is larger than Paris, 2,888,110; Philadelphia, 1,549,008, is nearly three times as large as Marseilles, 550,619; Boston, 670,585, is considerably larger than Lyons, 523,796. In France the only other two cities which exceed 200,000 in population are Bordeaux, 261,678, and Lille, 217,807; whereas in the eastern part of the United States there are three other cities that exceed 500,000—Cleveland, Baltimore, and Pittsburgh; two that exceed 400,000—Detroit and Buffalo; three that exceed 300,000—Cincinnati, Newark, and Washington; and four that exceed 200,000—Jersey City, Indianapolis, Providence, and Rochester.

The area of the country involved in this arbitration is one and one-half times as great as that of France. The main-track mileage of the eastern district is 66,876 miles, whereas that of France is only about 36,000.

Thus the comparison of a strike on the railroads of the eastern district with a general railroad strike in France is justifiable from every point of view—that of the mileage of the railroads concerned, that of population as a whole, the size of the cities, and the territory involved.

#### THE PUBLIC INTEREST PARAMOUNT.

It is evident, therefore, that for a great section of the United States a railroad strike can no longer be considered as a matter which primarily affects the railroad operators and employees. It does affect them and affects them seriously, but the public is far more deeply concerned. Indeed the interests of the public so far exceed those of the parties to a controversy as to render the former paramount. To this paramount interest both the railroad operators and employees should submit. It is therefore imperative that some other way be found to settle differences between railroads and their employees than by strikes.

If in the United States there were a general strike for the eastern territory, comprising, as we have seen, two-fifths of the population and approximately half the wealth of the country, every effort would undoubtedly be made to terminate the strike promptly and to operate the railroads, even though it became necessary for the President of the United States and the governors of the States to act in concert to the extreme limits of the laws and their reserve powers, which at times of national emergency are large. The military forces, both State and national, would undoubtedly be available if necessary to prevent any interference with the men who desired to work; but it is not easy to see how more than a fraction of the number of engineers necessary to run the railroads could be secured promptly. Hence the probable consequences of an effective engineers' strike would be those already described.

#### CONCLUSION.

It is well understood by the board that the problem for which the above plan is a suggested solution is a complex and difficult one. The suggestion, however, grows out of a profound conviction that the food and clothing of our people, the industries and the general welfare of the Nation, can not be permitted to depend upon the policies and the dictates of any particular group of men, whether employers or employees, nor upon the determination of a group of employers and employees combined. The public utilities of the Nation are of such fundamental importance to the whole people that their operation must not be interrupted, and means must be worked out which will guarantee this result.

The above report is unanimously agreed to by the five members of the board appointed by the Chief Justice of the United States, the presiding judge of the Commerce Court, and the Commissioner of Labor; it is signed by Mr. Willard, with an explanatory statement; Mr. Morrissey files a dissenting opinion.

CHARLES R. VAN HISE, *Chairman*.  
OSCAR S. STRAUS.  
F. N. JUDSON.  
OTTO M. EIDLITZ.  
ALBERT SHAW.  
D. WILLARD.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed without amendment bills of the following titles:

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112 of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portion of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians in the city of Kansas City, Kans.;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Whitman National Forest in the State of Oregon, and for other purposes; and

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia.

The message also announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

Senate concurrent resolution 26.

*Resolved by the Senate (the House of Representatives concurring).* That there be printed 150,000 additional copies of Senate Document 500, Sixty-fourth Congress, entitled "The Federal farm-loan act," of which 50,000 copies shall be for the use of the Senate and 100,000 copies for the use of the House of Representatives.

WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. FIELDS. To ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The SPEAKER. The House fixed its own program by unanimous consent, and it was to be a speaking program. The gentleman from Alabama [Mr. BURNETT] is recognized.

#### PUBLIC SCHOOLS OF WASHINGTON.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD in criticism of the action of the Board of Education of Washington yesterday afternoon in postponing the opening of the public schools.

The SPEAKER. Does the gentleman from Alabama [Mr. BURNETT] yield to the gentleman to make his request?

Mr. BURNETT. If it is not taken out of my time, Mr. Speaker, it will be all right.

Mr. MONDELL. I ask unanimous consent to extend my remarks in the RECORD in criticism of the action of the Board of Education yesterday afternoon in postponing the opening of the city schools for two weeks.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks in the RECORD in criticism of the Board of Education of Washington in postponing the opening of the schools for two weeks. Is there objection?

There was no objection.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had passed with amendments bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War, approved April 19, 1908, and for other purposes.

#### ENROLLED JOINT RESOLUTIONS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolutions of the following titles, when the Speaker signed the same:

H. J. Res. 237. Joint resolution authorizing the Postmaster General to provide the postmaster of Gulfport, Miss., with a special canceling die for the Mississippi Centennial Exposition celebration; and

H. J. Res. 252. Joint resolution authorizing the transfer of the Government exhibit, or such portion thereof as the President may determine is advisable, now at the Panama-California International Exposition at San Diego, Cal., to the Mississippi Centennial Exposition at Gulfport, Miss.

#### MESSAGE FROM THE SENATE.

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

S. 5450. An act to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911;

S. 5916. An act authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon; and

S. 5611. An act providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged homestead act of February 19, 1909.

#### THE POLITICAL CAMPAIGN.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] is recognized for 25 minutes.

Mr. BURNETT. Mr. Speaker, no party since the Civil War has done as much for the benefit of the great masses of the people as has the Democratic Party during the past three years.

In fact, even before we gained full control of the executive and legislative branches of the Government we forced through legislation that was of inestimable good to the great agricultural people of this country.

#### PARCEL POST.

Some Republicans claim credit for the enactment of the parcel-post law. They have no warrant whatever for any such claim. For 16 years that party had full control of the Government. Had they desired to do so they could have enacted a parcel-post law at any time during that period, but the express companies had such control of the Republican Party that it did not dare to pass that beneficent piece of legislation. That monster corporation had its representatives on the floor of the Senate, and their opposition to parcel post was so powerful that no Republican leader ever dared to favor it. But when the outraged people turned that old satellite of the special interests out of the House of Representatives the real friends of the plain people got busy, and by an overwhelming majority passed the parcel-post law and forced it down the throats of an unwilling Republican Senate, and a subservient Republican President. [Applause on Democratic side.]

Who is there so bold as to assert that a Republican Speaker under the Joe Cannon rules would have ever allowed such a piece of legislation to even be considered on the floor of the House? When we got control of the House we elected Speaker CLARK, a man of the people and for the people, and he neither had the desire nor the power to throttle legislation.

#### SPEAKER'S POWER CURTAILED.

No Democrat believed that Speaker CLARK would ever abuse his power, but fearing that the party of the special interests might sometime be reinstated we changed the rules so that no tyrannical Speaker could ever again dominate Congress with an iron hand.

We took from the Speaker the power to appoint committees. This authority in the hands of autocratic Speakers had before been the club with which they had been able to beat trucking Members into submission.

The Democrats snatched this power from any Speaker, and now the members of committees are elected by the entire House. When, in 1913, the will of a long-suffering people prevailed, the toiling masses came into their own. [Applause on Democratic side.]

#### SECRETARY M'ADOO.

The President selected as his Secretary of the Treasury a man who sprang from the ranks of the common people, and whose great heart beat in unison with nature's noblemen. He found that under Republican administrations, whenever the gamblers of Wall Street had a panicky sensation, the Secretary of the Treasury had placed millions of the people's money in their coffers so as to enable them to keep up their nefarious transactions.

Mr. McAdoo said to these harpies, "It's all right for you to use the Government money when the Government don't need it, but it is right and fair that you should pay a reasonable interest for the use of it. [Applause on Democratic side.] Wall Street demurred, and swore they would never pay it; but Mr. McAdoo was firm, and, as a result, ever since he went into office, every national bank that has had the use of Government deposits has had to pay interest on it at the rate of 2 per cent. During the three years of his incumbency more than \$3,000,000 have been turned into the Federal Treasury as a result of this order.

Had Roosevelt and Taft done this the Government would to-day have been at least \$15,000,000 the richer. How many miles of good roads would that have built for the farmers?

#### TARIFF AND INCOME-TAX LEGISLATION.

One of the first legislative enactments of a Democratic Congress under a Democratic President was the revision of the tariff and an income-tax law.

Republicans said the revision of the tariff would ruin the farmer, and yet the truth is that the farmer has received better prices for his products under the Underwood bill than he ever got before. [Applause on the Democratic side.]

Compare the price of cotton, for instance, during the Wilson administration with what it was under Roosevelt and Taft. How well do we of the South remember how cotton under the Roosevelt administration went down to 8 cents per pound;

and the farmer could not get money for it even at that low price.

He had to take clearing-house certificates for it, while the money was tied up in the banks of New York.

When the European war broke out two years ago, cotton was bringing 12 cents per pound. The paralysis of all business ran it down to 5 or 6 cents per pound, and Republican spellbinders in my district told the people that it was the Democratic Party that did it. Some of them even went so far as to declare that there was no war and that the Democratic Party had started that story to get the people's cotton for nothing. My constituents know some of these men. Some of them are now running for office in my district, but the people are too honest to ever trust them with power.

The income-tax feature of this law requires those with bloated fortunes to pay at least some of the taxes to run the Government that they had robbed so long.

#### ELECTION OF SENATORS.

Under the Republican administrations United States Senators were elected by the legislatures of the several States.

Mr. MEEKER. Will the gentleman yield?

Mr. BURNETT. For a question.

Mr. MEEKER. Can the gentleman explain why the Democratic Senate has not passed the immigration bill?

Mr. BURNETT. No; I can not. I wish I could. I think that some timorous Senators are following the same course that the gentleman's President, Mr. Taft, did when he defeated it by a veto written by Mr. Nagel, and never written by the President. I think the Senators who are holding it up deserve condemnation, but in that respect they have nothing on the Republican Party that twice defeated it. Even Mr. Roosevelt, when a Republican Member of Congress went and asked him to aid in passing the bill then before the House, said: "No; Bishop Ireland has been here to see me, and the bishop does not think it ought to pass, and I agree with him." This, too, after he had sent one or two messages to Congress advocating the illiteracy test for alien immigrants. The gentleman's party is originally responsible for the defeat of what I believe to be the best piece of legislation that has been before Congress for years, and if he can get any comfort out of it, let him do so. He may take the sweet unction that his candidate, Mr. Hughes, has never declared that he would aid it otherwise than Taft and Roosevelt did.

The SPEAKER. The Chair will admonish the gentleman from Alabama that he must not refer to Senators. He can discuss the presidential candidates as much as he pleases.

Mr. BURNETT. Mr. Speaker, I shall revise my remarks, and I will cut out unparliamentary references. There is one who imagines himself a candidate for President that will never see daylight in November. [Applause on the Democratic side.]

Mr. KREIDER. Mr. Speaker, while I differ with the gentleman from Alabama on many political questions, I want to say that no man in Congress has worked as earnestly or assiduously for the passage of that great immigration bill as he has.

Mr. BURNETT. Such men as Lorimer, under the old system of electing Senators, could bribe enough legislators to get to the United States Senate, one of the greatest lawmaking bodies in the world. The Democrats secured the adoption of an amendment to the Constitution requiring Senators to be elected by the people, and now no Senator can gain his seat by bribery and corruption.

#### FEDERAL RESERVE BANKS.

The Democrats knew that so long as Wall Street held the purse strings of the country the producers of wealth had nothing to say about the price of their sweat and blood, nor about the price of the products of their toil. So we passed the Federal reserve bank law, the greatest piece of constructive legislation ever enacted up to that time.

Under this law the money was taken from the coffers of New York banks and placed in banks throughout the country, where it would be accessible to those in need.

The cotton spinners of England and New England started in to depress the price of the cotton crop of 1915, and in the early fall of that year did beat it down to 8 or 9 cents a pound.

Then it was that Mr. McAdoo said, "No; gentlemen, you can not force people in distress to sell the products of their toil and the toil of their wives and children for a song. Under the Federal reserve law I can and will place \$15,000,000 of Government money in the banks of the South, with more to follow if necessary, and every dollar of it must be loaned to the farmer on his cotton warehouse receipt at the rate of 6 per cent interest."

The buyers and cotton gamblers then said, "Well, if there is to be no distress cotton, and if we are not to be again permitted to grind the faces of the poor, we had better begin to bid up on cotton."

They had to do so, and it went up to 10 and 12 and even 15 cents per pound, until a good bale of cotton and the seed out of it will now bring more than \$100 cash.

Does any southern farmer who loves his toil-worn wife and children want to defeat this Congress and this President and go back to the days of Roosevelt prices and Joe Cannon rules? No; they were betrayed once, and will never take the risk again. [Applause on Democratic side.]

They love their homes and those whom God has made dependent on them too well to vote for candidates—national, State, or county—who would again deliver them into the power of the cormorants of Wall Street.

#### FARM-LOAN BILL.

The Democratic Party was not satisfied with this great achievement in the interest of the workingman. We believe that that man is the happiest man who owns some little spot where he can gather his wife and her little brood about him and call it home.

'Mid pleasures and palaces though we may roam,  
Be it ever so humble, there's no place like home.

[Applause.]

So we went to work to put it in the power of every farmer to own his own home. As a result that other masterpiece of legislation was enacted by Congress and approved by the President which puts it in the power of every farmer to borrow money for 40 years, if he wants to do so, at the rate of 6 per cent interest, for the purpose of buying, paying for, improving, and stocking his farm. So wisely has this law been drawn that if from misfortune he can not even pay the interest he is given an extension on that item, and thus can not be forced to lose his home. If he wants to pay it all off and stop the interest at any time after five years he can do that.

If he desires and is able to do so he can make partial payments at stated times, and thus liquidate the entire principal and interest without great trouble.

Did the Republican Party ever think long enough about the man who toils to even consider such a law as that? Yet they are asking working people to defeat Mr. Wilson for President, and to beat me for Congress with a man who still belongs to a party that has ever been the ally of those whose fortunes were made by the sweat of other men's brows.

#### GOOD-ROADS BILL.

For years the Republican Party professed to be the champion of good roads, and yet I challenge any one of them to show where his party ever appropriated a dollar to help the man who hauls his products over muddy ways.

Seven years of Roosevelt gave them nothing, four years of Taft gave them nothing, although their platforms promised much.

This Democratic Congress has passed a bill which will give millions of dollars each year to the building of roads for the man who all his life has been paying the mud tax.

Alabama this year will get over \$100,000 of this money, and more each year that follows.

Which party, I ask the farmers and laborers of the country, has been their friend, and which flag do they prefer to follow?

#### CHILD-LABOR AND OTHER LAWS.

We passed the child-labor law advocated by all the labor and farmers' organizations of the country; we passed the bill to stop gambling in farm products; the agricultural warehouse bill; and scores of other wise and beneficent laws that the country would never have had but for the supremacy of the Democratic Party.

Does any farmer or laborer want to go back to the fleshpots of Egypt, and give the power to a party who never lowered its eyes to see or opened its ears to hear the calls of distress from the men who toil?

Only a few days ago the Democrats passed legislation that prevented the most stupendous strike that ever threatened any land. If it had taken place, thousands of people would have starved in a month. Business would have been paralyzed, cotton would have dropped to 6 cents a pound, and other farm products, except in the cities, would have gone to nothing for lack of transportation facilities. Yet many Republican Members voted against this bill.

But, Mr. Speaker, the crowning glory of this administration is the fact that it has kept us out of war.

Those who owned large interests in Mexico have hounded the President for nearly four years in their efforts to force us into war with that country. Those who would fill their swelling coffers from the sales of guns and cannons and munitions for the murder of human beings have exhausted every energy to desolate homes, and make widows and orphans and weeping mothers, whose sons they would feed to the guns of an enemy.

But a Democratic President with the steady hand of a trained pilot has guided the ship of state thus far through peaceful waters, and I do not believe the people will turn that ship over to Hughes and Roosevelt. Let the people choose in November which pilot they prefer. Mr. Hughes said at his Roosevelt luncheon that he and Roosevelt were in perfect accord. If so, he agrees with Roosevelt in his desire for war with Germany and in his hatred of the German people. When Roosevelt spoke in Maine a few days ago he was loud in his denunciation of the German people, and yet Judge Hughes telegraphed him his congratulations on that speech. Do the people want war or peace? The tides of November will tell, and I for one have no fears of the result.

#### THE HUGHES CAMPAIGN.

I shall not criticize the Republican Party for invading the sanctity of the Supreme Court to get a candidate for President. The stress of the situation no doubt required them to do this. They realized that Roosevelt had to be defeated, and they perhaps knew that none of the little men who were candidates could do it. Hence they had to take the judge. The leaders of that once great but now discredited party have no doubt already rued the day that they fell upon Judge Hughes to drag them out of the low planes into which they had fallen. [Laughter on the Democratic side.]

The campaign of Judge Hughes through the West has no doubt been disappointing to such big Republicans as my good friends from Illinois, Mr. MANN, Mr. CANNON, and others who are giants in the grand old party.

He pitched his campaign on the lowest plane that any candidate for President has ever done except four years ago when Roosevelt and Taft condescended to call each other liars, and applied other compliments to each other that they borrowed from the billingsgate of the London fish market.

Judge Hughes has in his campaign waved the bloody shirt, and tried to arouse sectional prejudice that even his own party can not stand for.

Mr. Speaker, I will read one little extract from an Oshkosh paper, the leading Republican paper of Wisconsin, to show how his own party is absolutely ashamed of their nominee.

#### A QUESTION OF TASTE.

[From the Oshkosh Northwestern, Aug. 11, 1916.]

To every sensitive and sensible voter the spectacle of a candidate for the highest office in the world running around the country kissing babies, shaking hands with the crowd, and begging for votes is certainly very unpleasant. It adds nothing to the dignity and respect that ought to be associated with the great presidential office. If President Wilson should have the good taste to remain quietly at home during the campaign after Congress adjourns and allow his Cabinet ministers and his party leaders to make the political speeches it would count in his favor among right-thinking people. But if Judge Hughes is to go out after votes like the ordinary demagogue traveling through the country at a speed which will enable him to see the greatest number of people in the shortest possible time, he can at least take high ground in his speeches and discuss politics as a great statesman and not as a great demagogue. It is the sensible people who decide things, in the long run, and surely they will think better of him if he will make the change.

A few days ago the press carried the statement that Mr. Wilcox, the chairman of the Republican campaign committee, had been summoned to St. Louis by Judge Hughes, to show cause why he should not be deposed on account of inefficiency. The question arose at once in the minds of many as to whether Mr. Wilcox had been summoned to decide whether he should be deposed by Judge Hughes for inefficiency, or whether he should take Judge Hughes down for the same cause. I confess that Democrats trembled for fear Judge Hughes would be withdrawn, in order that a strong man like the minority leader or Uncle JOE CANNON could be substituted in his place. [Applause on the Democratic side.]

Mr. MONDELL. Will the gentleman yield?

Mr. BURNETT. Yes.

Mr. MONDELL. Does my memory serve me right that a gentleman by the name of Bryan, a few times a candidate of the Democratic Party, went around over the country seeking votes?

Mr. BURNETT. Yes; and that same gentleman was defeated, great and good man though he was, just as the gentleman who is the nominee of the gentleman's party is going to be by the people of this country on the 7th day of November next. [Applause on the Democratic side.]

The SPEAKER. The gentleman from Oregon is recognized for 45 minutes.

#### A PARTIAL REPLY TO "DEFENSE OF MR. SAMUEL HERRICK."

Mr. SINNOTT. Mr. Speaker and gentlemen of the House, in the last Monday's Record, on page 16145, under the heading "Defense of Samuel Herrick," occurs an extension of remarks by the gentleman from South Dakota [Mr. JOHNSON]. These re-

marks were not delivered on the floor, but they were slipped into the Record under leave to print. These remarks contain some severe strictures upon me. The remarks are full of slurs and insinuations and criticism on account of a bill known as the Sherman County settlers relief bill which I introduced at this session of Congress and is now a law.

This bill appropriated some \$94,000 for the relief of settlers and claimants in Oregon who lost their lands. The remarks in the Record are occasioned by a report of an interview which I gave to the press informing a number of the beneficiaries that Samuel Herrick, an attorney of the city of Washington, was not entitled to any fees in securing the passage of this bill.

The gentleman from South Dakota states that he comes to the defense of this attorney for the reason that this attorney, Samuel Herrick, is a voter in his district and a fellow citizen of South Dakota, although at present he is a practicing attorney in the city of Washington and has been such for 15 years. The gentleman inserted these remarks in the Record without according me the usual, or what might be expected, courtesy of consulting me to learn the reasons for my position. I regret that the gentleman from South Dakota is not present. I tried to get his office by phone, but was not successful. He bases his remarks upon a certain article which appeared in the Portland (Oreg.) Journal of August 7, and the article is as follows:

WASHINGTON, August 7, 1916.

Congressman SINNOTT, greatly pleased by the passage of his bill appropriating \$94,000 for the relief of the settlers of Sherman County, Oreg., who were dispossessed by the Eastern Oregon Land Co., is strongly of the opinion that attorneys claiming fees for services in securing passage of the bill are entitled to nothing on that account.

Samuel Herrick, a Washington attorney, has contracts with a number of the claimants providing that he is to receive 20 per cent of the sum realized for presenting their case to Congress. The bill provides that not more than 5 per cent shall be paid on account of such claims, and Mr. SINNOTT says Herrick is not entitled to that.

#### HERRICK OF NO ASSISTANCE.

"Herrick was of no assistance at all in securing passage of this bill," says the Oregon Congressman. "He was rather a detriment than a help."

"When I came to Washington I went into this matter fully to determine why it was that this legislation had not made headway. I found that bills before Congress, which Herrick had prepared, failed to distinguish between good claimants and those who admittedly had no claim, although a report of Special Agent T. B. Neuhausen detailing the merits of the different claims was available.

"Many of the items in the bill thus presented could not be defended and the measure was consequently held up."

I wish to reiterate and repeat that language here on the floor of the House, that this attorney was of no practical assistance in securing relief for these poor evicted settlers, but, on the contrary, his witless work, his ignorance of the subject matter, and the dishonest bills which he has been behind are the reasons the entire subject has for many years been in bad odor in the House and these settlers have been denied relief for many years. The interview further reads:

In conversation with Herrick I learned that he had drafted the bill without reference to Neuhausen's comment on these claims. I then introduced the bill which has passed, in which I included meritorious claims that I felt could not be successfully attacked. This bill has passed through my efforts and the efforts of other members of the Oregon delegation. Herrick had nothing to do with it, and no one owes him anything for services, so far as I can see.

That statement is substantially correct, except that I am given too much credit in this paragraph. While I introduced the bill which passed at this session of Congress, the bill which I introduced was the bill that was reported favorably upon as a substitute for the Herrick bill at the last session of Congress. I introduced the bill at this session of Congress because I was assured by Members who had theretofore been objecting to the Sherman County relief bill that they were satisfied with that bill and would not object to it. I wanted to hold the ground so far gained and not jeopardize the chances for partial relief by a change of bills, so I introduced that bill at this session of Congress, feeling reasonably sure that I could secure some relief for some of those unfortunate settlers and applicants by the introduction of the bill.

In this connection it may be well to explain for the benefit of those who are not familiar with the rules of the House how these bills are considered.

Bills containing private claims, unless in very exceptional cases, which do not occur once in 10 years, can only pass the House by unanimous consent; that is, the bill is called on the calendar and read by the Clerk. Any Member who is opposed to a bill when it is called may rise in his place and without assigning any reason may say, "I object, Mr. Speaker." This statement is sufficient to defer action on the bill, and, if renewed, results in the defeat of the bill objected to.

Claim bills are placed upon what is known as the "Private Calendar." The Private Calendar is called only on Fridays.

The second and fourth Fridays of each month are devoted to private pension claims and to bills removing political disabilities and the charges of desertion. The remaining Fridays of the month alternate between the Committee on Claims and the Committee on War Claims. From this you will see that the House can devote very little attention to private bills reported from the Committee on Claims, which committee has jurisdiction over such claims as the Sherman County settlers' claim. There are always a great many bills to be considered whenever the Private Calendar is reached. It results from this that if there are objections to any particular features of a private claim bill the House will not take the time to eliminate objectionable features, but some Member will arise and object in toto to the bill, so that time may be had for consideration of other bills which can be briefly considered and passed.

It is thus evident that a questionable or suspicious bill can not be considered, but its consideration will be blocked at once by any Member objecting.

Why, my bill, cut to the bone as it was from distrusted claims, was twice at this session blocked by Members objecting, and passed the House only in the absence of a Member who had objected to its consideration.

I desire now to call attention to a significant thing: All of this interview in the Portland Journal was not printed in last Monday's extension of remarks. This paragraph was omitted, and it was designedly and maliciously omitted for the purpose of enabling Mr. Herrick to build up a man of straw in an attempt to misrepresent me, so that he could make the insinuation that I had abandoned all those whose names were not in the Sherman County bill which I introduced at this session of Congress. Here is the paragraph that was left out wherein I stated—

I do not believe all the meritorious claims have been recognized in the bill we have passed, and intend to introduce another to pick up the stragglers.

That paragraph was omitted from the extract from the Portland Journal set forth in this extension of remarks. I am going to be charitable enough to the gentleman from South Dakota [Mr. JOHNSON] to acquit him of the charge of full authorship of these remarks in the Record. I am fully convinced that these remarks in the Record were for the most part gotten up by Mr. Herrick, and that Mr. Herrick is the real author of them. They bear the earmarks of his ignorance of the entire subject matter of the Sherman County settlers' relief, of the Neuhausen report, and ignorance of the very bills which he himself has been promoting.

This extension of remarks is in three parts: First, there is a fulsome eulogy of Mr. Herrick, with laudatory quotations from letters of misinformed friends of Mr. Herrick, in the years 1907 and 1908—but wait till I cite you to letters and official records of 1907 not so laudatory; second, a criticism of me for not having secured relief for everyone mentioned in the Neuhausen report; and, third, a defense of the bills which Mr. Herrick had been promoting and endeavoring to secure the passage of for some eight or nine years. Mr. JOHNSON states this in his extension of remarks:

After a thorough investigation of the matter, I am of the opinion that the criticism of Mr. Herrick's services by the gentleman from Oregon, Mr. SINNOTT, was entirely uncalled for and unjust, and that as a matter of fact the passage of the measure in the form advocated by the gentleman from Oregon operated as an injustice to the settlers whose claims were eliminated.

It will be interesting to observe the fruits of this "thorough investigation."

Then Mr. JOHNSON of South Dakota speaks of Herrick:

Mr. Herrick is a fellow citizen of mine, a resident and a voter of South Dakota, and known to me to be an upright, conscientious, and able lawyer, particularly in his specialty of public and mining law.

Then there follow extracts from a number of letters speaking of Herrick's probity and his integrity and uprightness.

Mr. Speaker, I have not brought this controversy to the floor of this House and did not intend to bring it in here; it has been forced here by the insertion of remarks under leave to print. Before I get through, if I have sufficient time, I propose to show that this man, who is so extravagantly and autobiographically extolled, omitted significant quotations from letters received by himself in the year 1907, the year in which he received so many of the effusions of "epistolary" eulogies quoted in the extension of remarks on last Monday, which will throw additional light upon character and reputation.

I have initiated no attack on the gentleman's reputation or character. My criticism has been of his diligence and work for his clients. He has put his reputation and character in issue to bolster up his unjust attempt to filch fees from my constituents. Accordingly I am compelled, regretfully, I must say, to meet this issue.

#### HERRICK'S RECORD.

I hold in my hand certified copies of letters and orders in the suspension and disbarment proceedings against Samuel Herrick in file No. 21-310 of the Department of the Interior.

This file shows that Samuel Herrick, whose eulogistic autobiography for advertisement purposes at "Uncle Sam's" expense was printed in last Monday's Record, was by the Commissioner of the General Land Office recommended for suspension from practice, in the year 1907, before the Department of the Interior and its bureaus. This recommendation was approved by the Secretary of the Interior, James Rudolph Garfield. Unfortunately for my constituents, this suspension was not promulgated but was withdrawn on condition that Mr. Herrick acknowledge his misconduct and apologize to the Commissioner of the General Land Office. This he did, at the same time receiving a severe reprimand from Secretary Garfield with the written pointed statement of the Secretary—I quote—

that any further misconduct on your part in your practice before the General Land Office or any bureau of this department will be considered as sufficient cause for your immediate disbarment.

This record further discloses that Mr. Herrick was repeatedly called to account for reprehensible practices and improprieties in the practice of law before the General Land Office.

It further discloses conduct in line with his claims and misrepresentations made in this Sherman County relief bill matter.

It discloses unfounded claims of services rendered, of demands for fees where he was not employed—I quote— and without rendering any important service.

This record further discloses—I quote— methods of practice not in accordance with the practice of reputable attorneys.

It further discloses misrepresentations for the purposes of advertisement on the part of Mr. Herrick, misrepresentations of having reversed the decisions of the Commissioner of the General Land Office in cases which were not reversed and in cases where appeals were not taken and in a case where the record—I quote—

fails to show that you appeared as attorney for Rivers.

I have only 45 minutes allotted to me on the floor. When this Sherman County matter was up in the Sixty-second Congress, Mr. MANN, the Republican floor leader, objected to the consideration of the Sherman County bill, saying that it would take him three hours to discuss the subject. This record which I hold in my hand is too long to read, though I wish I had the time to read it, but I will print it at the end of my remarks. I regret that I have not a full day to cover the matter and expose Mr. Herrick's record and his abortive and bungling efforts in behalf of these claimants. I shall also print at the end of my remarks a letter which Mr. MANN, the Republican floor leader, wrote to me concerning this subject. Mr. MANN, as you all know, makes a specialty of carefully scrutinizing all claim bills and objects to doubtful and suspicious bills. It was his objection which blocked the Sherman County bill in the Sixty-second Congress.

Mr. Speaker, the Sherman County settlers' matter arises out of the fact that in the year 1900 a number of settlers and claimants in Sherman and Wasco Counties, Oreg., of lands declared to be public lands by the Commissioner of the General Land Office in 1891, which holding was approved by Secretary of Interior John W. Noble in 1893 and Secretary of Interior Hoke Smith in 1893, were evicted on account of a decision of the Supreme Court of the United States, that court holding that the lands in question were not public lands, but that they belonged to the Eastern Oregon Land Co., successors in interest to The Dalles Military Road Co., grantees of the United States.

In 1904 an act of Congress was passed directing the Secretary of the Interior to ascertain the value of these lands at the date of the ouster and also the value of the improvements placed upon the land by the various settlers and claimants still in possession, also in case of purchase from the road company the price paid. Pursuant to that act of Congress, Mr. T. B. Neuhausen, a special agent of the Interior Department, was sent to Oregon to ascertain these facts. Mr. Neuhausen, after an extended investigation, made a report to Congress concerning the value of these lands and the improvements placed thereon by the evicted claimants and settlers. That report was published as House Document No. 36 of the Fifty-eighth Congress, third session. That report is also copied in a report which I hold in my hand, being House Report No. 786, Sixty-second Congress, second session. The report is a report made to accompany Senate bill 295 of the Sixty-second Congress. Senate bill 295 was one of the Herrick bills which had passed the Senate.

Mr. Neuhausen, commencing on page 18, and the following pages up to page 30, set forth the names of the various claimants.

First he set forth the name of the claimant and a description of his land, then the acreage, then the value of improvements on the land not sold or removed, then the date of the ouster, the value of the land per acre, and total value of the land at the date of the ouster. In some cases the values were omitted. Here is the page from that Neuhausen report, and I ask unani-

mous consent, Mr. Speaker, to insert this page and other excerpts in the Record.

The SPEAKER pro tempore (Mr. BAKER). Without objection it is so ordered.

There was no objection.

The excerpts from the report are as follows:

Classified list.—Summary of data relating to claims within the overlapping limits of the grants to the Northern Pacific Railroad Co. and The Dalles Military Road Co. in Sherman County, Oreg.

[Claims marked with an asterisk (\*) are located in Wasco County.]

I.—HOMESTEAD CLAIMANTS.

Class A.—Those who asserted a homestead claim and actually resided upon the land claimed, but who never received patent therefor and are not now in possession thereof.

Table with columns: Case No., Name of claimant, Description, Acreage, Improvements not sold or removed, Date of ouster (in 1900), Value at ouster (Per acre, Total). Rows include Harry Hill, Hiram E. Powell, Otis B. Mesinger, David W. Huff, William S. Powell, Luther B. Hill, Alva B. Craft, Benj. E. Dougherty, Aaron S. Hill, James H. Clements, Absalom B. Allison, Edgar Lewis, Elizabeth A. Bates, Lena Wegener, Rufus H. King, Charles K. Huff, Adam Holder, Timothy Brownhill, Grace T. Hill, Friedrich W. Matthias, John B. Coon, Merit F. S. Henton, Robert L. Allison, Clark E. Brown, Renben D. Allison, Adolph Perrault, Lester A. Heath, Warren D. Marshall, Harold L. Chenoweth, Levant L. Minton, Anastasse Perrault, John Willet, Augustus Smith, Cascious W. Fairchild, Philander C. Davis, John W. Willis, Charles A. Stanton, Alfred F. Hawley, Grant Hawley, Lee Mounts, Die-drich Patjens, Ellen E. McLeod, George M. Simpson, Henry Nachand, Minnie M. Smith, Edward Nachand, Cascious W. Fairchild, Frank Watkins, William Danberthy, Alice M. Coats.

These are generally meritorious claims, the individuals having resided upon the lands until dispossessed. If the company is in a position to release these lands, the claims might be perfected and patented and the rights of the individual claimant thus preserved.

Class E.—Land entered as homestead, but with little or no residence shown thereon and only slight improvements. Party not now in possession.

Table with columns: Case No., Name of claimant, Description, Acreage, Improvements not sold or removed, Date of ouster (in 1900), Value at ouster (Per acre, Total). Rows include Eugene Cushman, Thomas F. Cochran, Walter P. Lyons, Geo. S. Donaldson, Sam C. Kjaer, Charles Davis, Richard G. Closter, Alex. McDonald, Johann Suhr, John D. Glass, Harry J. Adams.

Classified list.—Summary of data relating to claims within the overlapping limits of the grants to the Northern Pacific Railroad Co., and The Dalles Military Road Co. in Sherman County, Oreg.—Continued.

III. APPLICATIONS TO PURCHASE UNDER ACT OF SEPT. 29, 1890.

(Claims based on occupancy and attempted purchase without entry of record.)

Class (a).—Applicants who apparently gave up occupancy of land between the date of application and date of Supreme Court decision (Jan. 8, 1900) and were not in possession at that date, even as lessees.

Case No.	Name of claimant.	Description.	Acreage.	Improvements not sold or removed.	Date of ouster.	Value at ouster.	
						Per acre.	Total.
128	Godfred Guinther.....	E. ½ sec. 20, T. 1 N., R. 16 E.....	320	\$180.00	.....	.....	.....
129	Christian Guenther, deceased.....	N. ½ N. ½ sec. 33, T. 1 N., R. 16 E.....	160	100.00	.....	.....	.....
130	Thomas Calvert.....	E. ½ NE. ¼ and E. ½ SE. ¼ sec. 33, T. 1 N., R. 17 E.....	160	100.00	.....	.....	.....
131	Manuel D. Adams.....	S. ½ SW. ¼ sec. 11, T. 1 S., R. 16 E.....	80	.....	1896.....	\$11.00	\$880.00
132	Benjamin B. Clark.....	NW. ¼ sec. 15, T. 2 S., R. 16 E.....	160	.....	.....	.....	.....
133	John A. Moore, deceased; no claim.....	S. ½ sec. 31, T. 1 S., R. 17 E.....	320	.....	.....	.....	.....
134	Obed Cushman, deceased.....	N. ½ sec. 29, T. 2 S., R. 17 E.....	320	.....	Spring, 1897.....	5.00	1,600.00
135	James A. W. Scoggin.....	E. ½ sec. 11, T. 4 S., R. 17 E.....	320	.....	Left in 1897.....	2.00	640.00
136	Justus A. Dickerson, deceased.....	N. ½ sec. 3, T. 5 S., R. 17 E.....	320	.....	.....	5.00	1,600.00

Mr. SINNOTT. Over in the back of this Neuhausen report, commencing at page 34, are set forth the affidavits of these various claimants concerning their claims. Where affidavits could not be obtained Mr. Neuhausen reports the facts ascertained as to residence, improvements, and cultivation. In some instances following the affidavits and reports Mr. Neuhausen set forth his opinion as to the merit of certain claims.

Now, this Mr. Herrick has been promoting a bill contemplating the payment to every person whose claim is listed between pages 18 and 30 of the Neuhausen report where the value of improvements and the value of the land are indicated following the name of the claimant, notwithstanding the fact that over in the back of the report Mr. Neuhausen in a number of cases suggests that the claimant is entitled to no relief. Mr. Herrick drafted his bill on the theory that the values of improvement and land following the name of claimants between pages 18 and 30 of the Neuhausen report was the amount Mr. Neuhausen found due and recommended for payment, wholly ignoring the fact that in a number of cases it is obvious from the affidavit of the claimants in the back of the report and also from Mr. Neuhausen's comments that no relief was warranted.

In Mr. Herrick's extension of remarks by proxy in last Monday's RECORD he now defends his bill by stating "and the amount going to each settler being the sum recommended by the special agent." He also makes the following argument:

In this connection it is to be noted that none of the prior bills, and which have been so severely criticized, appropriated a lump sum for the payment of these claims, but only so much of such sum "as may be necessary," and then specified the sum as the amount recommended in the report of Special Agent Neuhausen. As to some of these claims Neuhausen recommended no relief to be extended, and consequently under the terms of these bills none would have been received by the claimants. Consequently the criticism above quoted, "that bills before Congress which Herrick had prepared failed to distinguish between good claimants and those who admittedly had no claims," falls of its own weight. Both the qualifying words after the mention of \$250,000, the further provisions as to the maximum amount to be paid each settler, and the authority given the Secretary of the Interior to make the payments constituted ample safeguards against any excessive amount being paid to any claimant.

This position is refuted by the most cursory reading of the Herrick bill, which is as follows:

Be it enacted, etc., That to adjust the claims of Harry Hill and other settlers, commonly known as the Sherman County settlers, on lands in Sherman and adjoining counties in the State of Oregon, there be, and hereby is, appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$250,000 or so much thereof as may be necessary, said sum to be paid in such amounts and to such persons, their heirs or legal representatives, as are mentioned in the report made by Special Agent Thomas B. Neuhausen, of the Department of the Interior, under authority of the act of Congress approved February 26, 1904 (33 Stats., p. 51), as embodied in pages 22 to 35, inclusive, of House Document No. 36. Fifty-eighth Congress third session; the amount to be paid to each settler his heirs or legal representatives, being the value of the land settled on by each, respectively, together with the value of the improvements erected by each, respectively, where such improvements were not sold or removed by the settler: *Provided, however,* That in those cases where the settler purchased land from The Dalles Military Road Co., or its successors, the amount to be paid to such settler, his heirs or legal representatives, shall be the amount so paid by him as consideration in his said purchase: *Provided further,* That no purchaser or assignee of any of said claims shall receive therefor a greater amount than was paid to the settler for his assignment.

SEC. 2 That the Secretary of the Interior is authorized to make the payments herein provided for out of any money in the Treasury not otherwise appropriated, and shall draw his warrant therefor upon the Treasury

It is also refuted by an examination of the Neuhausen report by the act of Congress authorizing the investigation, and in addition to this Mr. Herrick told me in my office that his bill was drawn on the theory that the values following the names of claimants between pages 18 and 30 were the sums which Mr. Neuhausen found due and recommended payment.

When I read the affidavits and Mr. Neuhausen's comments in the back of the report, and when I ascertained Mr. MANN's reasons for objecting to relief in the Sixty-second Congress, I sent for Mr. Herrick. He came to my office, and on my asking him if his bill was not drawn on the theory that the amounts following the names were the amounts Mr. Neuhausen found due, he told me that that was the theory of his bill. I then told him that that theory contemplated the payment of some claims that were indefensible and of others where Mr. Neuhausen had specifically stated that no relief was justified. I pointed to claim No. 75, Eugene Cushman, on page 21, listed for \$1,920. Mr. Neuhausen made no recommendation one way or the other as to this claim. I read to Mr. Herrick the report on this claim on page 96, which is as follows:

CASE 75—EUGENE A. CUSHMAN.

[Homestead entry No. 4694, dated June 8, 1893, for SE. ¼ sec. 35, T. 1 S., R. 16 E., Willamette meridian. Canceled Nov. 28, 1893.]

REPORT.—Cushman built a cabin on the land within six months after the date of his filing, but he never resided in same, as his right to the tract was immediately disputed by William E. White, who held title under purchase from The Dalles Military Road Co. White afterwards (Dec. 20, 1895) made cash entry No. 4130 for the tract and received patent therefor. (See case 126.)

THOS. B. NEUHAUSEN,  
Special Agent, General Land Office.

I asked Mr. Herrick how he could defend the payment of \$1,920 to Eugene Cushman under such circumstances. His sole reply was that Mr. Cushman was one of his clients. I then observed his dense ignorance of the Neuhausen report. The statement that the Herrick bill only contemplated the payment of the sum recommended by the special agent is a misrepresentation. The language of the bill admits of no such construction. In a great many cases Mr. Neuhausen made no recommendations at all. In the very case of Uriah Serviss, mentioned in Mr. Herrick's extension, no recommendation of payment was made. The act of Congress authorizing the investigation merely authorized him to ascertain the value of the lands at the date of ouster, the improvements placed on the land of party in possession, in case of purchase from the road company the amount paid by the settler to the road company. In some cases, however, he called attention to the spurious nature of the claim. Here is the language in the Herrick bill.

Said sum to be paid in such amounts and to such persons, their heirs or legal representatives, as are mentioned in the report made by Special Agent Thomas B. Neuhausen. \* \* \* The amount to be paid to each settler, his heirs or legal representatives, being the value of the land settled on by each, respectively, together with the value of the improvements erected by each, respectively, where such improvements were not sold or removed by the settler.

The statement in the extension of remarks that the Herrick bill—

Then specified the sum as the amount recommended in the report of Special Agent Neuhausen—

is absolutely unfounded. That language is not in the bill. It is further intimated that there was some discretion vested in the Secretary as to what claimants should be paid. There is nothing in the language of the bill to justify such an interpretation. Grasping at straws to defend his abortive bill, he first contends that only payments recommended by Mr. Neuhausen were to be made, whereas in a great many meritorious cases Mr. Neuhausen made no recommendation, also in a number of indefensible cases no recommendations are made. Conscious of the untenableness of his position, he falls back on some discretionary power vested in the Secretary of the Interior, in no way expressed in the bill. Admitting, for the sake of the argument, that such an interpretation could be contorted from the language of the

bill, the very effort to so explain the bill on the floor of the House would arouse immediate objection to its consideration.

It must have been some such bill as this which was referred to in the letter to Mr. Herrick of March 4, 1907, which he inserts in the "extension of remarks" from which the following quotation was taken: "It seems to me you have nearly broken the record. The passage of this bill has been marvelous." For surely the passage of a bill so ambiguous, such a hodgepodge from Mr. Herrick's own viewpoint, would have been marvelous.

Bills should not be drawn so loosely even by an attorney who six years after his admission to the bar had a practice, according to his written statement, only "netting me more than \$12,000 per annum" (vide file 21-310 at the end of these remarks). They should not be drawn by an attorney who, according to the exhibit excerpts in Monday's extension of remarks, is on the 17th day of January, 1907, proclaimed "the very best land lawyer in the United States," though 10 months thereafter, on the 29th day of November, 1907, 6 years after admission to the bar, with a \$12,000 income, he is pleading his youth and inexperience to escape the suspension from practice recommended by the Commissioner of the General Land Office, the Assistant Attorney General of the United States, and approved by the Secretary of the Interior (vide file 21).

Now, let me call to your attention the legitimacy of some of these claims as found by the committee and see whether or not it is possible to secure the passage through this House of a bill containing claims of such doubtful character. In fact, had the Senate of the United States known what was contained in the Herrick bill, what vicious claims would have been paid under it, the bill would not have been introduced in the Senate and would never have passed the Senate. I say it was the duty of Mr. Herrick to notify the Oregon delegation in the Senate and in the House of the illegitimacy of a number of these claims. After I took my seat the Senate bill was passed. I endeavored to get a favorable report from the House committee upon this Herrick bill because I was not aware of the viciousness of a number of these claims, but as soon as I ascertained the character I told the chairman of the House committee about them and he immediately referred the Herrick bill to a subcommittee, and as a result thereof the Herrick bill was cast aside, together with its author, and a substitute bill was reported by Mr. Young of North Dakota at the last session of Congress. This was not reached in time for consideration. That subcommittee bill I introduced at this session of Congress and it is now the law.

Let me call your attention to some of the claims condemned by the committee that the Herrick bills would have paid.

Claim No. 26, Harold L. Chenoweth, listed at \$1,600 on page 18. This was a homestead entry made in 1893, ouster occurred in 1900.

On page 57 Mr. Neuhausen, without making any recommendation for or against, states—

he appears to have resided for a short period on the land in a small cabin erected by him and to have built fencing worth about \$50 at the date the company assumed possession.

Claim No. 31, on page 19, is listed at \$960. Mr. Neuhausen on page 19, referring generally to claims No. 1 to 43, states: "These are generally meritorious claims." However, no recommendation one way or the other is made concerning these claims, but as to this claim 31 on page 60 the affidavit concerning this claim, a homestead entry made in 1893, ouster in 1900, shows that the entryman—

never established his residence on his homestead claim. He hauled some lumber onto the land a few months after making his filing with the object of building a house, but the house was never built. \* \* \* Entryman never cultivated the tract.

The Herrick bill would have allowed this entryman \$960.

Claim No. 39 is listed at \$800. No recommendation one way or the other was made by Mr. Neuhausen as to this claim, which was a homestead entry. The affidavit on page 67 shows that entryman resided on the land three or four nights every six months, that he had 1 acre plowed. He was to receive a present of \$820. His entry was in 1895, ouster in 1900.

Claim No. 75, Eugene Cushman, \$1,920; no recommendation by Mr. Neuhausen. Page 96 of report shows he never resided on the land. This was a homestead entry. Entryman's right to the tract was disputed by another person, who secured entry and received patent.

Claim No. 78, George S. Donaldson, listed at \$480 on page 21. On page 97 report shows residence on the land consisted in sleeping in a small cabin worth about \$20 for a few nights; no improvements, no cultivation. Entry made in 1894, ouster in 1900.

Claim No. 136, Justis A. Dickerson, listed on page 26 at \$1,600. On page 136 the report shows as follows:

CASE 136—JUSTUS A. DICKERSON, DECEASED.

[N.  $\frac{1}{2}$  sec. 3, T. 5 S., R. 17 E., Willamette meridian. No entry allowed.]

REPORT.—This entryman is dead and there are no known heirs. Various inquiries were made to determine his connection with this tract. The local land-office records show that he made application to purchase this half section on July 6, 1893. It further appears that he made soldier's homestead filing for the W.  $\frac{1}{2}$  SE.  $\frac{1}{2}$  and E.  $\frac{1}{2}$  SW.  $\frac{1}{2}$  sec. 34, T. 4 S., R. 17 E., Willamette meridian, on April 30, 1887 (homestead entry No. 2575); that he received final certificate No. 1042 on December 19, 1888, and patent on July 19, 1890.

By mistake this applicant built his homestead cabin on the N.  $\frac{1}{2}$  sec. 3, and evidently was under the impression that the land he was residing on was the tract covered by his homestead entry. When the error was discovered, John Donohue, now of Hood River, Oreg., on behalf of the heirs, made application under the act of September 29, 1890, for the N.  $\frac{1}{2}$  sec. 3.

There were no improvements except the homestead cabin, which should have been located on the adjoining section 34 (outside of the overlap).

THOS. B. NEUHAUSEN,  
Special Agent, General Land Office.

And such claims would have been paid by the Herrick bill. One could go on and enumerate dozens of other such claims whose payment would be made if the bill has any application at all to the Neuhausen report.

Perhaps it is not surprising that a superficial or careless reading of the Neuhausen report would lead to the assumption that the valuation set opposite the names of the claimants between pages 18 and 30 was the amount found due or recommended for payment to the respective claimants, and also that wherever such valuation was omitted, as it was in some thirty-odd cases, no payment was recommended.

Such a bill could never receive consideration in the House of Representatives and was not entitled to receive consideration, and when it is discarded and another measure put through without the assistance of the promoter of such an abortive nugatory measure, the bungler who contracts to furnish prompt, careful, and diligent professional services, and who accomplishes nothing but delay and disappointment, is entitled to no reward.

It is contended in the extension of remarks that it is unconstitutional to limit fees. This question need not enter into this matter, for, conceding for the sake of the argument this position, every one of these claimants in the bill which is passed, in my opinion, could successfully set up the defense of malpractice, if such a term can be applied to attorneys' services. They can set up the defense of failure of consideration, negligence, inattention, and failure to perform as far as they are concerned, on Mr. Herrick's part, resulting in long years of delay to claimants whose claims were unquestioned. The drafting of a blanket bill making the good claims to stand or fall with unworthy claims was the grossest kind of professional neglect and inattention, which I do not think any jury in Christendom could countenance. As far as I am able to ascertain, the gentleman has contracts with the beneficiaries which if he can enforce will enable him to grab at least \$5,000—how much more I don't know—from the beneficiaries, not on account of any cause and effect as far as he is concerned, but merely due to the coincidence of the possession of a contract and the passage of a bill in spite of his interference.

Gentlemen, the only object I have in this matter is to protect my people, these unfortunate settlers and claimants, from the extortions and the exactions that this man is trying to "pull off" on them. [Applause.] These men are getting little enough. I wish they could receive more. Many of their sums are cut down from the amount which Mr. Neuhausen found to be the value of their land and improvements. The committee decided to place a maximum of allowance at \$2,000; in other words, no one was to be allowed more than \$2,000. Yet it is insinuated in the extension of remarks that the amount allowed Uriah Serviss was cut down because he was not a resident of Oregon. I wonder if the gentleman from South Dakota [Mr. JOHNSON], who states that he has made a thorough investigation of this matter, stands sponsor for this contemptible insinuation:

Possibly the fact that Uriah Serviss has for a number of years lived in the State of California and not in Oregon may account for the lack of interest in his claim and the allowance to him of a totally inadequate sum.

There were 11 persons given relief in my bill the value of whose holdings, as found by Mr. Neuhausen, ranged from \$2,634 to \$3,840. Uriah Serviss was listed at \$4,000. Every one of these persons or their heirs, with the exception of Uriah Serviss, are residents of the State of Oregon. One man lives in my own home town. Most of the others are my warm personal friends. The committee saw fit to put a limit of \$2,000 as the highest allowance. Ten men from the State of Oregon suffered by this limitation; one man, or his heirs, lives in the

State of California. Is there any justification for such aspersion? If the gentleman, in pursuit of his "thorough investigation," had consulted his friend Mr. YOUNG, of the neighboring State of North Dakota, who reported this bill at both sessions of Congress, he could have secured information, if he was seeking it, that would have saved him from standing sponsor for such misrepresentations and innuendo.

I desire to show up the cunning and craftiness of this man. I have not seen him since the last session of Congress. The Sherman County substitute bill was reported February 24, 1915. I did not see him for a long time prior to that date, nor have I seen him since, nor has Mr. YOUNG of North Dakota, who reported both bills, yet let me cite the letter he sent out to some of those who had contracts with him, as soon as the bill passed the House at this session. See how this letter is cunningly calculated with artful naïvete to convey the impression "I did it."

GEORGE MEADER, Esq.,  
Wasco, Oreg.

DEAR SIR: I am pleased to advise that the House of Representatives has finally passed the Sherman County bill, containing the appropriation for you. I shall now follow this up before the Senate committee in efforts to get favorable action there and keep you advised. Of course, it will be my efforts to have the bill amended so as to cover the claims of those which were left out by the House. But if I possibly fall in that, I will endeavor to urge this bill through to passage with the hope that at a subsequent Congress relief can be secured for the other claimants.

Congratulating you on the success thus far, I am,  
Yours, very truly,

JUNE 10, 1916.

SAMUEL HERRICK.

Note the assumed tone of vigilance and activity. "I shall now follow this up before the Senate committee."

Is it suggestive of the military dispatch and expedition of Gen. Grant, "I propose to move immediately upon your works," or is it rather suggestive of the gentleman's assumption and brass, "Sonorous metal blowing bragging sounds"?

"I shall now follow this up before the Senate committee."

What hypocrisy in intended implication? He did not appear before the House committee at this session of Congress. Nor did he appear before the House committee since I took my seat March 4, 1913.

Here is another letter from Mr. Herrick written with affected ingenuousness in February, 1915, in which he recommends the passage of the bill which he reprobrates so severely in the extension of his remarks.

C. W. BARZEE, Esq.,  
Portland, Oreg.

FEBRUARY 26, 1915.

DEAR SIR: Am pleased to advise that House Committee on the Public Lands has finally reported out the Sherman County bill. Unfortunately it cuts down some of the claims and rejects a large number of others, but as I previously wrote you it seems to me it will pay to secure passage of the bill in its present form and then go after the rejected claims in a subsequent Congress. You also observe that it cuts down my compensation to five per cent, and while I regard this as unjust in view of the work I have done in the past six or seven years, I am willing to accept it rather than endanger its passage at this session. I have always had faith in the justness of these claims, so that I would rather lose three-fourths of my fees than that the claims should fail.

I enclosed I hand you a copy of the bill as reported out and shall endeavor to send you a full copy of the report, though same is rather bulky. Awaiting your advice, I am,

Very truly, yours,

SAMUEL HERRICK.

He had nothing to do with securing this report. Such letters were calculated to impress claimants with the idea that it was his accomplishment, that he was "on the job." The seeming generous and magnanimous renunciation of three-fourths of his alleged fees was intended to impress claimants with his soulful interest and activity in their behalf.

There are many reputable conscientious attorneys in the city of Washington who render valuable and efficient aid in connection with the consideration of bills before committees. But on the other hand the city of Washington is infested with a number of legal leeches and avaricious attorneys who secure contracts and barnacle themselves onto bills, and especially claim and Indian bills, with everything to gain and nothing to lose, who make the most extravagant claims about their influence and efforts, and who have practically nothing to do with the passage of bills, whose efforts consist almost solely in artificial manifestations of feverish activity, such as writing to Members, writing to parties interested, "keeping them advised," and telling them to prod up their Congressman, writing about committee meetings, giving notice of the reports of bills. This is about all they ever do. When they have such a matter as the Sherman County subject, with a 230-page report to wade through and analyze, they are unwilling to undergo such tedious labor, but are willing to fatten and profit on the labors of others. It is time the general public should be apprised of this situation.

Mr. Herrick refers to his conference with the Oregon Senators with a view of securing amendments and to urge the unconstitutionality of the limits on attorneys' fees. Senators LANE and CHAMBERLAIN and myself consulted about the matter of Senate amendments. We determined that it was unwise to offer Senate amendments late in the session with everyone anxious for adjournment. Such amendments would send the bill back to the House, perhaps to pigeonhole it indefinitely, particularly so for the reason that both Mr. YOUNG of North Dakota, of the Claims Committee, and Mr. MANN advised against Senate amendments. We deemed it best to secure further relief, if possible, by the introduction of a bill at another session.

Mr. Herrick's contracts with the claimants calls for payment within 30 days after the claimants received their warrants. He is writing to the various beneficiaries seeking a power of attorney to receive and transmit their warrants. He states in his letter that he does not ask any authority to indorse the warrants. If he obtains possession of any of these warrants he will no doubt send them to the claimants in care of some bank with a sight draft attached, or with an order to the bank to turn the draft over to the payee on payment of his unearned fees. I have felt it my duty to inform the beneficiaries of the facts concerning Mr. Herrick's connection with the Sherman County relief bill. I have not all of their addresses. If, after knowing the facts, they see fit to reward him it certainly is no concern of mine. In his extension of remarks he quotes from letters of beneficiaries commending him on his success. Whatever information these persons have received, they have received it from Mr. Herrick, and it is safe to say he has been affected with no undue modesty in transmitting such information. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Oregon has again expired.

Mr. SINNOTT. I ask unanimous consent, Mr. Speaker, that I may extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. SINNOTT. I herewith add a letter from JAMES R. MANN, the Republican floor leader:

UNITED STATES HOUSE OF REPRESENTATIVES,  
OFFICE OF REPUBLICAN LEADER, CAPITOL BUILDING,  
Washington, D. C., September 6, 1916.

HON. NICHOLAS J. SINNOTT,  
House of Representatives.

MY DEAR SINNOTT: I see by the RECORD that some attorney is claiming some credit for the passage of the Sherman County settlers' claim bill.

You are the one who is entitled to the full credit for the passage of this bill. No one had ever made serious progress in the House with these claims until you came in. The Senate had, prior to your coming in a former Congress passed a bill on the subject which was so filled with glaring mistakes that it never had any chance in the House. I remember when you discussed these claims with me in your first term, and I went over the matter very carefully with you and finally said to you that if you would go through the claims yourself and cut out those to which I and others made objections and take charge of the matter yourself that we would aid in the passage of the bill. This you did. And though the bill was a very long one and had many claims in it, and it is unusual to pass such bills by unanimous consent, your bill finally went through because of the conscientious work you had done upon it.

Any attorney that may have been mixed up in the matter only prevented the passage of the bill in a previous Congress. He certainly did nothing toward helping to pass the bill in this Congress. Again I say, you are the man who did the work and are entitled to the credit.

Yours, very sincerely,

JAMES R. MANN.

I herewith add certain letters and records referred to in my remarks from file No. 21:

UNITED STATES OF AMERICA,  
DEPARTMENT OF THE INTERIOR,  
Washington, D. C., September 6, 1916.

Pursuant to section 882 of the Revised Statutes, I hereby certify that the annexed are certified copies of papers in the case of Samuel Herrick in file No. 21-310 of this department.

In testimony whereof I have hereunto subscribed my name and caused the seal of the Department of the Interior to be affixed, the day and year first above written.

[SEAL.]

BO SWENEY,  
Assistant Secretary of the Interior.

DEPARTMENT OF THE INTERIOR,  
Washington, October 16, 1907.

SAMUEL HERRICK,  
Ouray Building, Washington, D. C.

Recommendation for his suspension, by the Commissioner of the General Land Office, with papers in the case.

OCTOBER 17, 1907.

Respectfully submitted to the Assistant Attorney General for recommendation.

J. W. HOLCOMBE,  
Chief of Appointment Division.

ASSISTANT ATTORNEY GENERAL'S OFFICE,  
November 23, 1907.

The SECRETARY OF THE INTERIOR.

SIR: Upon consideration of the record made in this proceeding, and especially the recommendation of the Commissioner of the General Land Office herein, October 16, 1907, that Samuel Herrick, of Washington, D. C., be suspended from practice before this department and its bureaus for the period of 60 days for unprofessional conduct in the distribution of advertising matter offensive to the General Land Office, and calculated to mislead and unfairly influence prospective clients, I have to advise that said recommendation be approved by you and that an order of suspension be at once issued.

G. W. WOODRUFF,  
Assistant Attorney General.

Approved: November 23, 1907.  
JAMES RUDOLPH GARFIELD,  
Secretary.

DEPARTMENT OF THE INTERIOR,  
GENERAL LAND OFFICE,  
Washington, D. C., October 16, 1907.

HONORABLE SECRETARY OF THE INTERIOR:

SIR: The records of this office show that Mr. Samuel Herrick, attorney of this city, was admitted to practice, as attorney, before your department and its bureaus during the year 1901.

My attention having been called to the fact that facsimile copies of a personal letter addressed to Mr. Patrick H. Loughran, prepared on an official letterhead of your department and of this office, signed by the chief, the examiners of mineral claims and contents, and the clerks of the Mineral Division, were being circulated as advertising matter by Mr. Loughran and the firm of Herrick & Herrick, on the 24th of September I addressed a communication to Mr. Loughran directing that he answer on October 7 to the charge of unprofessional conduct with respect thereto, and subsequently, my attention having been called to what I regarded as equally unprofessional conduct on the part of Mr. Samuel Herrick in connection with the printing and distribution of the copies of the aforesaid letter, I verbally informed Mr. Herrick of my intention of serving him a formal notice to respond to charges, and as he indicated a willingness that his case be consolidated and heard along with that of Mr. Loughran without the formality of notice on October 4 I addressed to him the following communication:

"In view of your conversation with me some days ago in reference to the citation of September 24, 1907, to Mr. Patrick H. Loughran, I wish to advise you that I have notified Mr. Loughran that I will hear the matter covered by my letter of the above date on Saturday afternoon, October 5, 1907, at 3 o'clock p. m., in my office in the General Land Office.

"If it is your pleasure that citation be waived in your case and you submit to a hearing at the same time covering your connection with the matter set out in the letter to Mr. Loughran, it will be agreeable to me to take the matter up concerning both yourself and Mr. Loughran at that time."

On Saturday the 5th Mr. Herrick appeared, waived service of notice and specification of charges, and was heard in his own behalf as well as in connection with Mr. Loughran's case.

By letter of even date herewith I have forwarded to your department my report and recommendations in the case of Mr. Loughran, a copy of which I inclose herewith for a more specific statement of the case herein against Mr. Herrick. I find that Mr. Herrick associated himself on June 21, 1907, with Mr. Patrick H. Loughran, then a clerk in this office, for the practice of mining law, and that conjointly with Mr. Loughran during the month of July, 1907, had printed or lithographed a letter, personal in character, addressed to Mr. Loughran, while a clerk in the Mineral Division of this office, by his associates and fellow employees and widely distributed as advertising matter copies thereof in conjunction with the business of Herrick & Herrick, and that in certain cards and other advertising matter sent out by Mr. Loughran and the firm of Herrick & Herrick Mr. Loughran was represented in the one instance as "More recently examiner of mining claims and contents in the Mineral Division of the General Land Office" and in the other as "Recently examiner of mining claims and contents," whereas in fact Mr. Loughran had never held the position of examiner of mineral claims and contents in the General Land Office, which fact Mr. Herrick well knew. I further find that Mr. Herrick aided and assisted in the printing or lithographing of the letter, and in the distribution and circulation of copies thereof, knowing that the letter was given to his associate, Mr. Loughran, as an expression of friendly and personal esteem, and that the signers thereof did not intend that the letter should be used for advertising purposes by him, but for use only by Mr. Loughran in personal presentation. He assented to, if he did not actually participate in, the distribution of copies of the letter after he was informed that emphatic objection had been made to such use of the letter by one of the signers. He must have known that the printing or lithographing of the letter and the circulation of copies thereof advertising his and Mr. Loughran's business was a violation and betrayal of the confidence reposed in Mr. Loughran by his former friends and associates. The records of this office further show that this is not the first time Mr. Herrick has been called to respond to charges affecting his standing as an attorney, and I personally warned him a short time since, and the record herein will disclose that I called his attention thereto in the hearing in this case, that I would not longer tolerate his methods of procuring business before this office, and only desisted from recommending action by your department upon his solemn assurance that he would not continue such improper practices. While the extreme action of disbarment might be taken against him, yet in view of the fact that he is a young man, and considering the serious effect that disbarment would have upon his future prospects and would also affect his associates in business, I am unwilling to recommend that that step be taken at this time, but am convinced that his conduct in these particular cases fully demonstrates the necessity of his understanding that he can not continue before your department and its bureaus unprofessional practices.

I, therefore, recommend that he be suspended from practice before your department and its bureaus for a period of 60 days and until such time thereafter as this office is put in possession of the original letter and he has satisfied this office that the lithographs or prints, plates or forms, if any, in his possession or in the possession of his associates, as well as all copies of the letter in his possession or in the possession of his associates, or in any manner under his control, have been destroyed and that satisfactory evidence is submitted show-

ing that he has addressed a letter to all the addressees of the circular letter hereinbefore referred to advising them that the printing and the circulation and distribution of the letter were without the authority or the knowledge or the consent of the parties signing the letter and met with the disapproval of the Commissioner of the General Land Office.

Very respectfully,

R. A. BALLINGER, Commissioner.

- A. Copy of letter of October 4.
- B. Transcript of testimony at hearing.
- C. Letter from Chief of Field Division Glavis, containing copy of letter, card, and other advertising matter.
- D. Copy of report and recommendation in Laughron case.

APRIL 19, 1907.

MR. SAMUEL HERRICK,  
Attorney at Law, Washington, D. C.

SIR: Pursuant to charges set forth in letter "P" of February 11, 1907, wherein it was stated, in substance, that you were charged with fraudulent conduct and a violation of the regulations governing the practice of attorneys before the Department of the Interior in the matter of securing certain contracts with one McLean, and others, and, in pursuance of your answer to said charges herein filed, under date of March 26, 1907, and, in further pursuance of the hearing thereon had before me and the honorable assistant commissioner on the 17th day of April, 1907, I have to inform you that to the extent of a technical violation of rule 9 of said regulations you were found to be guilty of speculating in relinquishments, and I so hold, but, in view of the circumstances fully presented and considered on said hearing, I am of the opinion that I am not warranted in either disbaring or suspending you from practice, in which the honorable assistant commissioner concurs.

It is to be understood, however, that this is not to be taken as, in any sense, a sanction of any violation of the regulations affecting the practice of attorneys before the Interior Department, but, on the contrary, such regulations will be rigidly adhered to.

Respectfully,

R. A. BALLINGER, Commissioner.

MESSRS. OGDEN & SLATER,  
Thomas, Okla.

GENTLEMEN: By decision of the 20th instant the Commissioner of the General Land Office held Mr. Ogden's entry for cancellation, on the contest of Elva V. Seward. In our opinion, an appeal from this decision to the Secretary of the Interior ought to be taken on your behalf, and we should be glad to prosecute such appeal as your Washington counsel. Of course, we have no desire to interfere in any way with your local counsel (if any you have), but our long experience has thoroughly convinced us that every land claimant should have Washington counsel, who can personally present their case to the officials of the Interior Department, and who have therefore much better chances of success than have attorneys far remote from the National Capital. As to our ability, etc., we can refer to Messrs. A. N. Byers, of Harrison, Okla.; J. T. Martin, of Ponca, Okla.; E. C. Ballew, of El Reno, Okla.; C. C. Cleveland, of Leesville, La.; W. A. Wiegand, of Great Falls, Mont.; Delmer D. Imus, and Jacob I. Wood, of Kalama, Wash.; Richard De Haven, of Antelope, Oreg.; Clifford Hales, of Rugby; R. C. Butts, of Bowdon; J. V. Law, of Voltaire—all in North Dakota; Bernard Cole, of Wagner; Frank Thompson, of Armour; Dr. R. C. Kelsey, of White Rock—all in South Dakota—and others; all of whose cases we have recently won before the Secretary, reversing the commissioner in each; also, to many clients and attorneys in your own territory, including Jesse J. Dunn, Esq., of Alva, the president of the Oklahoma Bar Association, and to our cousin, Hon. Myron T. Herrick, of Cleveland, Ohio, the nominee for governor of that State.

Having for years made a specialty of public-land practice, particularly of homestead contests, we believe we can render you valuable services in an endeavor to have the commissioner's decision reversed, the entry sustained, and the contest dismissed. We would prepare and file the appeal, together with brief in support thereof, and in addition would orally argue the case before the Secretary's legal advisers, if necessary, for a retainer of \$25 and a further fee of \$75, the latter to be paid only in the event we succeed in securing favorable decision from the Secretary.

If these terms are satisfactory, kindly let us hear from you at an early date, in order that we may immediately commence efforts to save your homestead. Meantime we remain,

Very truly yours,

HERRICK & HERRICK.

MEMORANDA IN RE SAMUEL HERRICK, ATTORNEY.

October 28, 1903, Mr. E. G. Spillman, attorney of Kingfisher, Okla., addressed this office a communication complaining of the practices of Messrs. Herrick & Herrick, and inclosed a letter from this firm to Messrs. Ogden & Slater, of Thomas, Okla. (copy of letter attached). I find no press copy of notice of citation to Herrick & Herrick, but on the attorney's docket appears this undated memorandum:

"Herrick & Herrick, attorneys, Washington, charges by E. G. Spillman, Eureka, Cal. Charges for disbarment. Parties summoned before this office and exonerated."

In a letter addressed to Mr. E. G. Spillman, of Kingfisher, Okla., he is informed that Herrick & Herrick were summoned before this office to answer to the charges preferred by him and that—

"Mr. Herrick earnestly disclaimed any intentional violation of the rules of the office in any unprofessional action as to the rights or interest of other attorneys. He expressed regret for having used words calculated to create a wrong impression as to his methods."

Mr. Spillman's attention was further called to the fact that Herrick & Herrick were very young men and "not so well and full advised on the questions of professional duties and responsibilities as are older and more experienced members of the profession."

March 14, 1905, Mr. Samuel Herrick was advised by letter "A" of the receipt of a communication from the local land office at Chamberlain, S. Dak., transmitting affidavits affecting his actions while judge of election of the town of Herrick, S. Dak. Mr. Herrick was advised that "the papers were transmitted for the consideration of this office, but before taking any action you are requested within a reasonable time to file in this office such statements touching the matter as you may deem proper."

Charges were dismissed in letter "A" to the register and receiver at Chamberlain, S. Dak., March 28, 1905.

December 10, 1906, this office advised Mr. Herrick in substance that G. W. Searcy of Fort Cobb, Okla., had complained that after

his case pending before this office had been decided, Mr. Herrick notified him of the decision although he had not been retained as counsel. Furthermore, Mr. Herrick had advised Searcey that he had secured a favorable decision from this office for him and demanded security for an agreed contingent fee of \$100. The records further show that Mr. Herrick had filed appearance for Searcey in this office and had been notified of office action by reason of such appearance. In closing this case January 7, 1907, it was said—

"It is clear from your answer and the statements made by Mr. Searcey that you did file your appearance and demand payment of fees from Mr. Searcey without being employed by him and without rendering any important services in his case. Your sworn statement that you honestly believed that you had been employed which were believed to be based on certain correspondence, and Mr. Searcey's request that no further action be taken, induced this office to dismiss the matter and close the case."

December 15, 1906, Mr. Samuel Herrick was advised that J. E. Kelley, attorney, of McCook, Nebr., by letter of December 11, 1906, complained of his action in writing certain letters to Mr. Kelley's clients, which letters he transmitted, and Mr. Herrick was advised from this office—

"This office is not favorably impressed with these methods of practice, they being not in accordance with the practices of reputable attorneys before the courts and this department. Within 10 days you are expected to explain, in writing, the matters herein complained of."

DEPARTMENT OF THE INTERIOR,  
GENERAL LAND OFFICE,  
Washington, D. C., September 7, 1904.

SAMUEL HERRICK, Esq.,  
Attorney at Law, Washington, D. C.

SIR: On May 4, 1904, you addressed and mailed to Stanislaw Czerniejewski, of Crivitz, Wis., a letter in which you used the following language:

"Noting that you have a homestead contest pending in the General Land Office with James W. Henderson, we write to suggest that we should be very glad to represent you therein as your Washington counsel. Of course we have not the slightest intention or desire to interfere with your local counsel, if any you have, but our long experience has firmly convinced us that every land claimant should be supplied with Washington lawyers. As to our ability, etc., we refer you to our cousin, Hon. Myron T. Herrick, Governor of Ohio; to the parties on inclosed list, all of whose cases (among others) we have recently won before the Secretary, reversing the commissioner in each, within the last 16 months; also to many clients and attorneys in your own State."

"Having for years made a specialty of land practice, particularly of homestead cases, I believe I can render valuable services in an endeavor to have the case finally decided in your favor. We would enter appearance on your behalf, prepare and file brief before the commissioner, and in addition, before the Secretary if the case were appealed, for a retainer of \$25, and a further fee of \$50, the latter to be paid only in the event we succeed in securing favorable decision from the department."

"If these terms are satisfactory, kindly let us hear from you at an early date, in order that we can immediately commence work to win you this land. Meantime we remain."

With this letter you inclosed a list, giving the names and post-office addresses of a number of persons, "all of whose cases (among others)" you say you "have recently won before the Secretary, reversing the commissioner in each, within the last 16 months."

Among the names on this list I find those of B. W. Scharborough, Claus W. Anderson, Jesse J. Murphy, Hon. J. P. McCumber, Hon. F. H. Register, and A. B. Huntley, who, after careful search both of the records of this office and of the department, do not appear to have been parties to any appeal prosecuted to the Secretary.

Your letter warrants the conclusion that all of the decisions of this office, to which you refer, were erroneous and unwarranted by the facts before it, and were reversed for that reason when, in fact, some of them were not "reversed," but were only modified on the showing of supplemental facts presented in the first instance to the department and not submitted for the consideration of the office prior to its decision.

John D. Rivers, one of the persons you mention, was a contestant in a case against Patrick J. Gerin, but the record fails to show that you appeared as attorney for Rivers.

You are hereby requested to make such explanation in justification of your said letter as you may care to submit, in order that this office may be fully advised before it takes further action in the matter.

Very respectfully,

J. H. FIMPLE,  
Acting Commissioner.

DEPARTMENT OF THE INTERIOR,  
BUREAU OF PENSIONS,  
Washington, D. C., November 27, 1907.

THE SECRETARY OF THE INTERIOR.

MR. SECRETARY: In accordance with request received this morning by telephone, I return herewith orders of November 23, 1907, directing the suspension from practice as attorneys before the department and bureaus thereof for 60 days from that date of Samuel Herrick and Patrick H. Loughran, of Washington, D. C.

Very respectfully,

V. WARNER,  
Commissioner.

NOVEMBER 29, 1907.

REASONS WHY SAMUEL HERRICK SHOULD NOT BE SUSPENDED FROM PRACTICE BECAUSE OF THE TESTIMONIAL LETTER TO PATRICK H. LOUGHRAN.

I. Samuel Herrick did not advise such circularization, but strenuously objected to it, and was only induced by Loughran to permit it under protest.

II. I was much younger than Loughran, both in years, in the practice of law, and with respect to the Interior Department, I had never been in the Interior Department, whereas Loughran had for years served satisfactorily as a special agent, and as a clerk in several divisions of the General Land Office. For these reasons I relied upon and trusted to Loughran's advice.

III. The entire circularization was under the exclusive control of Mr. Loughran, the names and addresses of the recipients being unknown to me. I only yielded a reluctant permission upon Loughran's

threat to withdraw from the association before it had fairly commenced, if this plan of advertising was not adopted. My opposition was not owing to the slightest doubt of the propriety of the letter, but to the expense of circularization.

IV. The letter was suggested by Mr. Heltman, then principal examiner of mineral claims and contests, and now Chief of the Mineral Division in the General Land Office, who prepared the original draft and approved the letter as completed and delivered to Mr. Loughran. The letter was not either suggested or requested by Mr. Loughran, and of course not by Mr. Herrick.

V. The writing of the letter upon the General Land Office heading, and the addition of the words "Board of Law Review, by E. C. Finney" were due entirely to the clerks, and not directly or indirectly due to either Loughran or Herrick.

VI. There is nothing in the phraseology of the letter indicating that Mr. Loughran or I possessed the slightest influence over the minds of the signers, or others in the General Land Office. On the contrary, it expressly refers to a "severance" of Mr. Loughran's personal and official relations with them. Such phraseology could not mislead mining attorneys, mining brokers, and mining operators—a body of men noted for their intelligence and shrewdness.

VII. The letter was tendered Mr. Loughran, accompanied by the oral expressions of those who signed it, that he should use it in the West by presenting it to mining attorneys and mining operators, to the end that he might gain their confidence and secure business from them.

VIII. The only use to which the letter has been put is the use for which it was intended and given. The method of distribution was the same for which the testimonial was given and intended, with the slight variation that the mails were in part substituted for the personal handing of the testimonial. The principle of both was the same.

IX. Many of the clerks who signed and delivered the testimonial as aforesaid, for the purpose aforesaid, were old and experienced in the General Land Office, all of them being the senior of Herrick, and the majority of them the senior of Loughran. In the case of three or more of those holding principal positions in the mineral division their seniority over Herrick ranged from 30 to 40 years. He had therefore every right to believe there was nothing in the letter calculated to deceive or mislead, and he so believed.

X. As manifesting the good faith in which the letter was used, it was not circulated covertly, but openly, and sent to 70 per cent of the Special Service Corps with whom Mr. Loughran was personally acquainted. Had there been any intention to mislead or deceive, the letter would not have been mailed to those very officials of the Interior Department whose duty it is to ferret out deception in reference to public lands.

XI. No business, of whatsoever character, has been obtained by Loughran or Herrick through the use of this letter. Every mining case which has been obtained since Mr. Loughran started West was from persons whom he personally interviewed in the West. Therefore the conclusion is irresistible that no one has been misled or deceived by the testimonial or its distribution.

XII. The reason we used this testimonial was not to deceive or mislead. It was to meet and correct an impression existing in certain parts of the West and South that Mr. Loughran was blamable in accordance with certain charges made against him while a special agent of the Interior Department. These charges were investigated by Commissioner Ballinger, found groundless, and dismissed. It was only natural and proper that in commencing the practice of law both Herrick and Loughran should desire the erroneous impression aforesaid entirely removed.

XIII. For years it has been the practice of those severing connection with the Interior Department and embarking upon the practice of law to advertise their said connection as reason why they are especially qualified to conduct cases before the department. Never before has criticism been made, to our knowledge, of any means employed by such persons, though within the last three months one high in the confidence of Secretaries Smith, Francis, Bliss and Hitchcock had circulated a letter, using by permission the names of all four said ex-Secretaries, and submitting the letter to Secretary Hitchcock before it was mailed. Mr. Herrick and Mr. Loughran had full knowledge of this, the former from the lips of Judge Parker himself, and had he possessed the slightest doubt of the propriety of the circularization of the Loughran testimonial such doubt would have been resolved favorably to its use by his knowledge of Secretary Hitchcock's approval aforesaid, by his high personal and professional opinion of Judge Parker, and by the fact that Judge Parker has your confidence and has been made your private secretary. This reference to the Parker letter is made not in a spirit of disapproval thereof, but merely for the purpose of establishing a precedent supportive of the action taken by myself and Mr. Loughran. A copy of it is submitted as an exhibit hereto. In addition there are submitted other letters from other attorneys who have left the department and advertised their connection therewith as a reason for their acquirement of land practice. Two of these were merely stenographers in your department, yet so far as can be learned there has been no official criticism of or charge against them.

XIV. Criticism was made at the hearing because Mr. Herrick had not first submitted the propriety of such advertising to the honorable commissioner. In reply I call attention to the fact that only a few months previously I had submitted to the honorable assistant commissioner another form of advertising, and especially requested that he take up with the honorable commissioner the question of its propriety. This he promised to do, but after repeated inquiries, and after the matter had lain before him for a month or more, I was unable to get any action. I inclose herewith the original envelope which the assistant commissioner handed to me in returning the aforesaid advertising matter without action or affirmative expression of approval or disapproval of it. I use this not in any spirit of criticism of the said honorable assistant commissioner, as I know full well how onerous were his duties immediately after assuming office, but because his failure to act in that case led me to believe that it would have been useless to submit the Loughran testimonial had I had the slightest doubt of the propriety of the letter. This I did not have.

XV. In the advertisement of this letter, and in Mr. Loughran's expenses in the West, a large amount of money was expended. Less than one-sixth of that amount has been received by us as fees in any mining case or matter. The advertisement was a failure from the standpoint of securing mineral business. That fact alone shows that persons in the West were not misled or deceived. I hereby express my entire willingness to turn into the conscience fund of the Treasury, or to pay into your department, if any law can be found warranting it, every cent of money received by Loughran and myself as fees in mining business. I also tender my dockets, books, correspondence and

office files of every sort or nature to an examination by any representative of your office as supporting the above averments.

XVI. As another precedent for our action aforesaid, I refer you to the law book known as the "Mineral Digest," copies of which are in the official library of your office, and copies of which may be found through the West. This work was prepared and edited by "Horace F. Clark, land and mining attorney, Washington, D. C.; C. C. Heltman, assistant chief, Mineral Division, General Land Office; Charles F. Consaul, examiner of mining claims and contests, General Land Office." The work was largely prepared from the office files of the General Land Office, and largely within the confines of the Interior Department Building, though whether within office hours or not, I have no positive information. Clark's name as a mining attorney, employed with the names of his coauthors and their official positions, gave and give a quasi-official approval to the work, with a resulting favorable advertisement of the practice of Horace F. Clark. Whether entirely from this or not, the fact remains that he has to-day and for several years had, a larger individual percentage of mining cases before the General Land Office and your office than any other attorney. Moreover, Mr. Heltman did on the day of our hearing in this case acknowledge that he still retains a proprietary interest in the book, and has received royalties from sales thereof within a year. Furthermore, Mr. Clark, the coauthor with Mr. Heltman, has within a year stated an intention of publishing a new edition.

XVII. The aforesaid Mr. Heltman has within the past three months been promoted by you to be Chief of the Mineral Division of the General Land Office, and I presume that the contemplated new edition will bear his present official designation.

XVIII. I never learned that any criticisms of or charge against Mr. Heltman for his aforesaid action had been made, except his admission at the hearing that one of the ex-Secretaries had reprimanded him, but Mr. Clark was for his action never disbarred or suspended for one instant before your department, and the said alleged reprimand did not have the effect of withdrawing the book from circulation or ending the advertisement of Mr. Clark's business, or influence Mr. Heltman to withdraw his pecuniary interest therein.

XIX. Your action under consideration would be a total departure from action of previous Secretaries with regard to professional advertising. It is, I submit with all respect, unjust to place upon me the burden of this change of ruling, when other attorneys equally or more blamable are exempt from punishment.

XX. No precedent for suspension from practice upon such a ground as the charge against me can be found in the records of any department of the Government, nor has it been possible after the closest scrutiny of the reports of the courts of the various States to find any case even analogous to it. The law force in the General Land Office, when directed by the honorable commissioner to examine the precedents, were unable to develop even a remotely analogous case, and rested their judgment against us upon the decision in the Colorado courts, disbaring an attorney who in his cards stated an ability to secure divorces "quietly and without publicity."

XXI. Although suspension from practice is not disbarment, it is confused with that in the public mind. The result would be the loss of a practice netting me more than \$12,000 per annum, which I have built up by constant, hard, and laborious work of years; it would result in my loss of professional business and social standing. It would practically debar me from election to any public office. It would stand as a perpetual stigma against my name and a blot upon my family record. Further than this, it would seriously affect, if not destroy, the patent law practice of Herrick, Herrick & Kent; also the Post Office Department practice of Herrick & Christensen. R. Peale Herrick (my brother), Frank J. Kent, and Andrew Christensen are wholly and absolutely blameless; they are all young men struggling ahead in the world. Under such circumstances the punishment which you propose to inflict would be disproportionate, unjust, and even cruel.

XXII. Although I am conscious of no wrongdoing, I hereby express my willingness to apologize to the honorable commissioner, the honorable assistant commissioner, and every signer of the testimonial for my use of it; to pay into the Treasury as aforesaid every cent of money received thus far from the mining practice secured by Mr. Loughran, and to execute any further repudiation of our action in this matter that to you may deem due and fit. Since that would amount to a loss of all the practice received through the advertising, and would, in addition, involve humiliation on my part, I submit that would be punishment enough. At the same time, I reiterate my firm and honest belief that neither I nor Mr. Loughran has been guilty of the least wrongdoing. Call it lack of judgment if you will, call it bad taste, or injudicious, but I can not perceive wherein it is wrong. Yet if it results in my suspension from practice, even for the slightest period of time, it will result in my being classed in the public's estimation with attorneys whose integrity has been impeached, and the thieves and blacklegs who are disbarred from practice before the courts, and would result in irreparable injury to a large amount of business which I am now conducting before the department, and which in due course should be determined within the next 60 days. This includes not only the representation of railroad, mining, electric power, irrigation, and other corporations, but likewise and more especially numerous individual clients, poor homesteaders on the public domain, and others whom I am called upon to represent.

While this memorandum is prepared primarily for the purpose of securing a change of your judgment in so far as it affects me, and while Mr. Loughran has written Mr. Woodruff that he has no further statement to make, yet I respectfully submit that he likewise should not be punished by any suspension. Many of the arguments above advanced as to myself apply to him likewise.

With entire confidence that you will, with this new data before you, reconsider thoroughly the whole subject and change your conclusion therein, I respectfully submit this memorandum.

Very respectfully,

SAMUEL HERRICK.

WASHINGTON, D. C., February 21, 1907.

Mr. JOHN D. RIVERS,  
Chamberlain, S. Dak.

MY DEAR SIR: After several years' experience in the Interior Department as a principal examiner of land claims and contests in the General Land Office, an assistant attorney in the office of the Assistant Attorney General and chief of the Lands and Railroads Division in the office of the Secretary of the Interior, I have decided to sever my connection with the department about April 8 to open a law office in Washington and resume the practice of my profession.

I shall give special attention to matters arising under the public land laws, both agricultural and mineral; the several right-of-way acts;

the national reclamation act; and to practice before the Supreme Court and the various executive departments.

I refer you by permission to Hon. E. A. Hitchcock, Secretary of the Interior, and to the following ex-Secretaries of the Interior: Hon. Cornelius N. Bliss, New York City; Hon. David R. Francis, St. Louis, Mo.; Hon. Hoke Smith, Atlanta, Ga.

Very respectfully,

JAMES I. PARKER,  
221 Florida Avenue NW.

[Paul E. Sleman, attorney and counselor at law, 515 Colorado Building.]

WASHINGTON, D. C., October 25, 1906.

J. D. RIVERS, Esq.,  
Attorney at Law, Chamberlain, S. Dak.

DEAR SIR: The writer has recently severed an official connection with the Secretary's office of the Department of the Interior of several years' duration in order to enter upon active practice in this city.

As you will readily appreciate, my experience of several years in the Secretary's office enabled me to thoroughly familiarize myself with the practice before the Interior Department and especially fitted me to intelligently represent any interests before that department in land, mining, irrigation, and Indian matters.

If in connection with any business you may have before the Interior or other departments of the Government in Washington, you desire the intelligent assistance of Washington counsel, I shall be very glad to hear from you.

Very truly, yours,

PAUL E. SLEMAN.

[Harry F. Lerch, attorney and counselor at law, 1320 F Street NW.]

WASHINGTON, D. C., May 25, 1906.

JNO. G. RIVERS, Esq.,  
Attorney at Law, Chamberlain, S. Dak.

DEAR SIR: In connection with your cases before the General Land Office and the Department of the Interior I beg to say that I have just resigned from a position in the office of the Secretary of the Interior to enter upon the practice of law before the executive departments and the courts of this jurisdiction.

My peculiar experience in the handling of land and mineral cases qualifies me for the prosecution of all appeals in the Interior Department as well as on any matters concerning the public lands and Indian rights and contests.

If you desire able Washington counsel in any matters requiring prompt and careful attention in the departments, in the courts, and in patent and copyright matters, I shall be pleased to hear from you.

Very truly, yours,

HARRY F. LERCH.

[Woodford D. Harlan, attorney at law, 1520 Ninth Street NW.]

WASHINGTON, D. C., June 26, 1907.

SIR: Having severed my connection with the General Land Office, in Washington, D. C., after a service therein for than 20 years as inspector of United States land offices and surveyors general, examiner of contested cases, and as chief of the Special Agents Division, I offer my services to the public in the belief that my long and varied experience can be utilized to the advantage of those having business before the Land Department.

I assure personal and prompt attention to all business entrusted to my care.

Correspondence solicited.

Very respectfully,

W. D. HARLAN.

[Victor H. Wallace, attorney at law, 472 Louisiana Avenue NW.,  
Room 11, Gunton Building.]

WASHINGTON, D. C.

As there is considerable land business in your State, it is possible that you may have matters before the General Land Office or the Secretary of the Interior in this city requiring the aid of a local attorney. If so, I shall be glad to represent you.

I was formerly employed under the General Land Office, and since engaging in the active practice of law have made a specialty of contest and other land cases.

In all cases sent me by attorneys from the States I remit the forwarding attorney one-third of my own fees.

I refer to card in Sharp & Allemen, page 1296. I shall be glad at any time to answer any inquiries you may care to make regarding the status of cases in which you are interested or any other business you may have before the Government departments.

Very truly,

VICTOR H. WALLACE.

DECEMBER 21, 1907.

SAMUEL HERRICK, Esq.,  
Ouray Building, Washington, D. C.

SIR: I have considered your memorandum of November 29, giving reasons for not suspending you from practice. I have gone over your case with that of Mr. P. H. Loughran, your partner. Your suggestion that you were led into this action by Mr. Loughran does not in the least appeal to me. You were as fully capable as he to know whether there was impropriety in the action complained of. I find that several times you have been called before the General Land Office to answer questions regarding alleged impropriety on your part in practice before that office. The facts in this case show that your familiarity with the regulations was such that you should not attempt to plead ignorance nor the excuse that you were advised by some one else.

The instance you cite in paragraph 13 as a precedent for your action, namely, the letter issued by James I. Parker, is wholly inapplicable to the facts in your case. There is not only nothing in common between the two cases, but with Mr. Parker, he obtained from the Secretary of the department permission to use a letter of recommendation after a full explanation to him of the purposes for which he intended to use it.

The use intended by you and Mr. Loughran was not disclosed to the persons who signed the letter, and the form in which the letter was published—namely, a photolithograph showing the official heading of the paper of the Land Office—shows to me very clearly that it was your intention to use a letter which was intended solely as a personal

recommendation as though it were an official recognition of your special ability. This fact alone would tend to mislead the ordinary claimant by giving him the impression that your firm had more than usual influence or connection with the General Land Office, and I have not the slightest doubt that such was your intention in so using that letter.

I appreciate very fully the serious injury disbarment would mean to you. My original intention was to suspend you from practice for a period of 60 days, but, after conference with Commissioner Ballinger, I have determined not to suspend you provided you take the following action, which in part is what you suggest in paragraph 22 of your memorandum:

That you immediately prepare and hand to the Commissioner of the General Land Office a letter acknowledging your misconduct and of apology for the same, satisfactory to the commissioner, and at the same time surrender to the commissioner the original letter of recommendation, which was photolithographed and copies thereof distributed by you and your partner, Mr. Loughran. You are further informed, in view of the abandonment of the order of suspension contemplated, that any further misconduct on your part in your practice before the General Land Office or any bureau of this department will be considered as sufficient cause for your immediate disbarment.

Respectfully,

JAMES RUDOLPH GARFIELD,  
Secretary.

[Samuel Herrick, counselor at law, Westory Building, Washington.]

JANUARY 9, 1908.

HON. R. A. BALLINGER,  
Commissioner General Land Office, Washington, D. C.

SIR: Having been heretofore, on the 4th day of October, 1907, cited to appear before you to show cause why I should not be suspended or disbarred from practice as an attorney before the Department of the Interior, its offices and bureaus, and, having appeared before you on October 5, 1907, in response to said citation, and, having then and there waived service of specifications of charges, and having been duly heard before you and thereafter recommendations pursuant to said hearing having been submitted to the honorable Secretary of the Interior by you, and the honorable Secretary of the Interior, on the 22d day of November, 1907, having made an order suspending me from practice before the Department of the Interior, its offices and bureaus, for a period of 60 days, and upon application thereafter made by me to the honorable Secretary, and upon further consideration, the honorable Secretary having directed, as shown by his letter of December 21, 1907, prior to said order of suspension being promulgated, that my suspension be abandoned, conditioned upon my preparing and handing you a letter acknowledging my misconduct in the premises and of apology to you for the same, satisfactory to you, and at the same time causing to be surrendered to you the original letter of recommendation which was photolithographed and copies thereof distributed by me and my partner, Mr. Patrick H. Loughran; now, therefore, in pursuance of the foregoing and in full compliance with the conditions and instructions of the honorable Secretary, I have caused to be returned to you said original letter of recommendation and fully acknowledged the impropriety of its use and distribution, as made by myself and Mr. Loughran, with the statement that such photolithographed copies as remained in the possession of myself and Mr. Loughran have been destroyed, and tender my apologies for any impropriety or wrongdoing in the premises and in all things stand ready and willing to abide by the direction of the honorable Secretary, as contained in said letter of December 21, 1907.

Very respectfully,

SAMUEL HERRICK.

The SPEAKER pro tempore. The gentleman from Virginia [Mr. GLASS] is recognized for 45 minutes.

#### BANKING AND CURRENCY LEGISLATION.

Mr. GLASS. Mr. Speaker, in contemplating a purely economic problem, especially one of a complex nature, I have never been able to believe that the solution of it could be helped or hastened by the application of partisan political considerations. For this reason it never entered my mind during the discussions incident to the preparation and passage by Congress of the banking and currency bill to inquire whether or not any provision of the measure would prove popular or distasteful to any particular element of the community; I merely sought to convince myself that the thing was sound and right and would satisfy the reasonable demands of commerce. For this reason I have not been much disposed in the three years which have elapsed since the enactment of the measure by the Sixty-third Congress to treat the achievement in a spirit of partisan exultation. Perhaps I have made as many as 50 expositions of the law before trade bodies, bankers' associations, economic societies, and universities throughout the country without once introducing in any address one word of a political description. Indeed, only once, and that very recently on a strictly political occasion, have I moderately departed from this conception of the right way to present the story of the great reformation three years ago in the banking and currency system of the United States. To my mind the least consequential fact has been the personal or political identity of the proponents of the Federal reserve act. The most important fact has been the act itself. [Applause on the Democratic side.]

Latterly, however, we have had no little provocation to a rather different sort of treatment. Persons who had no part in effecting the reform of our banking and currency system—persons who, in fact, did all they could to obstruct and defeat it—and public journals which have no particular concern with the truth of what they say if they may hope to score a partisan advantage by saying it, have manifested a distinctly mendacious tendency both as to the genesis of the legislation and as to its

effect. This reproach, I surmise, fits more exactly their deliberate misrepresentation of the effects of the new system than their talk about its origin. I think this, because the facts, statistical and otherwise, relating to the operations of the Federal reserve banks are readily accessible to anyone who will take the time to examine them and the pains to make reasonable deductions from them, whereas the derivation of fundamental ideas is something not so easily ascertained.

#### NO RESPONSIBLE PARTY ASSAULT.

There has been no responsible party assault on the Federal reserve act. The Republican national convention at Chicago in July said not one word in condemnation of it nor intimated the slightest criticism of any provision of it. This omission, in the circumstances, by a body that assailed every other legislative performance of the opposing party was tantamount to a substantial approval of the act. But recently individual Republican politicians, wiser in their own conceit than the assembled leaders of their party, have ventured to carp and cavil. Their comment has been fugitive and not in any sense precise. It has been turgid and in no degree discreet. In the measure that these critics have manifested petty partisan zeal, to that extent they have exhibited an ignorance of the legislation as amusing as it is dense. [Applause on the Democratic side.] As long as they directed their declamation to the uninitiated citizens of their country crossroads it did not much interest me, however much it may have misinformed their constituents. But now, since these trifling sophists persist in repeating one another's fables about the Federal reserve act and inserting their prevarications in the CONGRESSIONAL RECORD, to be read, possibly, by people who are none the less worthy because they are credulous, this would seem an opportune time to make an end of such political gasconade. [Applause on the Democratic side.] This is particularly the case when we find so good and guileless a gentleman as the Republican candidate for President of the United States accepting and echoing the mummery of his congressional tomtits. [Applause on the Democratic side.] If Mr. Hughes would give more heed to the real leader of his party here, a man of good perception and intellectual force, and pay less attention to these rhetorical dirt daubers, his next transcontinental tour might less likely turn out to be another political and ethical tragedy. [Applause on the Democratic side.]

#### WARNINGS UNHEEDED.

Generally these individual and journalistic attacks on the Federal Reserve System have taken on the guise of the faint praise which amounts to damnation. When this has not been so the political commentators have conceded the soundness and incalculable usefulness of the system only to appropriate for the Republican Party the credit of having "blazed the way and furnished the pattern" in the report of the Aldrich Monetary Commission. Even so, Mr. Speaker, and there comes crashing down upon the Republican Party the scriptural condemnation against the culprit of neglected opportunity, against the unpardonable perversity of those who might live in the light, but naturally prefer the darkness. [Applause on the Democratic side.] Time and again the warning to the Republican Party appeared in the nature of financial convulsions that shook the very foundations of our commercial and industrial establishments, precipitating ruin in nearly every place and causing distress to nearly every human being throughout the length and breadth of the land. Yet no permanent relief ever came; no line of remedial legislation was ever written.

#### WISE ADVICE REJECTED.

The wise men of the Republican Party frequently plead for relief, but were overborne by the politicians. Lyman J. Gage, Secretary of the Treasury under McKinley, came to Washington in 1908 to admonish his party leaders here that the Aldrich emergency makeshift was "a dangerous narcotic to lull the Nation into a sleep from which it would awaken in agony." But permanent legislation was thrust aside and the Republican chairman of the House Banking and Currency Committee was turned out and discredited because he dared attempt a scheme which threatened the supremacy of concentrated wealth. Likewise, Franklin MacVeagh, Secretary of the Treasury under Taft, repeatedly told his party in Congress that Federal banking laws literally nationalized panics and urged the leaders to postpone the remedy no longer. He told his party in this Capitol that the catastrophe of 1907 was "a gratuitous panic," that the financial system under which we were then living would "not only not prevent a panic, but make it inevitable." Not only so; he charged the Government with "exclusive responsibility" for the commercial, industrial, and social disasters which flow from panics. "This responsibility is fixed," said Mr. MacVeagh, "and ought to be frankly recognized and acknowledged. The people are helpless, and there can be no relief until Congress acts."

## THE LURID WAY TO BANKING REFORM.

But, Mr. Speaker, there was no action; and the wretched pretense exigently put forward now to the effect that the Aldrich Monetary Commission "blazed the way for banking and currency reform" is a pure invention obviously designed to extenuate incompetency, to mitigate heedlessness, to excuse political cowardice, and to filch credit for labor which other men of another party performed. [Applause on the Democratic side.] The way to banking and currency reform under a Democratic administration was "blazed" by financial conflagrations under Republican administrations, the lurid flames of which had licked up the substance of American business men and the fierce ravages of which had devoured the profits of American industry until the losses entailed and the misery which ensued had exceeded human approximation. [Applause on the Democratic side.]

No serious contention on any subject was ever made with less foundation in fact or that was easier of absolute disproof than the assertion that the Aldrich Monetary Commission blazed the way for Democratic banking and currency reform. Aside from my own intimate knowledge of the history of the Federal reserve act, and apart from the very inherent differences in the principles, purposes, and processes of the banking and currency system which it provides and that which the late Senator Aldrich and his associates devised, the evidence which may be presented in confutation of the assertion in point is conclusive beyond dispute.

## FIVE YEARS LOST.

The Aldrich Monetary Commission blazed no way and furnished no pattern for banking and currency reform under the Wilson administration. The Monetary Commission cost the Government nearly \$300,000—the exact amount being \$287,259.35—and delayed the enactment of comprehensive banking and currency legislation for five years and a half.

Mr. BENNET. Will the gentleman yield for a question?

Mr. GLASS. If the gentleman will get me time, I will yield. I have only 45 minutes, but I will yield to the gentleman for a question.

Mr. BENNET. I merely want to ask the gentleman if the report of the so-called Aldrich Commission was not a unanimous report signed by Democrats and Republicans alike?

Mr. GLASS. It was signed by one Democrat. I hate to admit, who never read a line of it before he authorized his signature to be attached to it. How many cases of this sort there were, I do not know.

Of the expenditure indicated, \$102,357.37 was spent in assembling a library of 26 volumes of 12,000 pages and in procuring monographs from various persons having more or less familiarity with economics. The library may be useful to philosophers and monetary historians, and the monographs may be interesting to those who have time to spend in the cloister, but I venture nothing in saying that not one volume of the costly library nor one essay among the expensive monographs was essential to the work of preparing or enacting legislation for the reformation of the banking and currency system of the United States. Every work in the library thus assembled which could in any practical sense be utilized in the fabrication of a banking and currency bill such as the Monetary Commission proposed or such as the Congress subsequently passed was readily accessible, without a penny's charge, to any member of the commission or to any Member of Congress interested in the subject. And I may say that I have not talked with a member of the Monetary Commission or a member of the Banking and Currency Committee of either branch of Congress which dealt with the question who was willing to say that he had found it necessary to consult any volume of this vast library with which he was not familiar long before the appointment of the Monetary Commission.

I would be willing to wager my congressional salary for a year against a day's vacation that not two members of the Monetary Commission itself nor of the Banking and Currency Committee of the Senate or House ever thumbed one-fifth of the volumes of this library; and these he might easily have obtained without getting from under the dome of the Capitol. Hence I assert that no way was "blazed" here for the proponents of the Federal reserve act. [Applause on the Democratic side.]

## PARTISAN MISREPRESENTATION.

In the other branch of Congress, even oftener than here, within the month many astonishingly inaccurate statements have been made with respect to the Federal reserve act and the Federal Reserve System. It has been asserted repeatedly that "three-fourths of the Federal reserve act was taken from the bill of the Aldrich commission, and that many of its provisions are bodily reproductions of the Aldrich bill." These statements

are made in a partisan spirit and for immediate partisan effect, without reference to the truth. They are, as a matter of fact, utterly false and susceptible of easy disproof.

There is not one fundamental idea of the Aldrich bill which is distinctly original with the framers of that measure nor are there many essential ideas of the Federal reserve act which had not been, in some guise, considered and discussed long before either the Aldrich bill or the Federal reserve act was exactly conceived. The zone system of the Fowler Federal reserve bank bill, the Muhlemann central reserve bank plan, even the scheme of the Indianapolis Monetary Commission of 1898, and the device of the American Bankers' Association of a later date, might better be appealed to in the citation of similitudes than the scheme of the Aldrich bill. Very much more to the point than any of these might be adduced the organization and practices of the great clearing houses of the commercial centers of the country; for it was right here that the generic idea of the Federal Reserve System had its birth, and from this base the structure was erected with all its lateral parts. [Applause on the Democratic side.] Both the Aldrich central bank bill and the Federal reserve act merely sought to apply the accepted principles of cooperative banking to the conditions, the usages, and prevailing spirit of the banking community of the United States. And that the Federal reserve act accomplished the purpose in a vastly safer and more satisfactory way than the Aldrich bill is evidenced for one thing by the fact that the Republican national convention of 1912 did not dare approve the Aldrich bill, while the Republican national convention of 1916 did not dare condemn the Federal reserve act. [Applause on the Democratic side.]

## ALDRICH BILL DANGEROUS TO COUNTRY.

Moreover, so manifestly dangerous and contrary to the genius of democratic institutions was the Aldrich scheme of monetary reform that not only did the Republican Party refuse to accept it, not only did the Democratic Party openly reject it, but the Progressive Party, which nominated Theodore Roosevelt for President and polled 4,000,000 votes, characterized it as a scheme "to place the currency and credit system of the United States in private hands, not subject to effective public control." Furthermore, not a Republican Member of either House of the Congress dared propose the Aldrich bill, now so vainly applauded here and elsewhere in the Capitol as a substitute for the Federal reserve bill. Not only so, but not one of the three surviving Republican Senators who were members of the Aldrich Monetary Commission, Messrs. PENROSE, BURTON, and WEEKS, seemed willing to present for consideration that imperialistic scheme to seize the banking business of the United States and to monopolize the note-issuing function of our national banking system. [Applause on the Democratic side.] Indeed, on December 1, 1913, the then Senator from Ohio [Mr. BURTON] proposed a bill of his own, as radically different from the Aldrich bill as the Aldrich bill is from the Federal reserve act. It was a bill to create a central bank to be owned by the people of the United States and operated by the Government at Washington, and not a bank to be owned and operated by a chosen tribe of bankers for their own profit and to make supreme their own power for an apparent period of 50 years but in reality for an eternity. [Applause on the Democratic side.]

## IGNORANCE OR MENDACITY.

Mr. Speaker, I challenge gentlemen who recklessly assert that "three-fourths of the Federal reserve act was taken from the Aldrich bill" to confirm their statement by credible evidence, or stand accused in the Record of shameful ignorance or partisan misrepresentation, whichever indictment they may better relish or deserve. [Applause on the Democratic side.] I challenge them to show one-fourth or any part of the Aldrich bill not common to nearly every comprehensive cooperative banking scheme proposed in many years that has been transferred bodily or otherwise to the Federal reserve act, impliedly or in text. [Applause on the Democratic side.] Why do not they present their parallelisms? Why do they not specifically cite the identical features which would give a semblance of verity to their utterly unsubstantiated assertions? It is because they know they can not do it that they have never even attempted to justify their perversions by a presentation of the facts or by contrasting the various provisions of the two measures. [Applause on the Democratic side.]

## NO FUNDAMENTAL RESEMBLANCES.

Aside from the technique familiar to all banking and currency schemes and excluding from the computation the nomenclature that inevitably applies to descriptions of commercial paper and discount operations of banks, there are few features of resemblance in the two plans. As I have already said, they differ in principle, in purpose, and in processes; and if these inherent dissimilarities, radical as they are, were not in them-

selves sufficiently obvious to prove the case, I could summon a witness whose competency and credibility would not be questioned even by those who have more concern for partisan advantage than they have for historical truth.

The late Senator Nelson W. Aldrich was chairman of the National Monetary Commission. It may be assumed that he knew pretty well what were the underlying principles of the bill presented to Congress by that commission. Likewise it may be assumed that Mr. Aldrich was fairly familiar with the text of the bill itself, which he is supposed to have drafted with the assistance of the commission's experts. It will not be denied in any quarter that the Rhode Island Senator, for years chairman of the Finance Committee of the upper branch of the Congress, had an intimate knowledge of the provisions of the Federal reserve act. Indeed, he had a mind so accustomed to financial analyses and a discernment usually so clear that he was universally regarded as a master among publicists. His very name attached to the Aldrich bank bill caused thousands of American bankers to swallow his proposed remedy without asking or knowing or apparently caring how much poison it contained.

On October 15, 1913, before the Academy of Political Science in New York City, Mr. Aldrich delivered an address on "Banking reform in the United States." It occupies 62 printed pages in the record of proceedings, and was devoted, almost in its entirety, to an examination of the major provisions of the banking and currency bill passed by the House and subsequently enacted into law as the Federal reserve act. If anybody who is too simple to differentiate for himself the inherent contrarities of the Aldrich bill and the Federal reserve act will read this address he will quickly see that Mr. Aldrich did not make the inscrutable blunder of relating the one measure to the other. If anybody who knows better, but has preferred for brazen partisan reasons to ascribe the paternity of the Federal reserve act, or any major part of it, to the Monetary Commission or to Mr. Aldrich, he may have a sufficient sensibility to realize just how ashamed of himself he should be for the imposture he has sought to practice upon the public. [Applause on the Democratic side.]

#### SENATOR ALDRICH'S BITTERNESS.

Mr. Aldrich, so at variance with his ordinary style of cool, deliberate, and circumspect speech, grows so unreasonably vehement in his criticism of the essential provisions of the Federal reserve act, so harsh in his judgments and unsparing in his characterizations as to suggest the supposition that, on this occasion at least, he had emulated the example of that British prime minister who some years ago was reported to have unhesitatingly confessed to delivering speeches at certain functions which had been prepared for him because he had not the time to spare from more vital concerns to prepare the addresses himself. In reading this address by Mr. Aldrich over and over again I have as often wondered if its intemperate zeal in criticism, its positive violence in denunciation of the chief features of the Federal Reserve System might not be imputed to some disappointed academician among those who were paid large fees to contribute ideas to legislative problems which were rejected as either dangerous or chimerical. Apart from the impetuosity and the fierceness of the address by Mr. Aldrich, foreign to his habit of debate, the production betrayed a tedium of literary and historical research and a preceptive, scholastic flavor that revealed the Rhode Island Senator in a different rôle from that in which I had observed him for many years.

#### ALDRICH'S SWEEPING ATTACK ON THE FEDERAL RESERVE ACT.

At all events, it will readily be observed that Mr. Aldrich in that New York address assailed every essential feature of the Federal reserve act. He attacked (1) the regional organization of the system as contrasted with his central bank plan, finding fault with every detail of the scheme of operating the divisional banks. With the incisiveness of a trained satirist he (2) ridiculed and, with the indignation of an irritated statesman, he literally screamed at the note-issue provision of the bill, bedecking it with vituperative epithets such as "flatism" and "greenbackism" and "Bryanism." He (3) bitterly criticized the establishment of the Federal Reserve Board as an irresponsible central bank with extraordinary powers improvidently granted. He (4) berated these various powers separately and collectively, predicting that their exercise would lead to a financial oligarchy. He (5) denounced the bond-refunding feature, predicting tremendous losses to the banks and suggesting the probability of an utter destruction of the entire national banking system. He (6) condemned the rediscount requirements as inflationary to the last degree. He (7) railed at the open market section of the act as viciously accentuating the power of the reserve banks to inflate the currency by issuing inadequately secured notes. He (8) savagely assailed every

reserve feature of the bill, particularly the fundamental idea of withdrawing the reserve funds of the country from the great money centers. He (9) deplored the apparent purpose of the bill to make the reserve banks active institutions in competition with the great banks of the large cities, with the consequent severance of long-established business relations. He (10) charged that no provision was made to promote foreign trade. He (11) attacked the redemption features of the bill as utterly insufficient and decrepit. He (12) deplored the proposition to establish a system of bank clearances. He (13) predicted that the shifting of reserves would create intense confusion and bring about momentarily a destructive contraction of commercial credits. He (14) deprecated the reduction of reserve requirements as wholly useless and undesirable, prophesying that it would lead to indefinite and destructive inflation. He (15) insisted that the statutory interest rate throughout the country should be uniform everywhere, and severely condemned the power given to the reserve board to differentiate conditions or circumstances. He (16) commented adversely on the failure to limit the amount of discounts which member banks might make. He (17) censured desperately the plan of Government deposits. He (18) charged that unexpected favors were accorded bankers in great centers. He (19) said the bill was "socialistic" in its features of Government control. He (20) pronounced the bill unconstitutional in its grants of power. Finally, ascribing paternity of the bill to two Virginians, he (21) appealed to the utterances of John Marshall and to Prof. George Tucker, friend and biographer of Jefferson, to rebuke these improvident sons of that Commonwealth who, "while they have not ignored the lessons of experience, are apparently afraid to make their legislation conform to its teachings on account of the declarations of a party platform."

#### AN IMPUDENT CLAIM.

Thus, Mr. Speaker, the chairman of the Aldrich Monetary Commission, the author of the Aldrich banking and currency bill for the establishment of a central bank, owned and controlled by bankers, heedlessly and passionately ranged through every section of the Federal reserve bill, condemning it unsparingly and denouncing every fundamental feature of it intemperately. Scarcely one provision of the measure escaped his bitter exhortation. And yet this is the man, because he was a Republican, and because a presidential election is imminent, who we are impudently told now furnished 75 per cent of the Federal reserve act—and we are told this in face of the fact that Mr. Aldrich himself, as may easily be seen, did not leave a single essential provision of the act as it stands untouched by his furious condemnation.

It will be observed that I have not undertaken to controvert the criticisms of the late Senator from Rhode Island; the event is confutation sufficient. The evil predictions ventured, it would seem in a mood of incredible exasperation, have not come true and will not come true; and it is a commentary upon the futility of impatient prophecy to cite now the fact that the Federal reserve system, under the terms of the act and the administration of the central board, has been so free from inflationary tendencies and from any excess of arbitrary authority that a close collaborator with Mr. Aldrich in the preparation of his central bank bill has recently, as a member of the Federal Reserve Board, importunately urged the Banking and Currency Committee of the Congress to make broader and more imperative the powers of the board and to give the reserve banks greater facilities for expansion in both the domestic and foreign fields of operation. [Applause on the Democratic side.] This the Congress has recently done, and I think wisely.

#### MORE FALSE STATEMENTS.

Mr. Speaker, I have an unutterable detestation of the habit which some politicians exhibit of perpetually blaring in a political way about all of our legislative transactions, and I have likewise a pity for the man who has not any higher aspiration or better occupation than to be beating a political tom-tom in season and out. I am provoked to say this for the reason that occasionally in this House and frequently in the other branch of Congress recently there has been evinced a distinctly partisan purpose to discredit the Federal Reserve System for no other reason than that it was adopted by a Democratic Congress under a Democratic administration. [Applause on the Democratic side.] It has been falsely stated that these reserve banks have not done enough business to pay house rent; that but two of the banks had ever paid a dividend; that their "cost to the Government has been \$1,634,000," and other things of a kindred sort, as untrue as they are absurd. [Applause on the Democratic side.]

The Republican Senator who charged that the system had cost the Government more than one and a half million dollars is the same distinguished gentleman who said that the act was

75 per cent the work of the Republican Party. His mind appears to be awry, for he does not seem to realize that his various statements taken together constitute a shameful indictment of his own party. The fact is the most charitable thing that may be said about this sort of braying is that gentlemen who indulge in it know nothing about the Federal Reserve System; they have not even read the act. The system does not "cost the Government" a penny. Every dollar of expense is assessed against the member banks of the system; the salary of every official and attaché, from governor of the Federal Reserve Board to the janitor of a Federal reserve bank, is paid by the banks. Congress appropriated \$100,000 at the beginning for the preliminary expense of organization; but, as I recall, \$35,000 of that amount was not expended.

Every one of the statements that I have quoted, as well as many others, is—I hope not deliberately—untrue. As will be seen from a statement which I shall append to my remarks, 5 of the 12 regional banks have declared dividends at varying rates, and the last official bulletin, for the month of June, 1916, shows that all 12 of the regional reserve banks for the preceding six months had an excess of earnings over expenses amounting to \$804,510. Eleven of the banks contributed to this surplus, only one showing a slight deficiency. For the month of June itself all 12 banks showed a considerable excess of earnings over expenses and a balance applicable to dividends in each case, ranging from 1.6 per cent in one bank to the maximum of 7.1 per cent, while the average rate for all 12 banks was 4 per cent. A study of the operations of the Federal Reserve System, if it would not prove interesting, might prove astonishing to some Republican statesmen who do not find it necessary or convenient or desirable to ascertain facts when they are talking for partisan purposes.

#### TRUE FUNCTION OF RESERVE SYSTEM.

Suppose it were true that all the banks are not earning dividends. Have gentlemen such a radical misconception of the real purpose of the Federal reserve system as to imagine that its primary object was to earn dividends? That was not it at all. It was established to conserve the banking facilities of the United States; to constitute a great reserve force; to keep in poise the banking and currency interest of the Nation. The only Republican member of the Federal Reserve Board, Mr. Paul M. Warburg, a banker of international fame, speaking to this point in Minneapolis not long ago, said:

Earning capacity must never be considered the test of the efficiency of Federal reserve banks. Personally I should have felt heartily ashamed had all our banks, considering the circumstances under which they began operations, earned their dividends in the past year. Such an earning, with all it implied, would have been a proof that they had completely misunderstood their proper functions and obligations.

[Applause on the Democratic side.]

Would gentlemen who criticize the Federal Reserve System on this score have the reserve banks make a campaign for dividends when member banks, in consequence of the reduction of reserves by the Federal reserve act, are swollen with funds and credit? Would they have them do this merely to be able to say they had earned dividends? I will tell you why the reserve banks are not earning large dividends. It is because there are \$2,076,000,000 of reserves in national banks, which is \$801,000,000 more than the legal requirements. [Applause on the Democratic side.]

New England national banks have \$48,000,000 above the amount required.

Eastern States, \$269,000,000 more than required.

Southern States, \$107,000,000 above requirements.

Middle States, \$200,000,000 more than required.

Western States, \$94,000,000 above the amount required.

Pacific States, \$82,000,000 over requirements.

Alaska, Hawaii, and so forth, excess \$1,000,000.

#### A STARTLING CONTRAST.

The Federal Reserve System is performing a vastly greater service than merely earning dividends. It is buttressing the public confidence, stimulating enterprise, and driving the Nation forward upon a career of business prosperity so marvelous as to almost stagger human imagination. [Applause on the Democratic side.] A startling difference in this system and the old system under which the country for 50 years operated is found in the fact that in 1907, after 43 years of the old system, New York could not in time of stress let a country bank have \$50,000 of currency to meet the ordinary requirements of commerce or the pay rolls of industry, whereas in 1915, after but 1 year of the new system, New York let two European nations in the very cataclysm of a stupendous war have \$500,000,000, and has recently let the same nations have an additional \$250,000,000, and I speak with knowledge and not upon conjecture when I say that these banks were enabled to do this because of the existence of the Federal Reserve System. [Applause on the Democratic side.]

For the 12 months ending June 30, 1914, there were 19 bank failures in this country, with liabilities aggregating \$39,952,000.

The 1st of August, 1914, the European war broke out, and a few weeks later, on November 16, 1914, the Federal Reserve System was inaugurated, and for the 12 months ending June 30, 1915, notwithstanding the disorganization caused by the war, there were only 16 bank failures with liabilities aggregating \$15,972,000.

For the 12 months ending June 30, 1916, there were 15 bank failures, with aggregate liabilities of \$3,838,000.

These figures show that for the first 12 months under the operation of the Federal Reserve System, the liabilities of failed banks have amounted to less than one-tenth of the liabilities of failed banks for the year immediately preceding the inauguration of the Federal Reserve System, and those banks which failed during the past 12 months were generally small concerns whose failure was traceable directly to criminal acts of the management—defalcations, embezzlements, and so forth—which, of course, it is practically impossible entirely to eliminate under any banking system. The figures conclusively dispose of another false statement circulated by enemies of the Federal Reserve System.

The SPEAKER pro tempore (Mr. RAKER). The time of the gentleman from Virginia has expired.

Mr. EAGLE. I ask unanimous consent that the time of the gentleman be extended 15 minutes.

Mr. GLASS. I think I can finish in less time.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent that the time of the gentleman from Virginia be extended 15 minutes. Is there objection?

There was no objection.

#### FEDERAL RESERVE ACT PREVENTED PANIC.

Mr. GLASS. It is alleged that the Federal reserve act had nothing to do with preventing a panic when the European war suddenly burst upon the community. Both actually and psychologically it had much, if not everything, to do with preventing a panic. The very knowledge that the act was on the statute books and that confirmation of the central board by the Senate was only required to put it in operation had a powerful effect in steadying the public nerve and stimulating banking confidence. [Applause on the Democratic side.]

Ah, but it is insisted that the Republican Vreeland-Aldrich Act did this. That claim is subject to vital qualification. The Vreeland-Aldrich Act, as radically modified and extended by a Democratic Congress helped to prevent a panic by supplying emergency currency which the Federal reserve system would have supplied with greater facility had not the Republicans in the United States Senate so long delayed the organization of the system by opposition to the President's nominees for membership on the central board. [Applause on the Democratic side.] And just here the pregnant fact is that a Democratic Congress amended and extended the Vreeland-Aldrich Act as a part of the Federal reserve act and that the Republican Party in both branches of Congress voted against the act which made the modification and extension.

In another place on Thursday of last week when confronted with this significant circumstance, a distinguished Republican statesman took a short cut out of his dilemma by exclaiming, "The Aldrich-Vreeland Act was extended before the Federal reserve act was passed." I prefer to assume that the gentleman was simply ignorant of the facts and really did not know that his statement was utterly baseless. The Vreeland-Aldrich Act had never been modified or extended except by the passage of the Federal reserve act, against which every Republican Senator but three voted. [Applause on the Democratic side.]

#### TAX QUESTION VITAL.

But it is said by the gentlemen who have provoked this partisan discussion that the modification of the Vreeland-Aldrich Act by a Democratic Congress in reducing the tax levied on notes had no effect on the issuance of emergency currency in August, 1914. Admit it; and still the vital fact of extension remains, against which the Republican Party in Congress voted when it opposed passage of the Federal reserve act. Had there been no extension of the Vreeland-Aldrich Act there would have been no emergency act, in a modified or any other form. As a matter of fact, however, it is not only idle, but it is childish to say that the radical reduction of tax on note issues had no effect. When the Vreeland-Aldrich bill was originally proposed bankers throughout the country protested against the high tax as did distinguished Republican Members of Congress, including the Republican chairman of the Banking and Currency Committee and the very able and distinguished gentleman from Connecticut [Mr. HILL], who voted against the bill. The gentleman from Connecticut bitterly protested against the rate of taxation as absolutely prohibitive, and in the course of debate made the

unqualified assertion that the law could not be made operative. He ridiculed the idea of moving the staple crops of the country at a tax rate on the currency required ranging from 5 to 10 per cent and said it would never be done. It never was done. The Republican chairman of the Banking and Currency Committee, who also voted against the Vreeland-Aldrich bill, denounced the tax feature of the measure in the severest terms. He declared that any bank that would be willing to take out emergency currency at this tax rate would not need emergency currency, but would need a receiver, and that any honest comptroller of the currency would proceed forthwith to appoint a receiver.

#### A MATHEMATICAL DEMONSTRATION.

But to give a mathematical demonstration of whether or not modification of the tax rate had any effect on the issuance of emergency currency, I direct attention to the circumstance that at the low rate of 3 per cent provided in the Democratic amendment to the Vreeland-Aldrich Act there were outstanding on November 1, 1914, \$365,000,000. On November 15, 1914, the day before the Federal Reserve System went into operation, \$43,000,000 had been retired, and on February 15 following, \$320,000,000 had been retired, leaving outstanding only about \$25,000,000. Of the \$2,977,066 collected by the Government from this source, only the trivial sum of \$11,559 represented the tax rate of 6 per cent. In other words, the moment the tax rate went beyond 3 per cent, as well as the moment the Federal Reserve System went into operation, the great volume of the emergency currency was canceled.

#### VITAL AMENDMENTS TO VREELAND-ALDRICH ACT.

But, Mr. Speaker, the reduction of the tax rate on emergency currency made by amendment to the Vreeland-Aldrich bill was not the only modification made by the Democratic Congress, if it was even the most important. It is my own opinion that not a dollar of emergency currency would have been taken out under the Vreeland-Aldrich Act as originally passed; but if I am mistaken in that conjecture I call attention to the fact that there were other serious obstacles to taking out currency under the Vreeland-Aldrich Act. There was an unscientific limitation upon the total volume of notes; there was an unreasonable limitation upon the amount which individual banks might secure; there were unnecessary limitations upon the character of security, which were removed by amendments made, which amendments were justified by a further modification of the act which permitted the Secretary of the Treasury to increase at his discretion the amount of gold reserve behind emergency issue.

Gentlemen say that these modifications of the Vreeland-Aldrich Act, made by a Democratic Congress, did not effect its utility. I point them to the fact that 229 applying national banks which took out in the aggregate \$126,997,480 of the emergency currency could not have taken out one dollar of those notes under the terms of the original Vreeland-Aldrich Act, requiring applying banks to have not less than 40 per cent of bond-secured circulation outstanding. I cite you to the fact that under the pro rata distribution provision of the original Vreeland-Aldrich Act New York banks, which took emergency currency in the amount of \$156,539,960, could not, had the act not been amended by a Democratic Congress, have secured more than \$93,500,000 of these notes. I append a letter from the Comptroller of the Currency, written by my request, giving the facts and figures in some detail:

TREASURY DEPARTMENT,  
Washington, August 23, 1916.

HON. CARTER GLASS, M. C.,  
Washington, D. C.

MY DEAR CONGRESSMAN: I have made a careful investigation to determine how many of the national banks in the United States applied for and were given "emergency" currency and which had on August 1, 1914, United States bond-secured circulation outstanding amounting to less than 40 per cent of their capital, and which would therefore have been unable to obtain any of this "emergency" currency had it not been for the amendment which was passed by a Democratic Congress during the early days of August, amending the Aldrich-Vreeland Act so as to permit the issuance of "emergency" currency to banks, whether they had outstanding circulation equal to 40 per cent of their capital or not. The record shows that had it not been for this amendment the Treasury Department would have been unable to issue any "emergency" currency to 229 applying national banks, but that by virtue of this amendment the Treasury Department did approve applications for these particular banks for "emergency" currency up to the amount of \$126,997,480.

A further analysis shows that of these banks which would have been ineligible for any "emergency" currency but for this amendment to the law, 11 were located in the New England States, the currency issued to them amounting to \$15,706,500; 24 of these banks were in the Eastern States, and received \$82,604,180 (\$70,278,180 of which was issued to 11 banks in New York City and \$5,578,000 to 6 banks in Pennsylvania); 151 of these banks in the Southern States, by the amendment to the law were enabled to get \$5,406,300 "emergency" currency which they would not otherwise have gotten; 18 of the banks were in the Middle Western States, and received \$21,204,500; 19 were in the Western States, and received \$1,109,000; and 6 of the banks were in the Pacific States, receiving \$967,000.

If the Federal reserve act had not been amended and the limitation of \$500,000,000, which was to be apportioned according to capital and

surplus of the banks, had not been removed, it appears that the national banks in New York would only have been able to secure about \$93,500,000 of "emergency" currency (even if eligible), whereas the applications for currency actually approved for that State aggregated \$156,539,960. There was also approved for issuance to the State of Massachusetts \$28,674,500, which is several millions more than that State would have been able to receive under the unamended law.

Of the \$2,977,066 collected as a tax on additional currency, \$11,559 represented interest at 6 per cent.

Sincerely, yours,

JNO. SKELTON WILLIAMS.

#### DEMOCRATIC ACTION SAVED THE COUNTRY.

I have no patience with any man who, for partisan reasons, seeks to make it appear that these modifications of the original Vreeland-Aldrich Act were not necessary to make it an operative and available instrument in emergency. I know, and other gentlemen here know, that these amendments were essential; and it is due to fairness and to frankness to say that the distinguished Republican floor leader of this House and many of his influential colleagues on that side of the Chamber, but very especially the gentleman from Illinois [Mr. MANN], quickly recognized the necessity and met the occasion with patriotism of speech and action that was simply admirable. [Applause.]

It has been said that the closing of the New York Stock Exchange helped to prevent a panic when the war broke out, and that is measurably true, as did also the formation of the hundred million gold fund; but in a sense the closing of the stock exchange accentuated the difficulty by instantly transforming call loans into time loans, thus intensifying the immediate need of additional currency and credits by the banks. Why, Mr. Speaker, several days after the stock exchange had closed there came to this Capitol Building a delegation of great bankers, headed by Charles C. Glover, of the Riggs Bank, in Washington; Milton Ailes, the Washington representative of the National City Bank of New York; and, as I recall, J. Festus Wade, one of the most prominent bankers of the West, who called the Democratic floor leader [Mr. UNDERWOOD] and the chairman of the Banking and Currency Committee to the majority conference room, and there told us in plain terms that little, if any, emergency currency could or would be taken out under the Vreeland-Aldrich Act, even as modified by the Federal reserve act, unless other radical alterations were made, and that unless these modifications should be made the country would in 48 hours be in the grip of a panic. The changes which these bankers suggested as necessary to avert a disastrous panic had already been urged by the Secretary of the Treasury from New York, where he had gone to take charge of a grave situation; and next day Mr. McAdoo hastened back to Washington for a personal consultation with the conferees at the Capitol in an effort to expedite and make certain legislation so essential at the moment. In the face of these facts it is foolishly false to say that the modifications of the Vreeland-Aldrich Act by a Democratic administration were not necessary to make it available. Particularly is this true when it may be stated that the National City Bank of New York, which took out \$29,900,000 of this emergency currency, and the Chase National Bank of the same city, which took out \$11,000,000 of this emergency currency, making nearly \$41,000,000 for these two banks alone, could not have taken out a dollar under the original restrictions of the Vreeland-Aldrich Act [applause on the Democratic side], for the National City Bank had out but 16 per cent of the required circulation and the Chase National less than 6 per cent.

#### A MERE FABLE.

These things I have thought proper and pertinent to say, not with any desire to engage in a partisan controversy, but merely in rebuttal of petty partisan misrepresentations. [Applause on the Democratic side.] One more word and I shall have finished. There occurred the other day in another place a sort of "Alphonse and Gaston" performance with respect to the Federal reserve legislation in which a gentleman who seems sincerely to imagine that he had a tremendous part in perfecting the act engaged in an exchange of felicitations with another gentleman who appears to think that the Senate of the United States radically altered the fundamental provisions of the House currency bill. I thought I had smashed this fable when, in presenting the conference report on the banking and currency bill on December 22, 1913, I gave in detail just exactly what important changes the Senate had made in the bill and just how few of these changes the House conferees had permitted to stand. [Applause on the Democratic side.] In order that the record may be clear on this point, I shall append to my remarks made to-day an address delivered by me before the American Bankers' Association October 14, 1914, which goes somewhat into the facts at issue, and, I think, demonstrates that the Federal reserve act, in all its essential provisions, was the conception and work of the House of Representatives and not of the Senate. [Applause.]

Earnings, current expenses, net earnings, capital, dividend and expense requirements; also rates of net earnings of the Federal reserve banks for the month of July, 1916.

Federal reserve banks.	Earnings.	Current expenses.	Excess of earnings over current expenses.	Capital July 31, 1916.	Dividend requirements, one-twelfth of 6 per cent on capital.	Dividend and expense requirements.	Rate of net earnings on capital.
Boston.....	\$39,475	\$16,456	\$23,019	\$4,925,000	\$24,625	\$41,081	5.6
New York.....	86,903	36,312	50,591	11,571,000	57,855	94,167	5.2
Philadelphia.....	38,131	11,032	27,099	5,216,000	26,080	37,112	6.2
Cleveland.....	39,826	12,405	27,421	5,966,000	29,830	42,235	5.5
Richmond.....	28,750	11,478	17,272	3,359,000	16,795	28,273	6.2
Atlanta and New Orleans.....	17,913	9,390	8,523	2,495,000	12,475	21,865	4.1
Chicago.....	59,150	19,684	39,466	6,673,000	33,365	53,049	7.1
St. Louis.....	24,960	16,324	8,636	2,792,000	13,960	30,284	3.7
Minneapolis.....	20,350	9,688	10,662	2,580,000	12,900	22,588	5.0
Kansas City.....	32,418	14,624	17,794	2,999,000	14,995	29,619	7.1
Dallas.....	28,878	7,504	21,374	2,689,000	13,445	20,949	9.5
San Francisco.....	29,226	11,126	18,100	3,921,000	19,605	30,731	5.5
Total, July, 1916.....	445,980	176,023	269,957	55,186,000	275,930	451,953	5.9
Total, January-July, 1916.....	2,270,416	1,195,949	1,074,467	54,923,000	1,922,305	3,118,251	3.4

\*Seven-twelfths of 6 per cent on \$54,923,000, average of 32 weekly quotations of capital for the calendar year 1916.

Dividends declared by Federal reserve banks.

Federal reserve banks.	Date declared.	Period covered, November, 1914, to—	Rate.	Amount.
Richmond.....	December, 1915.	Dec. 31, 1915	5	\$151,939.69
Do.....	April, 1916.....	.....do.....	1	30,387.65
Atlanta.....	June, 1916.....	.....do.....	6	129,198.03
Chicago.....	.....do.....	Mar. 31, 1915	6	76,155.83
Dallas.....	January, 1916	June 30, 1915	6	65,522.74
Kansas City.....	July, 1916.....	.....do.....	6	66,704.95

ADDRESS BY HON. CARTER GLASS BEFORE THE AMERICAN BANKERS' ASSOCIATION AT RICHMOND, VA.

Mr. Chairman and gentlemen of the American Bankers' Association, I am not quite sure that I would not have paid the American Bankers' Association a greater compliment, or if I would not have rendered them a greater service, by declining rather than by accepting the invitation to appear here this afternoon to address you upon the subject of the Federal reserve act. It is no credit to a public speaker, and less of a compliment to his audience, for him to come on a serious and important occasion without due and careful preparation. But, gentlemen, the fact is that for the past 10 months I have been exercising my wits in the direction of keeping things from being done to such an extent that I am rather rusty and confused as to what already has been accomplished. [Laughter.] And it is scarcely necessary that I should say to you, who are familiar with legislative processes, that at times it is of vastly more importance to keep things from being done than it is to do things. [Applause.]

Then, again, I am somewhat embarrassed at the idea of coming as a layman in the presence of experts to expound the provisions of an act that relates almost exclusively to your own business. And I scarcely think I shall venture in any great detail upon that task this afternoon.

"SIDE LIGHTS."

It has occurred to me that I might occupy the time assigned to me with a more or less interesting narrative of the "side lights" upon the Federal reserve act; and what I shall say will be somewhat a repetition of what I have already pretty generally said throughout the country, and I am afraid will not be very enlightening to a large part of this audience.

You will very readily understand that for the last 50 years, since the enactment of the national-bank act, you have been compelled to conduct the banking business of the country in a strait-jacket. There has been no elasticity, there has been little scope for initiative; in short, we have had in this country a banking system that by the best bankers has been pronounced "barbarous" in its operation. It has made us for years the scoff of European critics, both the practical banker and the textbook writer, because of its inefficiency; and, as I have so frequently said, here I repeat this afternoon, that the progress and prosperity of the American people and the achievements of the American banker have been made in spite of our banking system rather than because of it. [Applause.]

PAST FAILURES.

There have been many efforts at modification, amendment, and reformation, all of which until recently failed. As pointed out by Gov. Hamlin, we had the effort made at Indianapolis

18 years ago by the Indianapolis Monetary Commission. That body drafted a bill, which was introduced in the House of Representatives, and found its inevitable place in the musty archives of the Banking and Currency Committee room. Then we had the Walker bill, introduced by a distinguished chairman of the Banking and Currency Committee from Massachusetts; then we had the Fowler bill for asset currency, upon which some degree of progress was made; but the action of Congress was interrupted by the introduction of what is known as the Vreeland-Aldrich bill, or, rather, the Vreeland bill and the Aldrich bill—the one denounced by Senator Aldrich as utterly useless and the other denounced by Congressman Vreeland as altogether vicious. [Laughter.] The two were united and hyphenated into the Vreeland-Aldrich bill, which was pronounced by observant Members of Congress having some knowledge of the subject to be totally inefficient in its original form. It was foreseen that with its tax of 10 per cent upon the issues under it no bank on earth that was not already prepared to fly the signal of distress at the masthead could ever avail of its provisions. But when the Vreeland-Aldrich bill was passed one good thing was done in connection with that legislation; the Congress appointed a Monetary Commission, composed of distinguished gentlemen, and this commission went abroad and throughout this country taking testimony. At a cost of nearly \$200,000, approximately—I think \$196,000—it assembled one of the greatest libraries upon finance that was ever gathered on earth.

ORIGIN OF THE NEW LAW.

Following the report of this Monetary Commission came a more vehement agitation for currency legislation. To some of us having the question under consideration the idea occurred that if the great clearing-house organizations of the large money centers, and, indeed, of all communities of the country, could manage by prompt and intelligent cooperation to rescue the country from the throes of panic, why might not institutions of a kindred nature, given clearing facilities, together with larger banking functions, prevent panics? Upon that idea the Banking and Currency Committee of the House of Representatives set to work; and, without going into great detail, the Federal reserve act now upon the statute books is the result of that effort.

FUNDAMENTAL DEFECTS.

We found, upon investigation, that there were two fundamental defects in the existing banking and currency system. One was the inelasticity of the currency, with which all bankers are familiar, and the other was the fictitious nature of our national reserve system. We conceived the notion that if we could devise a system which would correct those two fundamental errors we would go a far way toward a solution of the problem. This we think, and confidently hope, the new Federal reserve act will accomplish.

Under the old system the currency was absolutely rigid and inelastic. We had operated for years on the assumption, the currency being based upon the Nation's indebtedness, that we never needed any more currency than could be measured by the national indebtedness, and, on the other hand, never needed any less; when, as a matter of fact, we frequently needed more, and, perhaps, just as often needed less. The volume was rigid, practically measured by the aggregate of the 2 per cent United States bonded indebtedness. In short, if the aggregate capital of the national banks of Richmond under the old system was

\$30,000,000, that measured completely the ability of the national banks of the city of Richmond to respond, in the matter of currency, to the commercial and industrial needs of the community, albeit such needs might be twenty times \$30,000,000. That being true, whenever stress and stringency came upon the country there could be no adequate response to the commercial needs of any active business community. Instead of cheerfully and confidently pursuing business prosperity, times came when business men discovered that prosperity actually caused wreck and ruin throughout the Republic. When the country banks, responsive to local demands, would begin drawing back their reserve funds from the reserve and central city banks, and those banks in turn were compelled to call in their loans, rates of interest mounted higher and higher, and pretty soon we would find ourselves in a financial cataclysm—banks closed, business and industry paralyzed, want and misery and deprivation spread broadcast over the land.

In the Federal reserve act we have undertaken to correct that inelasticity, to give you a currency not based upon the Nation's indebtedness, but a currency based upon the commercial and industrial requirements of the country, responsive automatically to those requirements, issuing forth when business is active and withdrawn when business is slack. Based upon short-time commercial paper—the plighted faith and ability of American merchants, manufacturers, and business men to respond to their individual and corporate obligations. And there is nothing more secure on earth, not even your Government bond, than that sort of security. [Applause.]

#### RADICAL CHANGE IN RESERVES.

In addition to an inelastic currency, you had a fictitious reserve system. I like to talk to people who do not understand these things, because [laughter] then I will be telling them something they don't know. Presumptively, we had a reserve of 15 per cent in the country banks and 25 per cent reserve in central reserve city banks, but in reality we did not have any such reserve. The law permitted the country banker to deposit a greater part of his reserve with the reserve city bank, and in turn permitted the reserve city banker to pyramid the reserve further by deposit in the central reserve city bank. That system resulted in withdrawing the reserve funds from all the country and centralizing them in the great money centers at a nominal rate of interest. Banks of the money centers, in order to recompense themselves, used those reserves at call-money rates in the maelstrom of Wall Street speculation; and thus the reserve funds of the country were employed largely for stock-gambling purposes rather than to promote the general business interests and prosperity of the country. I am not saying this in a critical sense; I am stating it as a matter of fact. In the great banks of New York City alone last March there were deposited \$893,000,000 of the reserves of banks outside of that great money center, whereas New York was loaning the banks of the country only \$187,000,000 on that date. There is an impression abroad that the balance of the country is dependent upon New York, but the facts I have cited show that New York is dependent upon the balance of this country. [Applause.]

It was that system—the concentration of the reserves of the country almost at a single center, to be used in speculative enterprises in the slack season, and unresponsive to demand at an urgent time—that created almost every panic that we ever had in this country.

#### CAUTION OBSERVED.

Well, we think we have devised a system in this Federal reserve act whereby over a period of years, without any shock to normal business or banking operations, we shall draw back these reserve funds from the great money centers and gradually impound them in those sections of the country where they originated and where they belong, and where they may at all times be held to respond to the business necessities and industrial requirements of the various sections of this country. We have spread the operation over a period of three years in order that there may be no violent disturbance of the usual processes of business.

In short, we have established a system of regional reserve banks, 12 of which are in course of organization now. The banks, as you know, are to be presided over by a board of nine directors, three of them selected by member banks especially to represent the banking interests, three selected by the member banks to represent the varied business interests of the community, and three appointed by the Federal Reserve Board at Washington to represent the people of the United States.

These regional reserve banks are to be owned and operated by the member banks of the system. The national banks are all required to subscribe a certain percentage of their capital and surplus to the capital stock of the regional reserve banks, and State banks and trust companies are permitted to subscribe the same amount to the capital stock.

The stock-holding banks of the system may receive a 6 per cent cumulative dividend from the earnings of the reserve bank. All earnings in excess of that amount shall first be applied to a 40 per cent surplus fund, in order to strengthen the regional reserve banks, and when the 6 per cent cumulative dividend—free of all taxation, National, State, or municipal—shall have been paid and the surplus fund accumulated all earnings in further excess shall go to the Government of the United States.

We provide a Federal Reserve Board to supervise the entire Federal Reserve System, composed of seven members, two of them—to wit, the Secretary of the Treasury and the Comptroller of the Currency—ex officio members and five to be appointed by the President of the United States for a term of 10 years.

The regional reserve bank, you will observe upon reading the law, has confided to it all of the strict banking functions of the system. The Federal Reserve Board has confided to it complete power of examination, supervision, and regulation, and, only upon the rarest occasions, under severe restrictions, the single banking function of ordering rediscounts. So that the Federal Reserve Board does not interfere in the slightest degree with that spirit of independent banking which is characteristic of this country. It does not interfere with the strict banking operations of the individual bank. It has broad powers of examination, supervision, and regulation; it is strictly an altruistic commission for the benefit of every business interest and of all the people of this country.

As I have indicated, and as you who are familiar with the subject know State banks may become members and national banks must become members. We have appointed a Federal advisory board, to be selected by the regional reserve banks themselves, with authority to meet in Washington and to advise with the Federal Reserve Board upon all matters considered by that board.

#### POWERS OF REGIONAL BANKS.

We have invested these Federal reserve banks with an almost unlimited power of rediscount. The individual bank, after discounting its commercial paper, may, upon indorsing that paper, pass it up to the regional reserve bank and get its paper rediscounted at the prevailing rate of rediscount initiated by the regional reserve bank, subject to the approval of the Federal Reserve Board. You will note that the individual bank has an almost unrestricted opportunity, regardless of its capital, to obtain these rediscounts. In other words, a bank capitalized at \$100,000 may be accommodated to as great an extent as a bank capitalized at \$500,000 or \$1,000,000 if it has eligible short-time commercial paper at hand.

We also give the regional reserve bank a limited open-market operation—a power somewhat analogous to the operation of the Bank of England in going into the open market to loosen up money conditions in order to enforce its rate of discount.

The act permits the Secretary of the Treasury to make these regional reserve banks the fiscal agents of the United States Government and to deposit with them all the Government's current revenues.

We provide for the refunding over a period of 30 years of a greater portion of the Government 2 per cent bonds having the circulation privilege into Government 3 per cent bonds without the circulating privilege, and we provide for the issuance during that period of a certain amount of 3 per cent Government gold notes in place of existing Government bonds. This is gradually to retire the bond-secured currency and put us upon a commercial currency basis.

We think we have greatly improved the bank examination system of the country. We have a provision that gives national banks the right to loan a certain percentage of their funds, particularly their time deposits, upon real estate—something that the national banks under the national-bank act and the interpretations at Washington have never been able to do.

Finally, in order to promote our foreign trade and to subdue the disadvantages under which America for years and years has been operating, we have authorized banking institutions with as much as a million dollars' capital to establish branches in foreign countries.

#### OBJECTIONS ANSWERED.

If I may notice for a little while some of the objections to this bill, and at the same time indicate how they were met, I

think this audience will have a better understanding of the Federal reserve act. In the first place, it was objected by the banks that the regional reserve banks should be exclusively in control of the banking community. It was argued that all the directors of the regional reserve banks should be selected by the banks themselves without restriction, the statement being that the regional reserve banks were owned by the stock-holding banks, and that, therefore, only the banks should select the directors to supervise the operation of the regional reserve banks.

It was pointed out, in response, that this was a great national system, proposed to be established not alone for the advantage of the banks, but equally for the advantage of the business community and for all the people of the United States. It was pointed out further that the United States would perhaps be the largest single depositor in the regional reserve banks. Therefore it was contended that the people of the United States, through their Government, being the largest depositors with the regional reserve bank, should be represented upon the boards of directors by the appointment of three class C directors, and it was so held by the Congress.

It was contended that the banks should select a certain proportion of the Federal Reserve Board, and by many it is so contended now. Gentlemen, that seemed a plausible and a fair proposition. The fact is, it fooled me good for a while. I did not hesitate from the beginning to the end of the contest to stand for the banks when I thought the banks ought to be upheld [applause] any more than to stand for the American people when I thought their rights were involved. [Applause.]

I thought the banks should have minority representation of their own selection upon the Federal Reserve Board, and so contended. When the President of the United States said to me that he did not approve the proposition I did not sleep one wink that night; and next morning, before leaving my room at the Raleigh Hotel, I sat down, "unawed by titled consequence," and wrote a letter to the President, saying to him that I thought his decision was fundamentally wrong and politically inexpedient. I hope he has torn the letter up. [Laughter.] Next day there came to Washington a committee of great bankers—George M. Reynolds, of Chicago; John Perin, of the Pacific coast; Sol Wexler, from Louisiana; Festus J. Wade, of St. Louis, and others—to convince the President of the United States that he was wrong and that the bankers were right in their contention. I headed the procession to the White House.

The President gave us audience, cheerfully and cordially. I presented these gentlemen. The President knew my views, so it was not necessary for me to reiterate them, but these great bankers presented their views with all the persuasiveness of which they were capable—and you know what that means. [Laughter.] Already convinced in my own judgment, I was delighted at the tactful and logical way in which they presented the argument; but presently the President of the United States turned and said, "Gentlemen, I challenge you to point to one Government board in this or any other civilized country upon which private interests have representation." There was just such an intense silence in the President's room, as there is in this hall right now. [Laughter.]

Not one of those gentlemen answered, and I could not answer. I was converted. [Applause.] I am convinced that the President was right.

On the floor of Congress this same contention was made, and I responded that it would be as reasonable to declare that railroad presidents and general managers of the railroads of this country should have representation upon the Interstate Commerce Commission, which is to regulate and manage them, as to say that the bankers, as such, should select representation upon a Government board which is to regulate the banking business. Ah, but the response was, "Do you contend that the Interstate Commerce Commission has the same power over the railroads that the Federal Reserve Board has over the banks?" Yes; infinitely more power over the railroads than the Federal Reserve Board has over the banks. They make a rate upon petition; aye, they can initiate rates for the railroads and enforce them, however much the railroads may object.

Ah, but said one of the critics, "Can they take the property of one railroad and use it for another?" Yes; and they do it every day. They take the rolling stock that one railroad has bought with the money of its stockholders and apply it to the use of some other railroad. They make a joint traffic rate that may not be satisfactorily compensatory to the railroads affected, but, nevertheless, they have to submit. The powers of the Interstate Commerce Commission over the railroads are incomparably broader and more stringent than the powers of the Federal Reserve Board over the banks.

## POWERS OF FEDERAL RESERVE BOARD.

What are some of these powers of the Federal Reserve Board? I say to you here—and I challenge interruption or contradiction—that there is scarcely one power given by law to the Federal Reserve Board that has not been exercised, more or less, by a single public official of this Government for 30 years. There is the power of the board to suspend all reserve requirements for a period of 30 days and renew the suspension for a period of 15 days. You bankers know that power has been exercised by the Comptroller of the Currency under the national-bank act for 50 years. There is not a banker in this audience who may not permit his reserve to go down to-morrow—I do not know that there is one who has not done it [laughter]—and the only power on earth that can make him restore his reserve to the legal requirement is the Comptroller of the Currency, and he can only do it upon 30 days' notice. So that there were objections to a power to be exercised under this new law by the Comptroller of the Currency with six associates that had been exercised for 50 years by the Comptroller of the Currency alone under the old law.

Then there was vehement objection to that part of the act which authorizes the Federal Reserve Board to permit or compel one regional reserve bank to rediscount the discounted paper of another regional reserve bank. They said that was "confiscatory." No; it was not confiscatory. There was not an element of confiscation about it. The board was not permitted to require a bank to take the property of another without compensation; not at all. It was authorized to compel one bank with a redundancy of funds to come to the assistance of a bank without funds, the transaction being based upon prime commercial security and at a rate of interest above the normal prevailing rate. That is not confiscation. It is a power analogous to a power that has been possessed and exercised by the Secretary of the Treasury for 50 years under the national-bank act. The Secretary of the Treasury to-morrow can deplete every Government depository in New York and transfer the funds to New Orleans, or can take the Government funds out of the national banks of New Orleans and deposit them with the national banks of San Francisco or of Boston. It is a tremendous power, a power that your president here to-day said is repugnant to republican institutions. If so, I wonder that was not found so long ago. [Applause.] It has been possessed and exercised by the Secretary of the Treasury alone for 50 years.

In 1907, when the Secretary of the Treasury, at his own discretion, took \$43,000,000 that had been collected from the American people by taxation and deposited it with the banks of New York to save the situation there, you did not hear a chirp or a word about "power repugnant to republican institutions." [Applause.] The Secretary of the Treasury did right then. But I agree with the president of the American Bankers' Association that some time we may have a Secretary of the Treasury who would do wrong, and we ought to jealously guard the functions of that great position. Hence, as I drafted the bill, the Secretary of the Treasury was specifically required to make these regional reserve banks the fiscal agents of the Government and to deposit the people's money with them. I believe now it ought to be the law.

## THE CRY OF "FIATISM."

There was objection to the note issue provided by this bill. One of the distinguished members of the American Bankers' Association said this Federal reserve note was "fiat money." Gentlemen, there is not an element of "fiatism" in these notes—not a suggestion of it. What is fiat money? Fiat money is money that relies upon the Government alone for its value. Is that a correct definition of a Federal reserve note under this act? The gentleman who so characterized it can not appeal to a lexicographer in the civilized world to justify his definition of these notes.

They have a gold reserve of 40 per cent behind them to begin with. In addition to that, they have a secondary reserve of 100 per cent short-time commercial paper. In addition to that, they are made a first and paramount lien upon the assets of all the regional reserve banks, including the double liability of the member banks. In addition to that, they have the unqualified indorsement of a Nation of 95,000,000 free people. Fiat? When that gentleman was denouncing these notes as "fiat" the greatest international banker in America, who has since been made a member of the Federal Reserve Board, was in Washington protesting to me that they had too much security behind them. Mr. Warburg, then and since, has insisted that the secondary commercial reserve should be reduced to 66½ per cent.

## NO INFLATION.

They said this system provided for "amazing inflation." Indeed, one critic in Chicago was proclaiming that the Federal

reserve act afforded a dangerous amount of inflation on the very same calendar day that another distinguished banker before the Senate committee in Washington was proclaiming that it provided an amazing amount of commercial contraction. It could not provide both at the same time, gentlemen, and, as a matter of fact, it does not provide either at any time. It provides for a reasonable amount of expansion, and the law would not be worth the paper it was written on if it did not provide that. That is what it was intended to provide—to be automatically responsive to the business activities of the country, but not to create nor tolerate inflation.

But if you gentlemen will pardon a little frankness, this criticism was leveled at the Federal reserve act by gentlemen who swallowed, without a grimace, the Aldrich bill, which provided for \$6,000,000,000 of expansion. This was demonstrated by Mr. Hulbert in a public address, and yet you gentlemen gulped it down. [Laughter.] Before the Banking and Currency Committee of the House it was testified that the American Bankers' Association unanimously indorsed the Aldrich bill before the paper upon which it was printed had dried, so recently had it come from the press; and it was further asserted that not 5 per cent of the delegates present had read the bill when they indorsed it. There was a bill which provided that the notes of the central bank should be used by individual banks as reserve, thus involving inflation to the amount of \$6,000,000,000; and yet gentlemen who were willing to indorse that sort of a measure criticize us in Congress for this bill. We have not undertaken in this law to do away with the sanity of the individual banker. We have made every possible safeguard against inflation. A gold reserve of 40 per cent, a secondary reserve of 100 per cent, the serious and solemn obligation of the individual banker to his stockholders in discounting paper, the serious and solemn obligation of the directors and managers of the regional reserve bank in scrutinizing the discounted paper before it is rediscounted, and then in the last analysis, the banking experience and observation and solemn duty of the Federal Reserve Board to pass upon it in the third degree—these are some of the safeguards provided against inflation, together with a 10 per cent penalty upon any regional reserve bank that shall pay out the notes of any other regional reserve bank.

Every device suggested to us by banker or layman that appealed to the judgment of Congress is here embodied in this bill. The House was criticized not only by certain bankers but by certain learned United States Senators, who insisted that the bill provided inflation. And pray, what did the Senate do to correct the inflation? It accentuated every possibility of it. It provided that Federal reserve notes should be used as reserve in individual banks. It proposed a system of unguarded domestic acceptances which Sir Edmund Walker testified before our committee would wreck any country on the civilized globe. It proposed that the denominations of the notes should be as low as ones and twos. It amazingly released bank reserves below the point of safety. Thus that august, that grave body of elder statesmen [laughter] undertook to guard against inflation.

#### SENATE DID NOT IMPROVE BILL.

Mr. Chairman, there is a report current which ought to be checked before it gets to a popular superstition. It is said that the United States Senate greatly improved the House currency bill. [Laughter.] A casual inspection of the CONGRESSIONAL RECORD will show that Senators have really convinced themselves that this is true. With a sort of misdirected pride, they refer to "the 400 changes made by the Senate in the House bill," but conveniently omit to refer to the fact that nearly every one of these changes which did not relate merely to phrasology was rejected by the House conferees and the bill restored in every essential feature to its original form.

The plain truth is that certain distinguished statesmen, together with certain metropolitan newspapers, precipitated a premature attack upon the House currency bill. Some of these statesmen vowed they would never support it; but later, when they found it desirable to shift position on the question, they invented this myth about the Senate having so greatly improved the measure as to enable them to give it their distinguished countenance. They charge that the House committee gave no hearings on the bill, and that only the Senate committee "opened its doors to let the people have a chance." As a matter of fact, the House bill was based on exhaustive hearings before a subcommittee, and the Banking and Currency Committee of the House, when it began to frame the bill, had in its files the testimony of nearly every business group in America, submitted by its most intelligent representatives. It had the testimony of American bankers, big and little, in the persons of men like Hepburn, Forgan, Warburg, Reynolds, Wexler, Hulbert, Wade, Frame, and others; currency experts like Morawetz,

Hadley, Sprague, Laughlin, Meeker, Fisher, and Fowler; credit men like Endy, Tregoe, Joyce, and Orr; farmers like Barrett, Creasey, Brooks, and others; merchants, manufacturers, laboring men, actuaries, and other classes. In short, the House committee had at its immediate service testimony so varied and voluminous that to digest it all, or even to read half of it, would be an unendurable physical and metaphysical task. It was upon this testimony that the House bill was based.

Contrast this with the so-called hearings of the Senate committee, which merely amounted to hammering over old brass. The list of Senate witnesses contains 68 bankers, 8 currency experts, 3 lawyers, 1 coal operator, 1 New York real estate dealer, 2 merchants, several trade representatives, and 3 of the most pestilential currency "freaks" in the United States. Not a single representative of the great agricultural interests of the country was heard, not a representative of the labor interests was heard; but nearly two months' time was wasted in hearing 68 bankers repeat exactly the same objection to the House currency bill that was made to its proponents before the bill was passed by the House.

#### WORK OF THE CONFEREES.

In what single respect did the Senate improve the House bill? Can any gentleman here point out? As a matter of record, permit me to summarize for the American Bankers' Association the work of the congressional conference committee, which will convincingly confirm the accuracy of my contention that not a fundamental alteration by the Senate in the House currency bill was permitted to stand:

1. The Senate eliminated the Secretary of Agriculture and Comptroller of the Currency from the organization committee, substituting two members of the Federal Reserve Board, to be designated by the President. Besides being totally impracticable and inconsistent with other provisions of the bill, this change would have indefinitely delayed the inauguration of the system, and the House restored the Secretary of Agriculture and Comptroller of the Currency to the organization committee.

2. The Senate eliminated the Comptroller of the Currency from membership on the Federal Reserve Board. This public official, charged by law with the supervision and control of the national banking system, was restored to the board by the House conferees.

3. The Senate authorized a system of domestic acceptances, without documents attached, permitting 25,000 banks, many without inspection requirements, to incur contingent liabilities without a dollar of reserve behind them—a system which Sir Edmund Walker, of Canada, as well as other eminent specialists, said would wreck the financial fabric of any civilized country on the globe. The House conferees struck out this Senate provision.

4. The Senate inserted a so-called "insurance of deposits" provision, appropriating a part of the Government's earnings of the system for the purpose of guaranteeing depositors in national banks. The House conferees threw out this provision.

5. The House conferees inserted a provision requiring that the net earnings going to the Government should be applied to the gold-redemption fund or to the reduction of the bonded indebtedness of the United States, and not to "guaranteeing deposits," as provided by the Senate amendment.

6. The Senate inserted a provision authorizing the use of Federal reserve notes as reserves in individual banks, thus providing an enormous amount of inflation estimated by competent statisticians and practical bankers at \$6,000,000,000. The House conferees rejected this alteration in the bill.

7. The House conferees inserted a provision requiring that branch banks shall be operated by a board of seven directors, having the same qualifications as directors of the Federal reserve banks, four to be appointed by the parent bank and three by the Federal Reserve Board.

8. The House conferees altered the Senate reserve features so as to extend the transition period from two to three years, as was provided in the House bill, and also declined to concur in the radical reduction of reserves which the Senate provided.

9. The House conferees so altered the Senate reserve provisions as to require that at least one-third of the reserves of country banks should be held in the vaults of the local banks, as provided originally by the House, whereas the Senate provision permitted all the reserves to be held in the vaults of the reserve banks.

10. The House conferees practically restored the collection of checks at actual cost by a nation-wide clearance system, thus altering the Senate change in the House bill and insuring a tremendous saving to the commercial interests of the United States.

11. A new section on bank examinations was written, omitting some of the objectionable provisions put in by the Senate which

would have authorized investigations of an inquisitorial nature by irresponsible committees of either branch of Congress.

12. The House conferees so far restored the House bond provision as to authorize the retirement over a period of 20 years of about \$450,000,000 of the bond-secured national-bank notes, whereas the Senate amendment did not provide for the retirement of more than \$125,000,000.

13. The House conferees threw out the Senate provision compelling Federal reserve banks to issue circulating notes against Government bonds purchased from member banks as designed to forever perpetuate the existing bond-secured currency, the very thing no sane scheme of currency reform could sanction. The whole Senate bond-refunding provision was rewritten in conference.

14. The House conferees threw out the Senate provision prohibiting directors of the Federal reserve banks, class B, from being stockholders of any bank, and practically restored the House provision requiring directors of this class to be selected from a list supplied by the member banks. Had the Senate prevailed, the Federal reserve banks would have been managed by persons having no proprietary interest in their success.

15. The House conferees rejected the Senate provision making Congressmen ineligible to be officers or directors of national banks, which would have disqualified nearly 50 per cent of Congress from a perfectly proper relationship.

16. The House conferees practically restored the House restrictions in the matter of requiring one Federal reserve bank to rediscount for another Federal reserve bank.

17. The House conferees limited the denomination of the notes to be issued to \$5 minimum, striking out the \$1 and \$2 provision of the Senate, which, it contended, would cause inflation.

18. The Senate provision fixing the number of banks at not less than 8 or more than 12 stands, as against the House provision making the number not less than 12.

19. There was a compromise on the minimum capital, the Senate bill requiring \$3,000,000 and the House bill \$5,000,000. The capital was finally fixed to \$4,000,000.

20. The Senate provision striking the Secretary of Agriculture off the Federal Reserve Board stands, being regarded by the House conferees as inconsequential.

21. The Senate method of balloting for directors was retained, being a minor change.

22. The Senate increase of gold reserve behind the note issues to 40 per cent, with a graduated tax for falling below that amount, stands, as this change was left to the Senate, with the expectation that it would be made.

23. The method of raising the capital of the Federal reserve banks on capital and surplus of member banks instead of on capital alone was retained in the Senate amendment, as it merely reached the same result in a different way, though not so readily as by that provided by the House.

24. The Senate increase of salaries of members of the Federal Reserve Board from \$10,000 to \$12,000 is retained, as is the alteration in the term of service from 6 to 10 years.

25. There were several hundred alterations of the text of the Senate amendment.

#### THE HOUSE PREVAILED.

Thus, Mr. Chairman, it will be noted that, while the Senate made numerous alterations in the currency bill as it passed the House, *not one of these alterations, if it related to a fundamental feature of the House bill, was permitted by the House conferees to stand.* There were several hundred alterations of the phraseology of the House bill by the Senate, as there were several hundred alterations of Senate phraseology by the conferees. In this respect the bill in some places was bettered and in other places injured.

The Senate did one good thing. [Laughter.] It increased the gold reserve behind the notes from 35 to 40 per cent and provided a graduated tax for delinquencies. We wanted to do that in the House committee and in the House, but it was suggested that the legislation would be expedited if we would "let the Senate think it had some hand in this thing." [Laughter.] However, as if a little ashamed of having done one sound thing, the Senate immediately proceeded to reduce the reserve requirements of the banks to such an extent as to render the dangers of inflation serious and imminent; emasculated the House provision for exchanges at par; insured national-bank deposits with funds that the House bill applied to the Government gold reserve, and did quite a number of kindred things, for which the House conferees would not stand. Why, the Senate actually provided that no stockholder in a bank should be eligible as a director of class B of a regional reserve bank; thus they would have gone to the almshouse to get directors for the regional reserve bank. [Laughter and applause.] The House, of course, struck that out.

#### GOVERNMENT DEPOSITS.

In the matter of Government deposits the House bill required that the regional reserve banks should be constituted fiscal agents of the United States Government, and required the Secretary of the Treasury to deposit all of the current funds of the Government in these banks, omitting, of course, the Treasury trust funds. The Senate so altered this provision of the House bill as to make it optional with the Secretary of the Treasury to so deposit the Government funds, and to place it within the discretion of that official to constitute the regional reserve banks fiscal agents of the United States Government. I have been unable to get any clear perception of the reason for this alteration of the House bill further than that I little suspect that it was done for tactical purposes, perhaps to enable the Secretary of the Treasury to combat the schemes of intractable bankers, should there be such. The object of the framers of the House bill in making the provision mandatory instead of discretionary was to furnish the regional reserve banks with the idle funds of the Government as a basis for active business transactions, and at the same time to correct the unscientific and senseless process of withdrawing these funds from business channels and impounding them in the Treasury and subtreasuries. It is scarcely thinkable that we shall ever have a Secretary of the Treasury who would not so exercise the discretion conferred upon him by the act as to carry out the real purpose which the House had in view when it made this provision mandatory; hence the House conferees reluctantly yielded the point; and this one alteration comes nearer being a change in the fundamentals of the House bill than any made by the Senate and permitted by the House conferees to stand.

#### THE EXCHANGE QUESTION.

One of the most important provisions of the currency bill is that which puts an end to the flagrant abuse involved in excessive charges by banks throughout the country for collections and exchanges. The House bill provided that exchanges should be made at par and that charges for collections should not exceed the actual cost to the banks. This item of the bill was bitterly controverted in the Democratic caucus and also in the House. Naturally, thousands of banks deriving large profits from the practice of charging constructive interest upon checks in transit and arbitrary charges for collections and for exchanges exhibited great distaste to this provision of the bill. They vigorously protested to Members against the inclusion of this prohibition, and thus the effort to remove this tax burden upon the business of the country was contested with the utmost pertinacity. However, those of us in the House who sought to tear down these tollgates upon the highways of commerce prevailed. [Applause.] The fight was renewed in the Senate, and that body materially modified the House provision. The House conferees declined to yield on this point. They insisted upon such a modification of the Senate amendment as will exact exchanges at par and restrict charges for collections to the actual cost of such transactions to the banks. In brief, under the act banks can not make exchange and collection charges a source of profit; they can not any longer charge constructive interest; they can not exact a tax for a theoretical transfer of funds from point to point when no transfer is actually made, but only an entry on the books. They can no longer harass the commerce of the country nor penalize the business men of the Nation by an unjust tax. While the House conferees did not succeed in entirely restoring the provision as it left the House, they vastly improved the amendment made by the Senate. The provision as it stands will result in an immense saving to the tradespeople of the United States. It will eliminate the amazing wastefulness incident to many independent collection organizations by substituting one compact collection system. It will abolish the exchange charges altogether and appreciably reduce charges against collections. I speak thus confidently only in anticipation of wise action by the Federal Reserve Board. If the board will have the wisdom and courage to establish a comprehensive and economical plan of bank clearings, it will be difficult to compute the advantages that this section of the currency bill will secure. While some banks will have their profits diminished, it will be profits to which they are not fairly entitled, and for the loss of which they will be more than compensated by the better and speedier facilities afforded for the transaction of business. [Applause.]

#### THE RECORD CLEAR.

Mr. Chairman, it is thus clearly demonstrable from the record that there is not one particle of foundation for this ignorant talk about "the radical improvement made by the Senate in the House currency bill." Such talk is referable either to the ignorance of those who indulge in it or to the crafty desire of certain politicians to save their reputation for consistency. Even as notable a publicist as Mr. George Harvey, of the North

American Review, marred the pages of that magazine recently with the absurd statement that the Federal reserve act as passed by Congress could not be recognized as the original House bill, thus giving currency and respectability to this wretched myth. There is not, as I have said, an essential provision of the currency bill as it passed the House that is not a part of the Federal reserve act under which the banking system of the country is now being operated.

#### BANKERS NOT IGNORED.

There is one other criticism to which I will briefly refer in order to correct a popular misconception among bankers. It has been said that the bankers were "largely ignored in the consideration of the currency bill"; whereas the truth is I felt a little afraid to let it be known how frequently and how seriously the bankers of the country were consulted. The details of the bill were worked out with painstaking care upon expert advice and submitted from time to time to practical bankers of the very highest order of ability for criticism and suggestion. The bill had more thorough preparation and more prolonged consideration than all the currency measures proposed since the adoption of the national-bank act 50 years ago. Its minor as well as its major features were submitted to the inspection of expert bankers for their advice before the bill was introduced in the House. This was done to such an extent that one of the almost insuperable objections to the measure in the course of debate was the suggestion that it was "a banker's bill" rather than a general measure of relief.

#### PRESIDENT WILSON'S LEADERSHIP.

I have gotten a great deal of reputation of one sort or another out of my connection with this currency legislation, and have greatly appreciated some of the kind things said about me, as well as some of the adverse criticisms I have been compelled to endure. Sometimes I have been puzzled to know whether I should value more the abuse received than the praise I got. Frequently I have heard myself actually described as a "patriot and a statesman"; and this afternoon Gov. Hamlin, of the Federal Reserve Board, was gracious enough to put a capstone to these eulogistic references by describing me as "a genius." I have gone around the country appropriating all of this praise with good grace. [Laughter.] It has never given me any embarrassment except at a public reception tendered me at my own home, when, looking over that audience of boys with whom I had fought chickens and robbed apple orchards and things like that, it made me feel a little foolish to hear myself described as a distinguished citizen. [Laughter.] However, when I get where I am not known I rather enjoy it.

But, Mr. Chairman, in all seriousness, while I take no little satisfaction in having had part in the preparation and passage of the Federal reserve act, it is fair to state that the greatest amount of credit for this notable legislative achievement is due to the President of the United States. [Applause.] This legislative miracle was wrought by the supreme patience and unsurpassed patriotism of Woodrow Wilson, who during the trying ordeal exhibited courage that was never excelled, and a passionate desire to serve the people of his country that was a positive inspiration. [Applause.]

And let me say to the members of the American Bankers' Association here assembled that if you gentlemen could have any adequate conception of the number and character of dangerous things which have been kept out of this act, you would have a readier and a greater appreciation of what is in it. [Applause.] Why, only within the last few days at Washington I have been compelled to resist the serious proposal that the Government of the United States should go into a scheme of valorization for the advantage of a single agricultural commodity—that the Government of the United States, to-day framing a measure to tax the American people \$100,000,000 to supply a deficiency in the public revenues occasioned by the European war, shall further tax the American people to the extent of \$500,000,000 to guarantee the price of a particular product. [Applause.] And the chairman of the Banking and Currency Committee of the House, as a southern man, is upbraided and reproached by his colleagues from that section because he is not willing to wreck the fabric of American credit for an imaginary service to a single interest. [Applause.]

Every patriotic American citizen has the intensest sympathy for the cotton growers of the South. There is not anything in saneness or sense that might be done for their relief which any man would hesitate to do, whether he be from Massachusetts or Mississippi, from Virginia or California; but it is preposterous to talk about doing things so foolish and so unprecedented

as are involved in this scheme of valorization. Not only is it foolish to suggest them, it is cruel and unpatriotic, as their proponents know they will not be done. [Applause.]

#### POLITICAL DELINQUENTS.

Finally, gentlemen, permit me to remark that there are some people in this world who are not of it. There are persons who are disposed to deride politics and who make a point of affecting contempt for public men. These, without discrimination, they characterize as "politicians," and ascribe to them an utter lack of patriotism and an incapacity to deal with business questions. Against critics of this type I desire to bring an indictment of responsibility for most of the maladministration of government and for most of the bad legislation that gets upon the statute books of the country. [Applause.] These critics are not confined to bankers, but you undoubtedly have a large percentage of the type among you. [Applause and laughter.] Men of this description toast their heels before their anvil stones in the evening with a complacent indifference to public affairs; and then on the morrow they complain that the "ward politicians," to whom they have given free rein, run politics as only ward politicians can. [Applause.] I feel like saying to the average American citizen of that type, whose wail is heard abroad in the land when anything is done that does not suit him in Congress: "You are responsible!" If these cynical critics would but attend to public affairs, if they would but take pride and patriotic interest in the politics of their country, if they would half way do their duty, there would be fewer demagogues in public life and less bad legislation on the public statute books. [Applause.] A demagogue is worse than an assassin, and I would, above most things, hate to be responsible for one of the species. If there is anything for which I feel that I can reverently thank God, it is that in my whole public career I have tried to do what my judgment has dictated should be done and have never paused in the doing long enough to inquire whether it was popular or unpopular. [Applause.]

#### CONCLUSION.

Now, I thank you again for your very courteous and gracious invitation, and even more for your rather apparent interest in what I have said. I wish I could have withdrawn my thoughts from matters that were immediate and imperative at Washington, that I might better have prepared a succinct and cogent exposition of all the provisions of this Federal reserve act, but that was impossible, and I hope you will appreciate that it was because I was trying to serve my country there that I could not to-day do better here. [Applause.]

#### EXTENSION OF REMARKS.

Mr. WEBB. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. EAGAN. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from New Jersey [Mr. EAGAN] makes the same request. Is there objection?

There was no objection.

#### WAR PROSPERITY.

Mr. NORTON. Mr. Speaker, I believe in pitiless publicity in politics. I believe that political campaigns should be campaigns of education and of facts. Any part which I may take in the discussion of political and economic questions during the present presidential campaign it will be my earnest endeavor to present the plain, cold facts in regard to the principles of the Democratic and Republican Parties and the results obtained from the operation of these principles, so that my auditors and my readers may from these facts draw their own conclusions.

During the past few months a great deal has been said on the floor of the House by our Democratic friends concerning the prosperity which at present exists in the Nation. However, very little mention has been made by members on the Democratic side of the House of the business conditions that existed in the country during the spring and summer and just prior to the beginning of the European war in 1914. The depressed and deplorable condition of the business and industries of the country which followed the putting into effect of the Underwood tariff law and which was in evidence during the spring and summer of 1914 up to the time of the beginning of the European war in August of that year has not been forgotten and can not be forgotten by the millions of men who were out of employment during those days.

Prior to the present administration the Republican Party had been practically in uninterrupted control of the Government from March 4, 1897, to March 4, 1913. Since shortly after the Government was returned to the control of the Republican Party in 1897 and the country had recovered from the effect of Democratic tariff legislation under the Cleveland administration it has enjoyed a steady, vigorous, and sound development up to the time of the beginning of the Wilson administration in 1913, with the single exception of a short period of a few months in 1907 and 1908, when business was arrested by a temporary money panic brought on largely through a crusade inaugurated by President Roosevelt against bad business monopolies in the country.

While the Democratic Party had a majority in the House of Representatives in the Sixty-second Congress, which was called by President Taft in extraordinary session on April 4, 1911, the party did not come into full control of the Government until March 4, 1913. Since that time Woodrow Wilson has been President and a majority of Democratic Members have been in control of both the House and Senate. When the Republican Party turned control of the Government over to the Democratic Party in 1913 every line of business in the country was prosperous and flourishing and all men who would work found ready employment. Mines, factories, and shops everywhere were busy. The hum of industry was heard on every hand. The trade balance was as it had been for many years under Republican economic policies largely in our favor. Peace, happiness, and prosperity abounded throughout the whole country.

I am greatly surprised that some of our Democratic friends in their unbridled partisan criticism of the Republican Party make bold to charge that when the control of the country was taken over by the Democratic Party in 1913 the "business and industrial life of the country was in a weak and deplorable condition." This is a serious indictment, an indictment which, if true, after the Republican Party had been in full control of the Government for a decade and a half would warrant the repudiation of the Republican Party by the American people. How groundless and how untrue the indictment is can be best demonstrated by making a comparison of the condition of the leading business activities and industries of the Nation in the year 1900 and in the year 1913. I have selected this period, believing that it was fair to assume that conditions were normal under Republican control and under Republican Party economic principles in 1900, the country then having had three years to recover from the disastrous results of the economic follies of the Cleveland administration.

From 1900 to 1913 our population increased from 76,000,000 to 97,000,000, an increase of 27.7 per cent. In the 12 years' period of 1900 to 1912 our wealth increased from \$88,517,307,000 to \$187,739,071,000. The per capita wealth of the continental United States in 1900 was \$1,164.79, and in 1912, \$1,965. Thus it will be seen in the 12-year period from 1900 to 1912, as given by the Statistical Abstract of the United States, our wealth increased nearly 70 per cent, while during the 13 years from 1900 to 1913 our population increased but 27.7 per cent. This striking evidence can not be well said to indicate that "the business and industrial life of the country was in a weak and deplorable condition" when the control of the Government was taken over by the Democratic Party in 1913.

The amount of money in circulation in the United States in 1900 was \$2,550,000,000. This was increased to \$3,363,000,000 in 1913 under Republican control of the Government, an increase of more than 63 per cent. In 1900 our national debt, less cash in the United States Treasury, amounted to \$1,107,711,257.89, or a per capita indebtedness of \$14.58. In 1913 this amount had been reduced to \$1,027,574,697.28, or to a per capita indebtedness of \$10.60. While our population increased 27.7 per cent, it appears our public debt, less cash in the United States Treasury, decreased more than 28 per cent. The bank clearings of the United States, which in these days of modern business methods are one of the best criterions of the business condition of the country amounted in 1900 to \$84,582,000,000 and in 1913 they had increased to \$173,000,000,000, an increase of more than 100 per cent.

The number of national banks increased from 3,732 in 1900 to 7,473 in 1913, another increase of more than 100 per cent. During the same time the paid-up capital of these banks increased from \$621,536,000 to \$1,056,919,000, an increase of 60 per cent. At the same time the surplus and undivided profits of these banks had increased from \$391,000,000 to \$988,000,000, an increase of 170 per cent. Not alone was the great prosperity of the country during this period under Republican policy confined to the banking and commercial business interests of the

country. During this period the farming industry, as well as all other industries, shows a marvelous progress and development. In 1900 the value of all farm property, including land, buildings, implements and machinery, and live stock, was \$20,439,901,164. In 1910, the last year for which the census reports are available on this subject, shows that the value of all farm property had increased to \$40,991,449,000, being an increase of more than 100 per cent. During this time the value of farm buildings alone increased nearly 100 per cent. The production of wheat was increased 46 per cent, and the production of cotton more than 39 per cent. The production of beet sugar increased from 163,458,075 pounds in 1900 to 1,385,112,000 pounds in 1913, an increase of 750 per cent. The production of coal increased 110 per cent, and the production of copper, the use of which enters into a large number of the industries of the country, increased 100 per cent. To-day is largely the age of iron and steel. The volume of these products used is looked upon as a true and safe measure of the sound business activities of the country. For this reason I call your attention particularly to the fact that the production of pig iron increased from 13,789,242 long tons in 1900 to 30,966,152 long tons in 1913, an increase of more than 100 per cent, while at the same time the production of steel increased from 10,188,229 long tons in 1900 to 31,300,874 long tons in 1913, an increase of 200 per cent.

In this same 13-year period the railroads evidenced a vigorous and steady growth. In 1900, 142,000,000 short tons of freight were carried 1 mile by the railroads of the country. This was increased to 301,000,000 short tons in 1913, an increase of more than 110 per cent in the freight traffic in the country. The passenger traffic showed a like increase of 80 per cent, 577,000,000 passengers being carried in 1900 and 1,034,000,000 in 1913. The Postal Service also presents further evidence of the general development and prosperity of the country during this period under Republican management. In 1900 the gross revenue of the Postal Department was \$102,354,000. This was increased to \$266,619,000 in 1913, an increase of 160 per cent.

In this 13-year period of marked material prosperity in the country the higher consideration of the future citizens of the country, who in the next generation are destined to rule the Nation, was not overlooked. In 1900 we expended for our public schools \$214,954,000. This expenditure for common-school purposes was increased to \$521,546,000 in 1913, an increase of 143 per cent. This increased expenditure for the common schools of the Nation during the period when our population increased but 27.7 per cent speaks volumes for the wise and statesmanlike leadership of those then guiding the Nation's destiny.

One of the modern methods of saving now generally employed by the laboring classes of our country is investment in life insurance policies. The number of life insurance policies taken out each year indicates in a considerable measure the prosperity or lack of prosperity among the laboring classes. The number of life insurance policies in ordinary and industrial companies in 1900 was 14,395,347. This number increased in 1913 to 37,448,941, an increase of more than 150 per cent. At the same time the amount paid to policyholders in 1900, being \$168,687,001, had increased in 1913 to the splendid sum of \$469,588,123, an increase of 180 per cent.

Not alone in our domestic banking, farming, mining, manufacturing, and commercial business do we find incontrovertible evidence of sound prosperity under Republican control of the Government during the period between the Cleveland and Wilson administrations, but also do we find this evidence in our foreign trade. In 1900 our exports and foreign market amounted to \$1,394,000,000. This was increased in 1913 to \$2,465,000,000. This increase was not brought about through the occurrence of any great war, but by the exercise of American business enterprise fostered and protected by wise and sound economic legislation.

While the Republican Party was in control of the Government during those years, and was aiding and encouraging a wonderful activity and progress in all lines of business, it added no heavy burdens of governmental expenses on the people of the country. The total ordinary revenue of the Union amounted to \$7.43 per capita in 1900 and to \$7.44 per capita in 1913. In 1900, as well as in 1913, our revenue under Republican control of the Government was largely in excess of our expenditures, whereas in 1915, under Democratic control of the Government, the expenditures exceeded the revenue by nearly \$63,000,000.

While it is a small matter, still it may be noted in passing, as it bears upon the oft-repeated charge of extravagance in governmental administration made by the Democratic Party against the Republican Party, the latest Statistical Abstract of the

United States shows that the cost of collecting the customs revenue during the year 1915 was 4.42 per cent of the amount collected. This was a larger percentage of cost for the collection of our customs revenue than that incurred during any year under Republican administration from 1900 to 1913.

When the cold facts and statistics of business and trade in the country are known and considered, the false charge that "the business and industrial life of the country was in a weak and deplorable condition" in 1913, when the control of the Government was turned over to the Democratic Party, crumbles and falls and, writhing, dies even among its own worshippers.

But let us consider what really occurred when the Democratic Party took charge of the Government in 1913. The Sixty-third Congress was called in extraordinary session by President Wilson for the special purpose of changing the Republican protective tariff law to conform, as it was proclaimed, to the declarations of the Democratic platform of 1912, which on that subject said:

We declare it to be a fundamental principle of the Democratic Party that the Federal Government, under the Constitution, has no right or power to impose or collect tariff duty except for the purpose of revenue.

The Underwood tariff law was approved by President Wilson on October 3, 1913. This law, according to Representative UNDERWOOD himself, was a very mild and homeopathic Democratic tariff law and only a forerunner of the sweeping tariff reductions which we were informed by him would soon thereafter follow under further Democratic control of the Government.

For the month of October, 1914, our exports exceeded our imports by \$138,912,152. Following the enactment of the Underwood tariff law, our exports began to steadily decrease and our imports to increase until in March, 1914, the excess of our imports over our exports had fallen to \$4,943,930. In April, 1914, for the first time in 15 years, our imports exceeded our exports. In this month of April, 1914, our imports exceeded our exports by \$11,209,544. In May, June, and July of that year our imports exceeded our exports in steadily increasing amounts. In August, 1914, our imports exceeded our exports by \$19,030,382. During the 10 months prior to the beginning of the European war in which the Underwood tariff law was in operation our imports increased \$101,977,000 and our exports decreased \$158,888,000, thus causing a reduction in our balance of trade of more than \$260,000,000. Every dollar of this sum represented a dollar sent to a foreign country and lost to American industry.

The knowledge of this falling off in our trade balance, coupled with the knowledge that during this 10-month period our imports increased many millions of dollars and at the same time our customs revenue, due to the lower rate of the Underwood tariff law, decreased, is the key to the knowledge of the cause of the deplorable condition in which the business of the country was thrown during the months in 1914 preceding the European war.

For the 10 months in which the Underwood tariff law was in operation before the beginning of the European war, which began in August, 1914, the bank clearings of the country were \$3,300,000,000 less than during the corresponding period in 1912 and 1913 under Republican economic policies. Commercial failures increased from \$98,816,000 in 1912 to \$113,863,000 in 1913 and to \$175,298,000 in 1914. Statistics also show a decrease of many millions of dollars in the amount expended for building operations during this period.

The following table shows the imports and exports for each month of the 10-month period from October 1, 1912, to July 31, 1913, while the Payne tariff law was in operation:

	Imports.	Exports.	Excess of exports.
<b>1912.</b>			
October.....	\$177,987,986	\$254,633,504	\$76,645,518
November.....	153,094,898	278,244,191	125,149,293
December.....	154,095,444	250,315,807	96,220,363
<b>1913.</b>			
January.....	163,063,438	227,032,930	63,969,492
February.....	149,913,918	193,996,942	44,083,024
March.....	155,445,498	187,426,711	31,981,213
April.....	146,194,461	199,813,438	53,618,977
May.....	133,723,713	194,607,422	60,883,709
June.....	131,245,877	193,404,916	62,159,039
July.....	139,061,770	169,990,778	30,928,008
	1,503,827,003	2,110,469,639	606,633,633

The following table shows the imports and exports for each month for the 10 months, October, 1913, to July 31, 1914, the time during which the Underwood tariff law was in operation before the beginning of the European war:

	Imports.	Exports.	Excess of—	
			Imports.	Exports.
<b>1913.</b>				
October.....	\$132,949,302	\$271,861,464		\$138,912,162
November.....	148,236,539	245,539,042		97,302,503
December.....	184,025,571	233,195,628		49,170,057
<b>1914.</b>				
January.....	154,742,923	204,066,603		49,323,680
February.....	148,044,776	173,920,145		25,875,369
March.....	182,555,304	187,499,234		4,943,930
April.....	173,762,114	162,552,570	\$11,209,544	
May.....	164,281,515	161,732,619	2,548,896	
June.....	157,529,450	157,072,044	457,406	
July.....	159,677,291	154,138,947	5,538,344	
	1,605,804,782	1,951,578,296	19,754,190	365,527,704

In the knowledge of these facts in mind it is not surprising that during this period thousands of men were out of employment, that hundreds of factories closed their doors, and that there was a dearth of new business enterprises and a halting of general industrial activity, and a widespread apprehension and belief that the economic policies of the Democratic Party would again destroy rather than foster and encourage American business and industry.

Then, in the height of this business depression, in August, 1914, suddenly burst on the world the gigantic European war, and with it the tremendous demand for war munitions, war supplies, and miscellaneous merchandise and foodstuffs needed in the struggle between the allied and central European powers. A new life was quickly injected into the trade and business of the country. At once our exports began to increase over our imports so that in September, 1914, our exports exceeded our imports by \$16,341,732. During the fiscal year ended June 30, 1915, our export of merchandise exceeded our imports by the enormous sum of \$1,094,419,600, our total export amounting in that year to \$2,758,589,340, as compared with exports amounting to \$2,364,579,148 in 1914. In 1916 our exports continued to increase and aggregated the enormous sum of \$4,333,648,865 for the year ending June 30, 1916. During the fiscal year 1916 our exports exceeded our imports by \$2,135,775,355, being practically 400 per cent greater than the average excess of our exports over our imports during the fiscal year 1913.

The balance of trade is at present in favor of the United States in an amount exceeding \$200,000,000 a month, and is constantly increasing as the European war continues. The exports of the country for the fiscal year 1916 increased almost \$2,000,000,000 above what our exports were during the fiscal year 1914. At the same time our imports increased from \$1,893,925,657 in 1914 to \$2,197,883,510 in 1916. The duty collected from customs, it will be noted, during this time fell off from \$283,719,081 in 1914 to \$211,866,222 in 1916. Our exports and imports and customs duties collected for the years 1913, 1914, and 1916 are shown in the following table:

	1913	1914	1916
Exports.....	\$2,465,884,149	\$2,364,579,148	\$4,333,658,865
Imports.....	1,813,008,234	1,893,925,657	2,197,883,510
Excess of exports over imports.....	652,875,915	470,653,491	2,135,775,355
Per cent of free imports.....	54.47	59.53	67.91
Duties collected from customs.....	312,509,916	283,719,081	211,866,222

An examination of the character of the exports where the largest increases have occurred will disclose that the increase is composed altogether of war munitions and supplies and other merchandise needed by the people of the warring nations in carrying on their superlatively destructive warfare.

Mr. FITZGERALD. Will the gentleman yield?

Mr. NORTON. Certainly.

Mr. FITZGERALD. Does the gentleman mean to say that our exports of war munitions amount to \$2,000,000,000 a year?

Mr. NORTON. I will say to the gentleman in reply that I intend to assert that the value of our exports of war munitions and supplies for war purposes, including merchandise necessary to the warring nations such as horses, mules, foodstuffs, and various manufactured articles, now aggregates fully \$2,000,000,000 a year.

Mr. FITZGERALD. War munitions are about 6 per cent of our exports, or about \$240,000,000.

Mr. NORTON. I have heard statements similar to that made before, that our export of war munitions, including guns and ammunition, amounted only to about 6 per cent of our total ex-

ports. Such a statement is entirely unsupported by the facts, and must have originated in the mind of some one who has given little or no study to this subject. The value of actual war munitions exported during the past year is incomparably greater than 6 per cent of the total export for the year. I shall place in the RECORD a table showing what the sum of our exports were during the normal year of 1914, while the Democratic Party was in control of the Government, and also what the amount of the exports of these articles was during the fiscal year ended June 30, 1916. This table will show conclusively what war munitions and war supplies have been exported and will demonstrate that the statement that only 6 per cent of all our exports was made up of war munitions is highly ridiculous.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. NORTON. I shall be pleased to yield to the distinguished gentleman from Vermont.

Mr. GREENE of Vermont. Is it not the fact that the character of the so-called munitions has been almost completely changed since the time of the last great war, and that articles now entering into and controlling war munitions formerly were only regarded as merchandise or common supplies?

Mr. NORTON. That is very true.

Mr. GREENE of Vermont. Is it not true that this is a machine-made war and that gasoline became an essential of war and of war munitions?

Mr. NORTON. Gasoline and aeroplanes and submarines and things unheard of in prior wars must properly be included at this time as actual munitions of war. As I said, I shall place in the RECORD an authentic table setting forth some of these articles and the amount of increase in exports of the same, and shall leave the question to you to determine whether or not the statement I make is a fair conclusion justified by the facts.

Mr. BENNET. Will the gentleman include the \$41,000,000 in value of alcohol, which might be called munitions of war?

Mr. NORTON. Alcohol has become one of the war necessities in the present great war across the Atlantic, and there accordingly has been a great increase in the export of this commodity from this country since the beginning of that war.

Table showing exports which have been greatly increased through war demands.

Articles.	For fiscal year ending June 30, 1914.	For fiscal year ending June 30, 1916.	Excess in 1916 of exports over normal Democratic year of 1914.
Aeroplanes, and parts of.....	\$226,149	\$7,002,005	\$6,775,856
Aluminum, and manufactures of.....	1,101,920	5,644,319	4,542,399
Alcohol.....	67,728	8,784,742	8,717,014
Animals:			
Horses.....	3,388,819	73,531,146	70,142,327
Mules.....	690,974	22,946,312	22,255,338
Cattle.....	647,288	2,383,765	1,736,477
Automobiles and parts of.....	33,198,806	120,000,866	86,802,060
Barbed wire.....	4,039,590	23,909,209	19,869,619
Breadstuffs.....	165,302,388	435,696,629	270,394,241
Brass, and articles made from.....	7,472,476	164,876,044	157,403,568
Cars and railways.....	11,177,776	26,661,015	15,483,239
Chemicals, drugs, and medicines.....	27,079,092	124,362,167	97,283,075
Copper, and manufactures of.....	146,222,556	173,946,226	27,723,670
Cotton manufactures.....	51,467,233	112,053,127	60,585,894
Engines and parts of.....	17,056,124	36,931,253	19,875,129
Explosives.....	6,272,197	467,081,928	460,809,731
India rubber, manufactures of, including automobile tires.....	12,441,220	35,180,066	22,738,846
Iron and steel, manufacture not included in any of foregoing items.....	230,384,963	560,368,991	329,984,028
Leather goods and tanned skins, including boots, shoes, and harness.....	57,466,261	146,613,815	89,147,554
Meat products.....	143,261,846	266,795,608	123,533,762
Refined sugar.....	1,839,983	79,390,147	77,550,164
Wool, manufactures.....	4,790,087	53,983,655	49,193,568
Zinc, manufactures.....	406,208	45,867,156	45,460,948
Total.....	926,001,684	2,994,010,221	2,068,008,537

The table which I here present shows 23 articles which enter into the needs of the warring nations and the war demand for which during the year 1916 has increased the exports of these articles more than \$2,000,000,000 over what the exports of these articles were during the year 1914. This table is compiled from the official reports of the foreign commerce and navigation of the United States made by the Department of Commerce. The single item of explosives appearing in the table shows that the export of explosives increased in 1916 more than \$460,000,000 over the value of the export of explosives in 1914, and explodes completely the statement of our Democratic friends that only about 6 per cent of our total exports in the year 1916 was composed of war munitions.

The conclusion from the facts and figures of our present export trade is inevitable that the temporary prosperity we are

now experiencing is a war prosperity pure and simple. It is a prosperity constructed on no sound or lasting economic principle. It is a prosperity which will collapse—not after the war, but be washed away by the first advancing wave of peace in Europe. It is a prosperity which will collapse—not after the war, but at the very first negotiations for peace. When the dove of peace returns to the now embattled nations across the sea the cream of our present export business will become sour milk. Then American wage earners will drop out of the pay line in tens of thousands if, while we lose the war markets of the world to the extent of thousands of millions of dollars each year, there are no permanent business industries to which they may turn for their bread and butter, because the vessels of all the world will be bringing their cargoes into our markets. Our poor old Democratic Party is water-logged with opposition to our Republican Party principles for the upbuilding and the protection of American home industry and is hopelessly unable to provide means to meet the situation which is certain to follow the close of the European war. Your party does at last seem to realize the situation which confronts the Nation and is making a pretense before the coming presidential election of adopting some fundamental Republican economic policies.

While you have heretofore opposed and scorned the suggestions of the Republican Party for a tariff commission, within a few hours you will repudiate the position you have taken for years on this question and will provide for such a commission in the revenue bill you are to pass to-day. But, as Senator UNDERWOOD, the former leader of your party in this House, argues, what good can come from a tariff commission under a party holding, as the Democratic Party does, to the economic belief that a tariff for the protection and upbuilding of American industry is unconstitutional and indefensible? Naturally, no good will come of it under any Democratic administration. As I said on the floor of the House two years ago, the American people at the first opportunity will record their disapproval of the present Democratic administration in no uncertain manner. They have within the past three years witnessed the business life and the industry of the country prostrated by the impracticable economic policy of the Democratic Party. They have witnessed the hopelessness and inefficiency of the Democratic Party to meet the world problems with which we are now confronted. They will no longer risk their welfare and happiness with a party whose principles are destructive of American progress and prosperity. They will no longer be deceived by false party promises and by free-trade prophecies. When the next opportunity presents itself at the November election they will return to the control of the Government that grand old Republican Party which has so long stood for America first before all the world; that party which has successfully met every great problem that has confronted the Nation during the past 60 years; that party under whose sound economic principles the Nation has enjoyed a prosperity and progress unprecedented in all the history of the world. [Applause on the Republican side.]

#### FEDERAL FARM LOAN ACT.

Mr. BARNHART. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate concurrent resolution 26 and place it on its passage at this time.

Mr. BENNET. Mr. Speaker, to save time, for the present I shall object. Possibly if the gentleman makes his request later I will not.

Mr. BARNHART. Will the gentleman withhold his objection until it is reported?

Mr. BENNET. I will.

The Clerk read the concurrent resolution, as follows:

Senate concurrent resolution 26.

Resolved by the Senate (the House of Representatives concurring), That there be printed 150,000 additional copies of Senate Document No. 500, Sixty-fourth Congress, entitled "The Federal Farm Loan Act," of which 50,000 copies shall be for the use of the Senate and 100,000 copies for the use of the House of Representatives.

The SPEAKER. Is there objection?

Mr. BENNET. Reserving the right to object, has not this been printed by the House?

Mr. BARNHART. I understand not. The bill just came from the Senate. I have made inquiries at the desk, but they do not know of any such resolution, and none has been referred to the committee. If it was done, it was done in conjunction with the bill, and I have inquired of the gentleman from Indiana [Mr. MOSS], and he said he knew nothing of such a resolution.

Mr. GLASS. Mr. Speaker, I will say to the gentleman from New York that the Banking and Currency Committee of the House has been overwhelmed by Members applying for copies of the farm-loan act, and I suggested to the Senator from Florida [Mr. FLETCHER], chairman of the Joint Committee on Printing, that he present this resolution to the Senate, which he did, and it was unanimously passed.

Mr. NORTON. Will the gentleman yield?

Mr. BARNHART. Yes.

Mr. NORTON. What provision is made as to how the bills are to be distributed—through the folding room or the document room?

Mr. BARNHART. It will be a House document and go to the folding room. They all go there unless it is specified that they shall go to the document room.

Mr. BENNET. What is the approximate cost?

Mr. BARNHART. It is not reported but it will be insignificant. It is a small pamphlet. The committee has had no means to have a meeting and it comes here as a matter of unanimous consent. I trust that the gentleman from New York at this late hour will not object. In ordinary matters of this kind I like to have them considered in that way, but there have been so many requests from Members, and because of my inability to have this attended to in my long absence, I hope that the gentleman will withdraw his objection.

Mr. CANNON. Mr. Speaker, I was under the impression that a day or two ago there was a resolution offered in the House—I do not recollect whether it passed or not—but there was some discussion about it. The minority leader insisted if I recollect right that the Agricultural Department was preparing full instructions and had a sufficient appropriation to answer all demands.

Mr. GLASS. I will say to the gentleman that by direction of the Banking and Currency Committee of the House I introduced a resolution to have 50,000 copies printed and the House agreed to the resolution. It was first submitted to the minority leader, but we found that we could have but 35,000 copies and they were soon exhausted.

Mr. BARNHART. That was for \$500.

Mr. GLASS. Yes; and then we asked for 50,000 more. But in talking with the Senator from Florida who is the chairman of the Joint Committee on Printing, he and I concluded that in view of the enormous demand for the document we better have 150,000 printed and divide them between the Senate and the House.

Mr. CANNON. They will be distributed through the folding room?

Mr. GLASS. One hundred thousand of them will.

Mr. BENNET. Mr. Speaker, let us have the resolution again reported.

The SPEAKER. Without objection the Clerk will again report the resolution.

There was no objection, and the Clerk again reported the resolution.

Mr. BENNET. Mr. Speaker, in view of the fact that this request comes from the chairman of the Committee on Printing, a fact that I had overlooked, who is a pretty good guardian of the Treasury, I shall not object.

The SPEAKER. Is there objection?

Mr. CANNON. Mr. Speaker, I want to ask the gentleman a question. I have seen many copies of the act, but I think I saw one copy of it that had side notes upon it.

Mr. GLASS. Yes; and that is the one that is covered in this resolution.

Mr. BARNHART. That is the one.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. RAGSDALE, for two days, on account of the illness of his wife.

#### WILLIAM HAROLD KEHOE.

Mr. FIELDS. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 6279) for the relief of William Harold Kehoe.

The SPEAKER. Is there objection?

Mr. BENNET. Mr. Speaker, I object.

The SPEAKER. The gentleman from New York objects.

#### EXTENSION OF REMARKS.

Mr. MEEKER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD upon the subject of the exports of the Nation for the last three years.

The SPEAKER. Is there objection?

There was no objection.

#### WIDOWS' PENSIONS.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11707) to amend an act entitled "An act to increase the pension of widows, minor

children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908, and for other purposes, with Senate amendments thereto, and that the Senate amendments be agreed to.

The SPEAKER. The Clerk will report the Senate amendments.

The Clerk read the Senate amendments.

The SPEAKER. Is there objection?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, I move that the House concur in the Senate amendments.

Mr. NORTON. Mr. Speaker, will the gentleman briefly explain the amendments made by the Senate?

Mr. ASHBROOK. Mr. Speaker, I will say to the gentleman that the first amendment is to make more clear who is entitled to a pension under this bill. The second amendment also relates to the same. It provides that the widows of soldiers of the Civil War—

Mr. NORTON. And of the Spanish-American War?

Mr. ASHBROOK. No.

Mr. NORTON. It applies to the Civil War?

Mr. ASHBROOK. Yes.

Mr. BENNET. Mr. Speaker, amendment No. 2 also applies to the Mexican War and the War of 1812.

Mr. ASHBROOK. Yes; but does not include the Spanish-American War widows.

Mr. BRUMBAUGH. Will the gentleman yield?

Mr. ASHBROOK. I will.

Mr. BRUMBAUGH. The date, I understand, in the bill is fixed at 1905?

Mr. ASHBROOK. I will say that the bill as it passed the House fixed the day of marriage at June 27, 1905. The Senate Pension Committee moved the date up to the passage of the bill; but the Senate this morning in passing the bill rejected the amendment of the Senate Pension Committee and passed the bill the same as it left the House, to wit, June 27, 1905.

Mr. RAKER. The last amendment, does the gentleman think that is all right?

Mr. ASHBROOK. I would say to the gentleman—

Mr. RAKER. It is not in the House bill. The Senate gave considerable discussion to it to-day. I think the Pensions Committee of the House is really opposed to the provision charging the widows \$10 for presenting their pensions. Now, as a matter of fact, the pension officials send out a notification and there is nothing on earth to do except for her to go before some notary public or friend and prepare and send it here, and then the Congressmen and Senators could attend to these matters. And why should these people be compelled to give up \$10?

Mr. ASHBROOK. I will say that I originally thought practically the same way about it, that I would not allow any pension agent or attorney a single cent for his services, but this bill provides that for widows who are now on the roll the pension agents can not charge; only those widows who have never established a claim and who do not now receive a pension can be charged. In those cases there is likely to be considerable trouble, and it was thought perhaps wise that some provision should be made for the payment, because many widows are poor and ignorant and do not know very much about what they are required to do to establish their claim, which frequently requires much work to supply the required proof or evidence.

Mr. FITZGERALD. Any widow who now receives a pension and is entitled to an increase can not be charged for the pension.

Mr. ASHBROOK. In cases of that kind the pension agents are forbidden to make a charge.

Mr. RAKER. What in regard to making a charge in regard to remarriage? If the second husband is since dead, will they be charged under that?

Mr. ASHBROOK. If they were once upon the pension roll, there would be no charge. If they never have been on the pension roll, there will be.

Mr. RAKER. If they are on the roll now or have been on, there will be no charge against them?

Mr. ASHBROOK. That is right.

Mr. RAKER. It is simply the new cases?

Mr. ASHBROOK. That is right.

Mr. RAKER. And the gentleman would rather for it to go through this way than to have any question at this time?

Mr. ASHBROOK. I would by all means.

Mr. RAKER. I feel the same way.

Mr. CLINE. Could there be a charge for those cases where the widow on the pension rolls by virtue of this act gets an increase?

Mr. ASHBROOK. None whatever.

Mr. BENNET. I think the seventh amendment strikes out the proviso at the bottom of page 3, and apparently that takes out of this bill certain classes of widows. Am I correct, or is there some explanation of that?

Mr. ASHBROOK. I will say to the gentleman from New York that this amendment was prepared by the Pension Office and was offered by the Senator from Utah [Mr. SMOOT] and, as I understand this amendment, Mr. Speaker, it provides that a widow who has children, as mentioned in this paragraph, who are domiciled in her own home is entitled to this increase in the pension provided by this act, but if the children are not domiciled in her own home she is not entitled to it.

Mr. BENNET. I will say to the gentleman it does not seem to read that way. It strikes out this language:

That the benefits of this act shall include those widows whose husbands, if living, have a pensionable status under the joint resolutions of February 15, 1895, July 1, 1902, and June 28, 1906.

And it does not appear in any other amendment.

Mr. ASHBROOK. But if the gentleman will read, it says:

*Provided, however,* That where a pension has been granted to a soldier's or sailor's helpless or idiotic child or children, or child or children under the age of 16 years, his widow shall not be entitled to pension under this section, unless the pension to such child or children has terminated, or unless such child or children be a member or members of her family and cared for by her, and upon allowance of pension to the widow, payment of pension to such child or children shall cease.

Mr. BENNET. Yes; but there is absolutely no connection between the two. It strikes out a provision for certain widows, and then provides for certain other widows, but the children of certain described classes shall not get pensions while those widows are receiving pensions. I can not see any provision in the bill that does it.

Mr. ASHBROOK. As I stated to my friend, this provision was prepared at the Pension Office, and a copy was sent to Senator Smoot and a copy to the ranking Democratic Member, with the suggestion that an amendment ought to be offered and adopted, and it was offered by the Senator from Utah and adopted without opposition in the Senate. I have had no opportunity to give the amendment any consideration except that I heard it slightly discussed in the Senate this morning.

Mr. BENNET. The most potent argument for the Senate amendment is the lateness of the session.

Mr. ASHBROOK. That is true, and I hope the gentleman will not raise any objection to this amendment. If we hope to pass this bill at this session, it is important that we concur in the amendment. In view of the fact that this is a recommendation of the Pension Office, I think we ought to be willing to accept it.

Mr. BRUMBAUGH. Mr. Speaker, will the gentleman yield for a question?

Mr. ASHBROOK. Certainly.

Mr. BRUMBAUGH. As the gentleman knows, I am very much in favor of the bill, but, like other gentlemen, I do not like the attorney's fee feature in it. But I do not want to delay the passage of the bill. I would like to ask the gentleman, Is there any provision against an attorney soliciting trade or must the attorney be a local attorney? Is there anything against these Washington attorneys looking up lists and writing to these people that a bill is pending and have us do all the work and they get the credit for it?

Mr. RAKER. As to that, I want to say that many people have already written to me about this bill, which they mention as having been pending here for the last three months, and they seem to know about it.

Mr. ASHBROOK. The widow must nominate her agent or attorney in her application. Of course whomever she chooses to nominate as her attorney when her claim is allowed will get the \$10 fee. If she prefers a Washington attorney to a local attorney, of course that is her own affair.

Mr. HARRISON. Mr. Speaker, there seems to be a good deal of controversy over the Senate amendments to this bill. Does not the gentleman think it might be well to delay it to let us look over the amendments until to-night? I understand there is going to be another session.

Mr. ASHBROOK. I do not understand that there is to be any controversy over these amendments. Some questions have been asked about them, but I do not think that any Member will object to the amendments. I would like to have the amendments concurred in at this time, so that the bill will be signed by the Speaker and the Vice President to-night and by the President before he leaves the city to-morrow, and I trust my good friend will interpose no objection.

Mr. HARRISON. I do not want to object. I merely suggest that it might be well to have an opportunity to look over it and vote on it.

The SPEAKER. The question is on concurring in the Senate amendments.

The Senate amendments were concurred in.

On motion of Mr. ASHBROOK, a motion to reconsider the vote whereby the Senate amendments were concurred in was laid on the table.

Mr. ASHBROOK. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. The gentleman from Ohio [Mr. ASHBROOK] asks unanimous consent to extend his remarks on this bill. Is there objection?

There was no objection.

Mr. RAKER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California makes the same request. Is there objection to the gentleman's request?

There was no objection.

Mr. BRUMBAUGH. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Ohio [Mr. BRUMBAUGH] makes the same request. Is there objection?

There was no objection.

#### SPEECH OF EX-CONGRESSMAN GRAHAM, OF ILLINOIS.

Mr. STONE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by inserting a speech recently delivered by ex-Congressman Graham of Illinois.

The SPEAKER. The gentleman from Illinois [Mr. STONE] asks unanimous consent to extend his remarks in the Record by inserting a speech recently delivered by ex-Congressman Graham. Is there objection?

There was no objection.

#### ORDER OF BUSINESS.

Mr. FITZGERALD. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8.30 o'clock this evening.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] asks unanimous consent that the House stand in recess until half past eight to-night. Is there objection?

Mr. BENNET. Mr. Speaker, reserving the right to object, is it the purpose of the evening session to take up the revenue bill and the general deficiency bill?

Mr. FITZGERALD. It is expected that the conference report will be ready on the revenue bill, and the conference report is ready on the deficiency bill and will be presented at that time.

Mr. BENNET. That is the purpose of having this evening session?

Mr. FITZGERALD. Yes. It will take about 14 hours to engross the revenue bill, and a meeting should be held to-night so as to permit the engrossment of the bill in time for an adjournment to-morrow.

Mr. BENNET. Of course it is to facilitate final adjournment?

Mr. FITZGERALD. Yes.

The SPEAKER. Is there objection?

Mr. BUCHANAN of Illinois. Reserving the right to object, Mr. Speaker, aside from the revenue and deficiency bills, there is very important legislation now being considered over in the Senate, such as the corrupt-practices act. I think the Senate should be given further time to consider that measure. I object to the recess, and unless we can adjourn over until to-morrow I think I shall have to make the point of no quorum.

The SPEAKER. There will be an adjournment to-night until to-morrow.

Mr. BUCHANAN of Illinois. I do not think it is necessary to have a meeting to-night.

Mr. FITZGERALD. The regular order will be the calling of the calendar and the committees. If some bill is called up to which there is objection, why—

Mr. BUCHANAN of Illinois. I think a motion to adjourn would be a proper motion, and unless that motion is made I think I shall have to make the point of no quorum.

Mr. FITZGERALD. That motion ought not to be made, because it will require time to engross the revenue bill.

Mr. BUCHANAN of Illinois. I make the point of no quorum, Mr. Speaker.

The SPEAKER. The gentleman from Illinois makes the point of no quorum. The Chair will count.

Mr. BUCHANAN of Illinois. Mr. Speaker, I will withdraw the point for the present.

The SPEAKER. The gentleman from Illinois withdraws the point of no quorum.

Mr. BUCHANAN of Illinois. I will only agree to withhold it for about 30 minutes.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. FITZGERALD] that the House stand in recess?

Mr. BUCHANAN of Illinois. Reserving the right to object again, Mr. Speaker—not that I think I will object—but I have been endeavoring here a time or two, Mr. Speaker, to secure

the consideration of a simple little resolution providing for mileage for the employees of the House and Senate. Some Members—and I do not suppose that there is any record of their returning to the Treasury the mileage they themselves have gotten—seem to stay on the job to object to that legislation, which will do simple justice to the employees of the House and Senate. And it seems to me that if we are in favor of doing some sort of justice, before this recess is taken, I will ask unanimous consent that this resolution be considered at this time.

The SPEAKER. Unless the gentleman from New York withdraws his request, the first thing is to attend to that.

Mr. FITZGERALD. I shall have to object to the request of the gentleman from Illinois [Mr. BUCHANAN].

Mr. BUCHANAN of Illinois. Then I object to the recess. I withhold the point of no quorum for 30 minutes.

Mr. STEELE of Iowa. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Iowa rise?

Mr. STEELE of Iowa. To make the statement that I have been on this job for several months—

The SPEAKER. The gentleman from Iowa asks unanimous consent for one minute. Is there objection?

There was no objection.

Mr. STEELE of Iowa. I have sat around here, gentlemen, for all these months, and I believe it is about time that we should return to our homes. I am getting tired of hearing this political gas that is now escaping in the Halls of Congress, and I do not want to be held up here with a shotgun by the gentleman from Illinois [Mr. BUCHANAN], stating that if he does not have a certain resolution passed in this House he will make the point of no quorum. I have been his friend. I have watched him carefully, but I want to say to you, Mr. BUCHANAN of Illinois, if that is your desire, I want you to go ahead and make the point of no quorum, and get it over with, and we will get through with this business.

Mr. BUCHANAN of Illinois. Will the gentleman yield?

The SPEAKER. The gentleman has no time to yield.

Mr. BUCHANAN of Illinois. I ask unanimous consent that he have time to answer a question.

The SPEAKER. The gentleman from Illinois asks unanimous consent that the gentleman from Iowa have two minutes more. Is there objection?

There was no objection.

Mr. BUCHANAN of Illinois. At this time there is being considered in the Senate some of the most important legislation, in my opinion, that has been before this Congress at this session. Of course, no one desires to have the displeasure of his associates, and no one wants to be misunderstood as making any movement of this sort for any personal reason. I do say it is absolutely unjust on the part of this House to withhold from the employees mileage to and from their homes, when they have to make that trip. And those who would object to that, in my opinion, if they are fair and square, would return their own mileage to the Treasury. Now, I consider that if by delaying the adjournment of this House two or three days it would result in the passage of the corrupt-practices act, even at the risk of the displeasure of a few of my friends, it would be worth doing, in order to secure the passage of that important legislation. Now, I do not want to be misunderstood by my good friend from Iowa or to incur his displeasure, but when I think I am right it is pretty difficult for somebody to get up and say—

Mr. STEELE of Iowa. I want to make this statement, that I do object to the gentleman from Illinois making the statement that unless this resolution is passed he will call for a quorum here. If he is going to do that, or if there are any other Members who are going to do that, let them do it now, and let us get done with it. [Applause.] I am tired of waiting around.

Mr. BUCHANAN of Illinois. If that seems to be the sense of the House—

The SPEAKER. If the gentleman wants to call up his resolution, let him call it up.

Mr. BUCHANAN of Illinois. I make the point of no quorum.

The SPEAKER. The gentleman stated that he wanted to call up his resolution.

Mr. BUCHANAN of Illinois. It seems to be in accord with the desire of Members here that I should make the point. I did agree to withhold it for half an hour, and I will keep my agreement, whatever I do.

The SPEAKER. The gentleman does not need to withhold it.

#### MILEAGE TO OFFICERS AND EMPLOYEES.

Mr. BUCHANAN of Illinois. I ask unanimous consent to have the following resolution considered at this time.

The SPEAKER. The gentleman from Illinois asks unanimous consent for the present consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

Joint resolution authorizing the payment of mileage to officers and employees of the Senate and House of Representatives.

*Resolved, etc.*, That the Secretary of the Senate and the Clerk of the House of Representatives be, and they hereby are, directed to pay to the officers and employees of the Senate and House of Representatives, including clerks to Members, Delegates, and Resident Commissioners, the Capitol police, and W. A. Smith, CONGRESSIONAL RECORD clerk, borne on the annual and session rolls on the 1st day of September, 1916, mileage at the rate of 5 cents per mile, each way, to be estimated by the nearest route usually traveled in coming from and returning to their homes.

The SPEAKER. Is there objection?

Mr. CULLOP. I object, Mr. Speaker.

Mr. GARRETT. Mr. Speaker—

Mr. BUCHANAN of Illinois. Will the gentleman reserve the objection?

Mr. CULLOP. No; I will not withhold it one minute.

Mr. GARRETT. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8.30 p. m.

The SPEAKER. The gentleman from Tennessee [Mr. GARRETT] asks unanimous consent that the House stand in recess until 8.30 p. m. Is there objection?

Mr. BUCHANAN of Illinois. I object, Mr. Speaker.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent that at 9 o'clock this evening the Senate resolution, which embodies the same proposition as that offered by the gentleman from Illinois, be considered.

Mr. FITZGERALD. I object.

#### ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 1636. An act for the relief of Karen S. Sorenson and James Lyle;

H. R. 1963. An act for the relief of John E. Keys;

H. R. 16532. An act authorizing an adjustment of the boundaries of the Writman National Forest, in the State of Oregon, and for other purposes; and

H. R. 14824. An act to prevent fraud at public auctions in the District of Columbia.

#### ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 15316. An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes; and

H. R. 14391. An act authorizing the purchase of a site and the erection of a public building thereon at Madison, Wis., and for other purposes.

#### JACKSON ORR.

Mr. HILLIARD. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Colorado asks unanimous consent that he be allowed to proceed for one minute. Is there objection?

There was no objection.

Mr. HILLIARD. Mr. Speaker, on the 6th of May, when there were felicitating speeches made to the gentleman from Illinois, former Speaker CANNON, by the distinguished and eloquent Members of this House, there was a response made by Mr. CANNON, which only he, of course, could make. In the course of his remarks he enumerated those Members of the Forty-third Congress who are still alive. It happens that he omitted a distinguished Member of that Congress, now a resident of Denver, Colo., the Hon. Jackson Orr. He was born four years before the gentleman from Illinois, and nearly four years before the gentleman from Ohio, Gen. SHERWOOD. He was in the Forty-second Congress. He was a veteran Congressman when these two gentlemen came here.

Twenty-five years ago Judge Orr went out to our city, and by his character and habits and manly attributes he conquered the hearts of that people. To-day his body is erect; his mind is clear; his heart is full of generosity, forgiveness, and mercy; and his soul, while willing to stay here, is ready for its flight, and he sends his greetings to the Sixty-fourth Congress. [Applause.]

#### RECESS.

Mr. GARRETT. Mr. Speaker, I renew my request that the House stand in recess until 8.30 p. m.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the House stand in recess until 8.30 p. m. Is there objection?

There was no objection.

Accordingly (at 5 o'clock and 10 minutes) the House took a recess until 8.30 p. m.

#### EVENING SESSION.

The recess having expired, at 8 o'clock and 30 minutes p. m. the House was called to order by the Speaker.

#### GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD. Mr. Speaker, I present a conference report upon the bill H. R. 17645, the general deficiency appropriation bill, and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from New York asks unanimous consent for the present consideration of the conference report upon the general deficiency appropriation bill, the rule about printing to the contrary notwithstanding. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, I object.

CHARLES EDWARD RUSSELL.

Mr. BENNET. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

*Resolved*, That the Secretary of State be directed, if not incompatible with the public interest, to inform the House of Representatives whether the occurrence detailed in the following newspaper article happened as stated.

Mr. FITZGERALD (interrupting the reading). Mr. Speaker, I object to that.

The SPEAKER. The gentleman from New York objects.

Mr. BENNET. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. FITZGERALD. Oh, we can not ask the Secretary of State to answer as to the accuracy of every newspaper statement.

Mr. BENNET. I realize that; but this is a question whether Mr. Russell, a fellow citizen—

Mr. FITZGERALD. The Secretary of State would not have the time, in the first place, and I suggest that the gentleman telephone.

Mr. BENNET. Oh, no. This is—

Mr. FITZGERALD. I object.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] objects.

Mr. BENNET. Mr. Speaker, I ask unanimous consent that the resolution, including the newspaper article, be printed in the RECORD.

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD by printing the resolution and the newspaper article. Is there objection? [After a pause.] The Chair hears none.

The resolution and newspaper article are as follows:

*Resolved*, That the Secretary of State be directed, if not incompatible with the public interest, to inform the House of Representatives whether the occurrence detailed in the following newspaper article happened as stated:

PARIS, September 6.

Robert Woods Bliss, first secretary of the American Embassy and chargé d'affaires in the absence of Ambassador Sharp, has attempted to establish a censorship over Americans far exceeding in rigor anything the French have ever done, even for military purposes. Mr. Bliss's ruling is that no American who criticizes President Wilson shall receive assistance in his affairs from the American Embassy in Paris.

#### CRITIC OF THE PRESIDENT.

Charles Edward Russell, two years ago the Socialist candidate for Senator from New York now representing in Paris a well-known and important newspaper organization, is Mr. Bliss's most recent victim. He suffers for having written to the Paris edition of the Herald that it pleased him to see that many Americans had protested against Mr. Wilson's "most strange and grotesque felicitations to the Austrian Emperor."

After writing this letter, Mr. Russell wished to go to the Belgian front, and, according to the rule laid down by the Belgian Government, asked the embassy in Paris for a letter establishing his identity as a journalist, taking to Mr. Bliss his credentials from the organization employing him. Another journalist went with Mr. Russell on the same errand and both were told to come back the next day and get their letters. Next day the other man, who had not written to the Herald, received his letter, but Mr. Russell was refused his on the ground that he had criticized the President.

#### CENSORSHIP BY EMBASSY.

Mr. Russell asked if there was anything in the Constitution or the statutes forbidding criticism of the President. Mr. Bliss replied, "No;" but said that nothing in the Constitution or the statutes required him to give the letter asked for, and that no one who criticized the President could get anything from the embassy.

Mr. BENNET. Mr. Speaker, I ask unanimous consent to proceed for three minutes.

The SPEAKER. The gentleman from New York asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. BENNET. Mr. Speaker, the article which the House has just ordered printed in the RECORD details an alleged occurrence in Paris, and I hope it is merely an alleged occurrence. The statement is that Charles Edward Russell, a resident of the State of New York, a Socialist, it is true, but an American citizen, and as such entitled to every consideration that every other American citizen is entitled to, was, because he had criticized President Wilson, refused permission by the American Embassy at Paris to visit the French Army front, permission being necessary in the first instance from the American Embassy. The reason I introduced the resolution at this time and attempted to have it considered is that the Department of State is this afternoon reported to have said that they would not do anything about this matter until it was brought officially to their attention. It seemed to me that a matter of this kind, printed in a reputable newspaper in this city, with names given and everything of that sort, deserved attention before we adjourned. I am sorry that my colleague objected. Mr. Russell, a resident of our State, has been once, possibly twice, the candidate of his party for governor, and is a man of standing, an author of repute, and a highly respected and reputable citizen. I would like very much to find out whether he has been discriminated against in Paris. He does not belong to my party, and no man in this House has opposed socialistic doctrines in this Congress more than I; but as an American citizen he is entitled to certain rights, and I am sorry that, under the objection of my colleague, the opportunity to find out whether he has been discriminated against is denied. [Applause on the Republican side.]

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 136) for the relief of Eva M. Bowman.

#### ENROLLED BILLS SIGNED.

Mr. LAZARO, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 12889. An act authorizing the Secretary of the Interior to sell the unsold and unappropriated portions of lands within the town site of Newell, S. Dak., and for other purposes;

H. R. 6034. An act to make available a portion of the appropriation for the immigration station at Baltimore, Md., for such counters, booths, screens, railings, seats, bunks, kitchen and laundry equipment, etc., as necessary in connection with said station;

H. R. 2208. An act for the relief of James L. Yokum;

H. R. 14533. An act to authorize the Secretary of the Interior to issue a patent in fee simple to the district school board No. 112, of White Earth Village, Becker County, Minn., for a certain tract of land upon payment therefor to the United States in trust for the Chippewa Indians of Minnesota;

H. R. 10989. An act making appropriation for the preservation, improvement, and perpetual care of Huron Cemetery, a burial place of the Wyandotte Indians, in the city of Kansas City, Kans.;

H. R. 13046. An act to consolidate certain forest lands in the Oregon National Forest, in the State of Oregon;

H. R. 11707. An act to amend an act entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War," approved April 19, 1908; and

H. R. 15807. An act to provide for holding sessions of the United States district court in the district of Maine and for dividing said district into divisions, and providing for offices of the clerk and marshal of said district to be maintained in each of said divisions, and for the appointment of a field deputy marshal in the division in which the marshal does not reside.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 173. Joint resolution authorizing the payment of September salaries to officers and employees of the Senate and House of Representatives on the day of adjournment of the present session.

CONDEMNED CANNON.

Mr. FIELDS. Mr. Speaker, I submit a conference report upon the bill (S. 6625) authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls and ask unanimous consent for its present consideration.

The SPEAKER. The gentleman from Kentucky presents a conference report and asks unanimous consent for its present consideration. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the conference report. The Clerk read the conference report, as follows:

CONFERENCE REPORT (NO. 1201).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 6625, entitled "An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House, and agree to the same.

W. J. FIELDS,  
FRANK L. GREENE,

*Managers on the part of the House.*

GEO. E. CHAMBERLAIN,  
G. M. HITCHCOCK,

*Managers on the part of the Senate.*

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

EXTENSION OF REMARKS.

Mr. ALLEN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, I desire to speak to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. WM. ELZA WILLIAMS. Mr. Speaker, when the immigration bill passed the House I was absent on sick leave. I was for the bill but against the literacy test. A newspaper circulating largely in my State has charged that I was paired against the bill and I want to read into the RECORD of the House the telegram which I sent to the pair clerk at the time, and ask leave that it may be printed as a part of my remarks.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

The telegram is as follows:

HOT SPRINGS, ARK., March 29, 1916.

PAIR CLERK,

House of Representatives, Washington, D. C.:

Pair me against literacy test in immigration bill and for bill on final passage.

W. E. WILLIAMS.

GENERAL DEFICIENCY APPROPRIATION BILL.

Mr. BUCHANAN of Illinois. Mr. Speaker, I withdraw my objection to the request made by the gentleman from New York [Mr. FITZGERALD]. [Applause.]

The SPEAKER. The gentleman from Illinois withdraws his objection to the request of the gentleman from New York [Mr. FITZGERALD], and the Clerk will read the report.

Mr. MANN. What is it?

The SPEAKER. On the general deficiency bill.

Mr. MANN. Mr. Speaker, I suppose the request for unanimous consent has to be put again.

The SPEAKER. The gentleman from New York requested unanimous consent a good while ago to consider this conference report.

Mr. MANN. But objection was made then.

The SPEAKER. The Chair understands, but the objection has been withdrawn.

Mr. MANN. Well, it has to be submitted again.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I want to ask what the report is.

Mr. GARLAND. Mr. Speaker, I want to ask for information, if it is possible to do so, why the gentleman from Illinois [Mr. BUCHANAN] withdrew his objection?

The SPEAKER. Well, that is not a matter to be inquired into except privately. Does the gentleman from Illinois desire to ask the gentleman from New York a question?

Mr. MANN. I want to ask the gentleman what is the conference report?

Mr. FITZGERALD. On the general deficiency bill.

Mr. MANN. I understand, but what has been agreed upon?

Mr. FITZGERALD. Well, there are 52 different amendments. The gentleman from Illinois [Mr. CANNON] was a conferee. As the bill passed the House, it carried \$14,332,069.11. As it passed the Senate, it carried \$15,741,870.54, an increase of \$1,409,801.43. The House receded from items aggregating \$891,778.55, and the Senate receded on items aggregating \$518,022.08. Of these items \$180,000 was appropriated to carry out legislation in the District bill for the police and firemen's fund, and \$150,000 for the peace celebration at Vicksburg, Miss.

Mr. MANN. That goes in?

Mr. FITZGERALD. That goes in.

Mr. MANN. That is what I wanted to know about.

Mr. FITZGERALD. And there was another large item. That constitutes nearly \$350,000 of the \$890,000. In addition there was \$150,000 for the reconstruction of the courthouse of the Supreme Court of the District of Columbia.

Mr. MANN. Mr. Speaker, it is customary for the chairman of the Committee on Appropriations and the ranking minority member of that committee to make a statement about this stage of the proceedings in reference to the appropriations for the session. Does the gentleman from New York intend to make that statement?

Mr. FITZGERALD. I hope to be able to make it to-morrow; I can not make it to-night. While I have the figures, I am trying to write a statement that will not only be readable but highly persuasive, if not convincing, upon the Republican and other opponents of the Democratic administration. [Laughter and applause.]

Mr. MANN. Well, I think it might be well to get unanimous consent that these statements may be inserted in the RECORD, at least the one from this side.

Mr. FITZGERALD. Well, we will be in session to-morrow. It is possible that I shall be ready with the gentleman from Massachusetts [Mr. GILLET].

The SPEAKER. Is there objection?

Mr. COX. I want to ask the gentleman one question.

Mr. FITZGERALD. Very well.

Mr. COX. What was done with the amendment put on in the Senate in relation to the steel-bloom rebate, amounting to about \$142,000?

Mr. FITZGERALD. What is known as the La Follette amendment?

Mr. COX. Yes; put on in the Senate.

Mr. FITZGERALD. A certain rebate of customs duties?

Mr. COX. Yes; that is right, amounting to one hundred and forty-odd thousand dollars.

Mr. FITZGERALD. The Senate receded from that.

Mr. COX. Good.

Mr. FITZGERALD. There is one place in the text of the bill where, by a clerical error, the word "purchase" has been printed "purpose." I wished to call attention to that. The managers on the part of the two Houses modified the text by making the proper correction. It was contrary to the technical rule, but it was merely a clerical correction. The managers took the liberty to do it.

Mr. MOORE of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes.

Mr. MOORE of Pennsylvania. Is any provision made in this bill for taking over roads in the National Military Park at Gettysburg?

Mr. FITZGERALD. There was no such provision in the bill.

Mr. MOORE of Pennsylvania. I understood there was a Senate amendment carrying such provision.

Mr. FITZGERALD. There was no such Senate amendment. Such an amendment, however, was proposed in the House, as I recall, either to the sundry civil bill or to this bill, but the argument advanced in support of it was not sufficiently convincing to induce the House to vote in favor of the amendment.

Mr. MOORE of Pennsylvania. I think the reason for it was that there was no appropriation available for it at the time. If it is not in this bill, that answers my question.

Mr. FITZGERALD. There is no such item in the bill.

Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from New York asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The statement was read.

The conference report and accompanying statement are as follows:

CONFERENCE REPORT (NO. 1199).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 4, 5, 11, 13, 17, 19, 20, 29, 30, 31, 37, and 38.

That the House recede from its disagreements to the amendments of the Senate numbered 1, 2, 6, 9, 12, 14, 15, 18, 22, 23, 24, 25, 26, 27, 32, 33, 34, 35, 36, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, and 51, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"For refund of internal revenue taxes to the J. L. da Roza Estate, Incorporated, of Elk Grove, Cal., in accordance with private act numbered 83, approved August 7, 1916, \$1,158."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: Omit lines 4 and 5 of the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: In line 4 of the matter inserted by said amendment strike out the sum "\$200,000"; and in line 9 strike out the sum "\$200,000," and insert in lieu thereof the sum "\$100,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: Omit the matter stricken out and inserted by said amendment, and on page 9 of the bill in line 8 strike out the word "purpose" and insert in lieu thereof the word "purchase"; and after line 18 insert as a new paragraph the following:

"The Bureau of Efficiency shall investigate the methods of transacting the public business in the Bureau of Internal Revenue and prepare recommendations for the improvement thereof and submit the same to the Secretary of the Treasury as early as practicable for his approval and to Congress at its next session."

And the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows: Omit all of lines 9 to 14 inclusive of said amendment and in lieu thereof insert as a separate paragraph the following:

"One-half of the two foregoing sums shall be paid out of the revenues of the District of Columbia and the other half out of the Treasury of the United States"

And the Senate agree to the same.

Amendment numbered 21: That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"National Memorial Celebration and Peace Jubilee, Vicksburg, Miss.: For expenses, within the limits of this appropriation, in connection with the celebration to be held at Vicksburg, Miss., in the year 1917, by the survivors of the armies of the Tennessee and of the Mississippi who participated in the Battle of Vicksburg in July 1863, in commemoration of a half century of peace and good-fellowship which happily exists throughout the Republic, to be expended under the direction and supervision of the Secretary of War as follows: For necessary sewerage, sanitation, and hospital service of persons attending said celebration; for necessary camp and garrison equipment, rations, and supplies for veterans of the Civil War attending said celebration, \$150,000, no part of which shall be available until after January 1, 1917: *Provided*, That the Secretary of War is authorized and directed to fully complete all arrangements herein authorized before October 14, 1917, and that all camp equipment, including tents, supplies, and rations, shall be fully

ready for use by that date: *Provided further*, That the National Association of Vicksburg Veterans, formed in Chicago, Ill., August 9, 1913, shall have charge of the order of exercises during the celebration; the physical control of the camp and grounds and the movement of troops and marching bodies shall be in the hands of the Secretary of War, under such officers as he may detail for that purpose: *Provided further*, That the Secretary of War is authorized to reimburse and pay, out of the amount herein appropriated, the traveling expenses of not exceeding seven members of the council of administration or of the executive committee of the National Association of Vicksburg Veterans for journeys authorized by him to be taken in attendance upon any one meeting in the interest of said celebration."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment, after the word "boards," insert the following: "fiscal year 1917"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In line 4 of the amendment, after the word "for," insert the words "the first Tuesday after"; and the Senate agree to the same.

JOHN J. FITZGERALD,  
T. U. SISSON,  
J. G. CANNON,

*Managers on the part of the House.*

THOMAS S. MARTIN,  
N. P. BRYAN,  
REED SMOOT,

*Managers on the part of the Senate.*

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior years, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report as to each of the said amendments, namely:

No. 1: Authorizes the disbursing officer of the Federal Trade Commission to pay George Rublee his salary as a commissioner from his entry on duty March 16, 1915, to May 15, 1916, the date when his nomination was rejected by the Senate.

No. 2: Provides, as proposed by the Senate, that the Bureau of Efficiency shall continue to occupy its present quarters in the Winder Building.

No. 3: Appropriates \$1,158, as proposed by the Senate, to refund to the J. L. da Roza estate of Elk Grove, Cal., internal-revenue taxes paid on grape brandy destroyed by fire while stored in custody of an internal-revenue officer.

No. 4: Strikes out the appropriations of \$65,792.53 and \$50,359.35, proposed by the Senate, to pay to Walston H. Brown and the estate of Henry A. V. Post, respectively, as a refund of import duties paid in excess of duties imposed by law on steel blooms.

No. 5: Strikes out the appropriation of \$20,000, inserted by the Senate, for the removal of the present roof covering of the dome of the Chicago, Ill., post office and the substitution of a new copper covered roof.

No. 6: Inserts the appropriation of \$250, proposed by the Senate, for an additional amount for the purchase of a site for the post office at Rogersville, Tenn.

No. 7: Inserts the appropriation of \$20,000, proposed by the Senate, for repairs to the laundry of the Bureau of Engraving and Printing, and strikes out the appropriation of \$5,000 for repairs to laundry machinery.

No. 8: Appropriates \$100,000, instead of \$200,000 as proposed by the Senate, for salaries and expenses of collectors of internal revenue, deputy collectors, surveyors, clerks, messengers, and janitors in internal-revenue offices.

Nos. 9 and 10: Strikes out the word "copper" from the paragraph appropriating for the collection of the taxes levied in the emergency revenue act and the language inserted by the Senate requiring the employees thereunder to be taken from the civil service and restores the language requiring the Bureau of Efficiency to investigate the methods of transacting the public business in the Bureau of Internal Revenue, modified so as to require a report to be made to the Secretary of the Treasury and to Congress.

No. 11: Strikes out the appropriations inserted by the Senate for the Coast Guard.

No. 12: Inserts the paragraph proposed by the Senate authorizing a credit in the accounts of Robert T. Crane, late United States consul at Rosario, Argentina.

Nos. 13 and 14: Restores the language requiring the judgments and costs of \$34,637.36 in favor of the Georgetown Gas Light Co. and the Washington Gas Light Co. to be paid wholly out of the revenues of the District of Columbia and appropriates \$180,000, as proposed by the Senate, from the policemen's and firemen's relief fund for the fiscal year 1917.

No. 15: Provides that the appropriation of \$15,000 for rent for the War Department shall be available for use in the District of Columbia.

No. 16: Inserts the appropriations of \$4,000 and \$1,300, respectively, for the operation of the fountains on the Union Station Plaza and the lighting of the Plaza, and requires the sums to be paid one-half from the United States Treasury and one-half from the revenues of the District.

No. 17: Strikes out the increase of \$15,000 proposed by the Senate in the appropriation for a sodium nitrate storage plant.

No. 18: Makes the appropriation of \$5,000 for rental of an office for the aviation section of the Signal Corps available for use in the District of Columbia.

No. 19: Strikes out the appropriation of \$12,000, proposed by the Senate, for expenses of the board to investigate the Government manufacture of arms.

No. 20: Fixes the limit of cost of two colliers for the Panama Canal at \$1,500,000 each, as proposed by the House, instead of \$1,975,000 each, as proposed by the Senate.

No. 21: Appropriates \$150,000 for the national celebration and peace jubilee to be held at Vicksburg, Miss.

Nos. 22 and 23: Provides for a clerk at \$1,600, as proposed by the Senate, instead of one at \$1,400, as proposed by the House, in the office of the Chief of Naval Operations.

No. 24: Makes the appropriation of \$2,860 for rent for the Bureau of Yards and Docks available for use in the District of Columbia.

Nos. 25 and 26: Inserts the appropriation of \$150,000 for reconstruction of the courthouse in the District of Columbia and the appropriation of \$15,500 for rental of temporary quarters for the courts pending that work.

Nos. 27 and 28: Appropriates \$500 to pay Charles E. Munroe for services rendered in connection with the explosion in the reception room of the Senate wing of the Capitol and \$3,000 for overhauling elevator machinery in the Senate wing of the Capitol and the installation of new control boards.

No. 29: Strikes out the authority, proposed by the Senate, for the use of \$6,500 of the appropriation for "surveying public lands" for the employment of surveyors in the General Land Office during the winter season.

Nos. 30 and 31: Strikes out the appropriations of \$16,250 and \$5,000, respectively, for the National Park Service and the improvement of the Lassen Volcanic National Park, Cal.

No. 32: Appropriates \$15,000, as proposed by the Senate, for an interstate wagon road or highway through the Mukuntuweap National Monument, Utah.

Nos. 33, 34, and 35: Appropriates \$14,500 to pay the widow of Joseph R. Lamar, late a Justice of the Supreme Court of the United States, and \$1,366.67 and \$1,250, respectively, for commissioners in the Mount Rainier and Crater Lake National Parks for the fiscal year 1917.

No. 36: Appropriates \$1,000, as proposed by the Senate, to pay Tom K. Richie, of Tucson, Ariz., the sum covered into the Treasury on a forfeited cash recognizance in a case pending in the United States district court, the court having remitted the same on appearance of the defendant for trial.

Nos. 37 and 38: Appropriates \$125,000, as proposed by the House, instead of \$14,000, as proposed by the Senate, for repairing and rebuilding aids to navigation on the Gulf coast, and strikes out the appropriation of \$7,000 for completion of the Saratoga, Wyo., fish station.

No. 39: Inserts the word "September" in the date of approval of the employees' compensation act.

Nos. 40, 41, and 42, relating to the Senate: Appropriates \$7,500, as proposed by the Senate, to pay the heirs of the late Senator Burleigh; \$4,200 to reimburse the official reporters for expenses of clerk hire and other clerical services; and \$1,200 to pay Dennis Kerr for extra and expert services rendered to the Committee on Pensions.

No. 43: Appropriates \$9,000, as proposed by the Senate, for printing and binding for the Library of Congress.

Nos. 44, 45, 46, 47 and 48: Appropriates for the payment of judgments of the Court of Claims transmitted to Congress after the bill had passed the House.

No. 49: Appropriates for the payment of claims allowed by the accounting officers of the Treasury transmitted to Congress after the bill had passed the House.

Nos. 50 and 51: Corrects a section number of the bill and provides, as proposed by the Senate, for the appointment of John McElroy as a member of the commission in charge of the construction of the Arlington Memorial Amphitheater in the place of Ivory G. Kimball, deceased.

No. 52: Inserts the section, proposed by the Senate, providing for the postponement of the elections in Porto Rico in the event the bill entitled "An act to provide for a civil government for Porto Rico, and for other purposes," does not become a law at this session.

JOHN J. FITZGERALD,  
T. U. SISSON,  
J. G. CANNON,

*Managers on the part of the House.*

Mr. BUCHANAN of Illinois. Mr. Speaker, will the gentleman yield to me two minutes?

Mr. FITZGERALD. I yield to the gentleman two minutes.

Mr. BUCHANAN of Illinois. Mr. Speaker, in order that gentlemen may understand my position this afternoon, I want to state that I had intended to delay the adjournment of Congress for the reason that I believed it was possible to secure the passage of the corrupt-practices act. I now have information that convinces me that the act could not be passed in the Senate in the next two or three days, and any effort to secure its passage would be without avail.

That is the reason why I changed my mind. I make that statement in reply to the inquiry of the gentleman from Pennsylvania [Mr. GARLAND]. That is the reason why I withdraw my objection, and I do not intend now to make any further objection for the obstruction of business.

Mr. GARLAND. I feared that perhaps—

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] has the floor.

Mr. GARLAND. Who has the floor?

Mr. BUCHANAN of Illinois. I yield to the gentleman from Pennsylvania the balance of my time, if I have any time left.

Mr. GARLAND. The reason I asked the question was that I wanted it perfectly understood, just the same as the gentleman on the other side of the aisle. I feared the influences that seemed to be exerted here this afternoon before the recess had changed the gentleman's mind with reference to the action he might be going to take. I did not know whether that was true or not. I wanted a thorough understanding of the subject.

Mr. FITZGERALD. So long as the gentleman from Pennsylvania is satisfied, it is all right.

The SPEAKER. The question is on agreeing to the conference report.

Mr. CANNON. Mr. Speaker, I desire to be recognized.

Mr. FITZGERALD. How much time does the gentleman desire?

Mr. CANNON. All the way from 30 seconds to 5 minutes.

Mr. FITZGERALD. I will yield to the gentleman all the way from 30 seconds to 5 minutes, as much as the gentleman may desire to consume. [Laughter.]

Mr. CANNON. Mr. Speaker, I have signed this conference report, but I would not have done so, if greater time were allowed, on account of certain minor sins of omission in the conference report—the omission of minor amendments of the Senate which, in my judgment, ought to have been included in the report, and to which the House should have acceded by receding from its disagreement. There is one in particular which, while it does not affect me, is important from the standpoint of the public service, and that is an appropriation of \$10,000, or, possibly, \$20,000, for putting a copper roof on the Federal building in Chicago. I did not know that there was not a copper roof upon it, but it appears from the estimate that was made that the building is being damaged and the contents are being damaged for want of a new roof. I presume, if we can trust this administration in making estimates and telling the truth, that appropriation might have been made.

Chicago is a very considerable city [laughter]; I think the revenues of the post office in the city of Chicago are second only to those of the post office in the city of New York, and the combined postal revenues of those two cities are larger, possibly, than those of from 15 to 25 States of the Union. But I suppose they can sit when there is no water around and retire when it rains. [Laughter.] The House conferees were not willing to agree to the Senate amendment.

There was another appropriation for which, technically, there was no formal estimate, although there had been an estimate in the last session of Congress—an appropriation to com-

plete a fish hatchery in the State of Wyoming at a cost of \$50,000. The first authorization was \$25,000. The second authorization was \$25,000 more. Only one-half of the last \$25,000 authorized was appropriated, as I recall, and I think my recollection is substantially correct. While there was no formal estimate, technically speaking, there was a communication from the Fish Commissioner to the effect that this expenditure of \$12,500 and the expenditure of \$25,000 previously was of no account unless the remainder was furnished; that until that remaining appropriation was forthcoming the fish hatchery could not be used.

But the House conferees, or a majority of them, refused in these cases, and in two or three other minor matters that I will not refer to, to agree to recede at the close of the session, and I signed the report. I thought it was due to the House to state that much, as the first appropriation was to be made for a roof for the Federal building in Chicago and the second to finish the fish hatchery in Wyoming, which will not be occupied until the full amount authorized by law is appropriated.

Mr. FITZGERALD. Mr. Speaker, the two items to which the gentleman from Illinois refers were not agreed to by the managers on the part of the House for very definite and substantial reasons.

The post-office building in Chicago has a glass dome set in copper frames. It is glass because it is intended to permit natural light to come in to the building. There has been some difficulty in making the glass dome water-tight. The Supervising Architect's Office desires to remove the glass dome and substitute a copper dome in its place. While the members of the Committee on Appropriations do not profess to be expert architects or builders, they do believe that there are competent men in the United States who, if engaged, can make that glass dome in the Chicago post office tight—water-tight—so that it may be permitted to perform the functions intended originally, to permit the interior of the building to be lighted.

This matter was not something new upon this bill. It was carefully considered by the committee in the consideration of the sundry civil appropriation bill, and upon all the facts presented to the committee, the committee reached the conclusion that if there were not in the Supervising Architect's Office men competent to determine how this work should be done, it was about time that men should be employed there who would be competent to preserve this building, which was designed and constructed under the supervision of this public officer.

Mr. MANN. Oh, Mr. Speaker, will the gentleman yield? Unfortunately the Chicago post office was neither designed nor constructed under the supervision of the Supervising Architect's Office.

Mr. FITZGERALD. They had some control of it.

Mr. MANN. They did not have as much control as would have been fortunate if they had had it.

Mr. FITZGERALD. They might or might not. At all events, it is very apparent that a competent person can make this dome tight—water-tight—and permit whatever little daylight there may be in Chicago during the daytime to filter into the building and not to exclude it by the construction of a solid copper dome in a place of this magnitude.

Mr. MANN. The gentleman from New York ought not to make such a remark about Chicago merely because Chicago is forging ahead of New York City. He ought not to show his jealousy in that way. [Laughter.]

Mr. FITZGERALD. Oh, Mr. Speaker, it is not jealousy. If New York were jealous of Chicago she would be in favor of tightening up this glass dome in such a way that no light would filter into this building. The building was designed so as to obtain as much natural light as possible. The great glass dome is there, and the committee, after very careful consideration of the matter in connection with the sundry civil bill, were convinced that it should be and is possible to make that dome tight—water-tight; and without more complete information than has been furnished us, we do not propose to permit this dome to be removed, particularly at the price now prevailing for copper.

Mr. BENNET. Will the gentleman yield?

Mr. FITZGERALD. I yield to my colleague.

Mr. BENNET. I will ask my colleague why every time he uses the word "tight" in connection with this roof of this building in the city of Chicago, he is so careful to use the word "water-tight" in connection with it?

Mr. MANN. Because it is in Chicago and not in New York.

Mr. FITZGERALD. Because every time I used the word I happened to look at my colleague from New York, and knowing his strong prohibition sentiments I did not wish him to misunderstand the connection in which the term was used. [Applause.]

Now, as to the item for the fish hatchery in Wyoming. This fish hatchery was authorized, not after consideration by any committee of either House of Congress but in the way that fish hatcheries are frequently created, by an amendment offered in the Senate, to provide a fish hatchery to cost \$25,000. There was never any estimate as to what it would cost. There was never any limit of cost fixed on it.

Mr. CANNON. My friend is mistaken.

Mr. FITZGERALD. I know what statements were made in the conference, but they were wholly at variance with the facts.

Mr. CANNON. The limit of cost, as I understand—

Mr. FITZGERALD. There was never any limit of cost fixed on it.

Mr. MONDELL. Will the gentleman from New York allow me a suggestion?

Mr. FITZGERALD. I would like to complete the statement about it. I am familiar with it.

Mr. MONDELL. If there was not limit of cost fixed—

Mr. FITZGERALD. It was crowded into the bill over my protest.

Mr. MONDELL. If there was not limit of cost fixed, why did the gentleman object to an appropriation of \$7,000 to complete it?

Mr. FITZGERALD. I will go on and state the reason. The \$25,000 was appropriated, and it was cheaper for the House to accept that fish hatchery at \$25,000 when that particular appropriation bill was up, than it would have been to yield on some other items that were in the bill; and in adjusting the differences between the two Houses it was cheaper to give \$25,000 for the fish hatchery in Wyoming. After the money was appropriated and obtained it was found that they could not build a fish hatchery for \$25,000. Anybody who ever dreamed of getting enough water by natural means for a fish hatchery in Wyoming had never been in or near the State. So two years ago a request was made for \$25,000 additional, and a number of items were mentioned as necessary, and with the assistance of the gentleman from Wyoming [Mr. MONDELL], who was a member of the subcommittee that considered the items in the bill—after very careful consideration—the committee recommended that \$18,000 be appropriated. The \$18,000 was appropriated. Well, here had been a request for \$25,000 and \$7,000 of it had not been granted. That was a criminal offense in the estimation of some people, so that when the sundry civil bill reached the Senate this year this \$7,000 that had not been given last year, together with two or three other items, were inserted in the bill without any request of the department, and in conference they were eliminated. When this deficiency bill was considered in the Senate this same \$7,000 was put back in the bill. The statement was made that the limit of cost had been fixed at \$25,000, that the House had declined to appropriate it, and that nothing could be done until this \$7,000 was had; and some sharp head of a department, seeing that the amendment had been offered in the Senate, wrote a very commendatory letter to the Senator hoping that it would be adopted, because it could be expended; but the managers upon the part of the House believed that, in view of all the surrounding circumstances and existing conditions, and in view of the necessity for money in great public matters, so long as the department had not felt it sufficiently important even to submit an estimate for this \$7,000, there was not much excuse for hunting back in a previous Congress for an estimate in order to justify it.

Against the protest of my colleague, Mr. CANNON, the other managers representing the House were unable to acquiesce in the arguments made in favor of the item, and I think properly so. I simply made this statement about the two items so that nobody would misunderstand the attitude of the House in declining to provide this money at this time, and in the hope a fish hatchery that may be of some benefit and will accomplish some good may be constructed at some place within the State of Wyoming within the appropriation of \$43,000 already made.

Mr. MONDELL. Before the gentleman makes the motion to adopt the conference report, will he yield to me five minutes to clarify the matter of these fish hatcheries, for there were two of them?

Mr. FITZGERALD. I yield to the gentleman five minutes.

Mr. MONDELL. Mr. Speaker, my only reason in taking the time of the House in connection with the fish-hatchery matter is to clear up in the mind of the chairman of the Committee on Appropriations—whose mind is ordinarily clear as a bell, but is a little confused in this matter—to clear up his mind in regard to this matter of two fish hatcheries.

There were two fish hatcheries provided for at one and the same time, one in the State of Wyoming and one in the State of Kentucky. The gentleman from New York seems to have

got the impression some way that the increased appropriations above the original \$25,000 was due to a shortage of water.

That is not true so far as the Wyoming hatchery is concerned but is true so far as the Kentucky hatchery is concerned. Water is apparently so scarce in Kentucky that it became necessary to add to the original appropriation for the purpose of securing water there. The Wyoming hatchery is supplied with water from one of the most magnificent springs in all the world; it has its source of water supply in a fine, clear, bubbling spring, with enough water for a dozen fish hatcheries. The Kentucky fish hatchery, it was discovered after it had been provided for, was almost entirely without the important element of water.

Mr. FITZGERALD. Oh, it is on the banks of the Ohio River, and levees had to be built to keep it from being drowned out.

Mr. MONDELL. You can not use the Ohio River water unfiltered for hatching young fish, and therefore it became necessary in the Kentucky hatchery to make provision for sinking wells and purifying the water in order to make it available.

The additional \$7,000 in the case of the Wyoming hatchery is to provide for buildings which will make it the best located and, take it all around, the finest trout hatchery in the world.

Mr. RUCKER. What does it cost to buy the water?

Mr. MONDELL. The water is as free as the mountain air.

Mr. RAKER. Will the gentleman from New York yield me five minutes on these two amendments?

Mr. FITZGERALD. I yield to the gentleman from California five minutes.

Mr. RAKER. Mr. Speaker, I am disappointed and somewhat surprised and a little bit chagrined and astonished at the conferees' action on amendments 30 and 31.

Mr. FITZGERALD. They were both before the House and the House rejected them.

Mr. RAKER. Yes; but there were very few Members in the House at the time the deficiency bill was up, and if there had been a quorum present there would have been no question but that they would have been placed in the bill by an overwhelming vote. The House rejected them by a vote of 11 to 9.

I proceeded to the Senate and found a willing ear, and the Senate placed the two amendments in the bill. The House and the Senate by a large vote established a National Park Service. The report to the House and the attitude of the Secretary of the Interior shows that it will be to the advantage of the service if these appropriations be made and the officers provided for in the bill made at the present time, particularly amendment 31, the National Volcanic Park in California, for protection and improvement for the fiscal year of 1917, the small sum of \$5,000. Congress created the park. It is out of the forest reserve at the present time. The Secretary of the Interior made his estimate, which was approved by the Secretary of the Treasury and sent to the Speaker of the House, but it came late and, of course, could not be put in the sundry civil bill. The only place to get it was in the deficiency bill, to the end that the park might be provided for and cared for during 1917. This is one of the scenic wonders of the world and of California. The National Government has established this national park, the estimates have been provided, and I am sorry that the House committee in their great desire to economize did not see their way sufficiently clear to place the item of \$5,000 in the bill.

The local communities are improving the surrounding country. Roads are being built, not only by the counties surrounding this national park but by the State itself. The State is taking great interest in building up the State highways so that the traveling public may obtain the benefits of this park.

The SPEAKER. The time of the gentleman from California has expired.

Mr. FITZGERALD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Speaker, it has become the practice in Congress to try to keep out of all bills, except appropriation bills, actual appropriations, with the understanding, where a bill has become a law providing for certain offices, that there will be carried in the proper appropriation bill an appropriation of the necessary money. I think it is a good practice, but it is a practice which can not prevail unless the appropriating committees are willing to do their share and carry the items in the appropriation bill, because the House when it is considering a bill has the right to put in an appropriation necessary to carry the law into effect; and the House would do that were it not for the understanding that the necessary appropriation will be carried in the proper appropriation bill. Recently we passed a law providing for a National Park Service and providing for a Director of the National Park Service and for a few other officials in that office. We did not provide an appropriation in

that law specifically, though I am not sure whether one was first carried in the bill or not. I think that under the understanding and practice of the House we had a right to expect that the appropriation necessary for this service would be carried in the deficiency appropriation bill. An estimate had not been presented in time for the Committee on Appropriations to include it in the bill that was reported to the House, but the Senate added an item to the deficiency bill in accordance with an estimate which was made in accordance with the law that we recently passed. I am very sorry that, under the circumstances, the House conferees refused to agree to that appropriation and insisted that it should go out, and I am afraid that the next time one of these matters comes up in the House and the gentleman from New York [Mr. FITZGERALD], or myself, endeavors to eliminate the appropriation we will be met with the statement that we can not rely upon the Committee on Appropriations to make the appropriation, and that the only safe thing to do is to carry it in the original organic bill itself.

Mr. FITZGERALD. Mr. Speaker, I believe that the criticism of the gentleman from Illinois [Mr. MANN] is not justified in this instance. It is true that a National Park Service has been created which provides for five statutory offices at designated salaries and also provides that other service may be engaged not exceeding in amount the sum of about \$8,000. The bill passed just about the time the deficiency appropriation bill was reported to the House, around the 27th or 28th of August. The estimate did not reach the House in time to be considered. The estimate requested that all of the money that was authorized for the service be appropriated. The service has not been organized—nothing has been done. The managers upon the part of the House declined to agree to the provisions for this reason. The sundry civil appropriation act for the current year authorizes the employment of five persons in connection with the park service, whose compensation is payable out of the revenues of, and the appropriations for, the various parks. The managers on the part of the House and the conference committee took the position that between now and December, when Congress will be again in session, there will be practically no important work in connection with the national parks of the country. They are all practically closed to the tourists by the 15th of September, so that the important question—

Mr. RAKER. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. Yes—oh, that is, outside of the Yosemite, but that is only one of many parks. Practically all of the national parks are closed to the public by the 15th of September, and all of the work necessary in connection with the appropriation for the organization of this park service can be done by the five persons whose employment is now authorized and who are actually employed in connection with this work. If this were an instance where a service had been created and no provision whatever had been made for it, it would be in a different position, but five persons are now employed under the authority carried in the appropriation bill, and they are ample to do everything necessary with the National Park Service between now and the time Congress will have an opportunity to obtain some information as to the character of the other service to be employed and the compensations proposed to be paid to the persons to be employed.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FITZGERALD. I yield to the gentleman from Illinois.

Mr. MANN. As I gathered from what the gentleman said, there is no disposition on the part of the Committee on Appropriations to prevent this service going into effect at the proper time?

Mr. FITZGERALD. Not at all. The gentleman from Illinois recalls that when the deficiency bill was before the House estimates had come in about the time the bill had been reported. Now, the sundry civil bill, in an attempt upon the part of the Committee on Appropriations before the passage of the National Park Service bill, to establish some organization that would make the administration of the parks more effective and more beneficial, had authorized this organization with compensation payable out of various appropriations and revenues that are presumably proper, and the belief was that between now and the time that Congress will be again in session the matter will come up and no serious inconvenience will result.

Mr. MANN. Of course I have not the slightest idea who will be appointed as director of the National Park Service, whether it is somebody now in the service or outside of it.

Mr. FITZGERALD. I imagine Mr. Marshall, who is now in a position which corresponds to it, who has been for 20 years, I think, in the Geological Survey, and who has been in charge of this work, is the man whom the Secretary of the Interior at least has in mind to put at the head of the Park Service.

Mr. MANN. Has the gentleman thought that during the next session of Congress there may be provided in one of the deficiency bills some item which will authorize the making of appropriations for this service in time for next year?

Mr. FITZGERALD. Yes. All appropriations probably will become law by the 4th of March next, and this service will be provided for, in my opinion—I simply express my opinion—and for the remaining months of this fiscal year, so that it will be organized to do whatever should be done prior to the opening of the parks, the parks opening about the 1st of June.

Mr. Speaker, I ask for a vote.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. FITZGERALD, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17645) making appropriations to supply deficiencies in appropriations for the fiscal year ending June 30, 1916, and prior fiscal years, and for other purposes.

#### ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 6625. An act authorizing the Secretary of War to make certain donations of condemned cannon and cannon balls.

#### REVENUE.

Mr. KITCHIN. Mr. Speaker, I desire to present a conference report on the bill (H. R. 16763) to increase the revenue, and for other purposes.

The SPEAKER. The gentleman from North Carolina presents a report on the revenue bill, the title of which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 16763) to increase the revenue, and for other purposes.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of this conference report.

Mr. LINDBERGH. Will the gentleman permit a question?

Mr. KITCHIN. I will.

The SPEAKER. The gentleman from North Carolina asks unanimous consent for the present consideration of this conference report, the rule with reference to the printing of conference reports to the contrary notwithstanding.

Mr. MANN. Mr. Speaker, reserving the right to object, is it the gentleman's intention, if the conference report is considered, to give some explanation of it?

Mr. KITCHIN. I will. The statement will not be ready until about 12 o'clock to-night, but will be printed, with the consent of the House, in the Record.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The conference report and statement are as follows:

#### CONFERENCE REPORT (NO. 1200).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 9, 14, 56, 57, 58, 59, 60, 61, 72, 77, 82, 103, 110, 134, 159, 160, 161, 168, 169, 170, 172, 175, 178, 191, 212, 218, 220, 227, 230, 234, 254, 268, and 269.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 41, 42, 43, 46, 47, 48, 50, 51, 52, 53, 54, 55, 55½, 56½, 62, 66, 67, 68, 69, 70, 71, 73, 75, 76, 78, 79, 81, 83, 85, 86, 87, 88, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 104, 105, 107, 108, 108½, 109, 117, 121, 122, 123, 124, 126, 127, 128, 130, 131, 138, 143, 145, 147, 148, 149, 150, 151, 152, 153, 162, 167, 171, 173, 174, 176, 179, 180, 181, 182, 183, 184, 185, 186, 188, 189, 190, 192, 193, 194, 195, 196, 197, 198, 199, 200, 207, 223, 224, 225, 233, 236, 238, 239, 241, 243, 244, 247, 252, 255, 258, 259, 260, and 261, and agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and

agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived."

And the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment insert on page 8 of the bill, line 6, after the word "school" the word "district"; and the Senate agree to the same.

Amendment numbered 31: That the House recede from its disagreement to the amendment of the Senate numbered 31, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Eighth. (a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowances authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And on page 9 of the bill, lines 7 and 8, strike out the words "*Provided*, That no" and insert a period and the word "No."

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment insert on page 10 of the bill, line 19, after the word "school," the word "district"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Fifth. In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom, in the United States."

And the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and productions to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made."

And on page 11 of the bill, lines 21 and 22, strike out "*Provided*, That no" and insert in lieu thereof a period and the word "No."

And the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 7. (a) That for the purpose of the normal tax only, there shall be allowed as an exemption in the nature of a deduction from the amount of the net income of each of said persons, ascertained as provided herein, the sum of \$3,000, plus \$1,000 additional if the person making the return be a head of a family, or a married man with a wife living with him, or plus the sum of \$1,300 additional if the person making the return be a married woman with a husband living with her; but in no event shall this additional exemption of \$1,000 be de-

ducted by both a husband and wife: *Provided*, That only one deduction of \$4,000 shall be made from the aggregate income of both husband and wife when living together: *Provided further*, That guardians or trustees shall be allowed to make this personal exemption as to income derived from the property of which such guardian or trustee has charge in favor of each ward or cestui que trust: *Provided further*, That in no event shall a ward or cestui que trust be allowed a greater personal exemption than \$3,000, or, if married, \$4,000, as provided in this paragraph, from the amount of net income received from all sources. There shall also be allowed an exemption from the amount of the net income of estates of deceased persons during the period of administration or settlement, and of trust or other estates the income of which is not distributed annually or regularly under the provisions of paragraph (b), section 2, the sum of \$3,000, including such deductions as are allowed under section 5."

And the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "he has sufficient knowledge of the affairs of such person, trust, or estate to enable him to make such return and that the same is, to the best of his knowledge and belief"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That the term 'dividends' as used in this title shall be held to mean any distribution made or ordered to be made by a corporation, joint-stock company, association, or insurance company, out of its earnings or profits accrued since March 1, 1913, and payable to its shareholders, whether in cash or in stock of the corporation, joint-stock company, association, or insurance company, which stock dividend shall be considered income, to the amount of its cash value"; and the Senate agree to the same.

Amendment numbered 64: That the House recede from its disagreement to the amendment of the Senate numbered 64, and agree to the same with an amendment as follows: In the last line of the matter inserted by said amendment strike out the words "by sale of such property"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "and cooperative banks without capital stock organized and operated for mutual purposes and without profit" and a semicolon; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts:"

And the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 33 of the bill, line 13, after the word "school" insert the word "district"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(a) of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the

flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made, such reasonable allowance to be made in the case of both (a) and (b) under rules and regulations to be prescribed by the Secretary of the Treasury: *Provided*, That when the allowance authorized in (a) and (b) shall equal the capital originally invested, or in case of purchase made prior to March 1, 1913, the fair market value as of that date, no further allowance shall be made; and (c) in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts:"

And the Senate agree to the same.

Amendment numbered 89: That the House recede from its disagreement to the amendment of the Senate numbered 89, and agree to the same with an amendment as follows: In addition to the matter inserted by said amendment on page 36 of the bill, line 25, after the word "school," insert the word "district"; and the Senate agree to the same.

Amendment numbered 102: That the House recede from its disagreement to the amendment of the Senate numbered 102, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a colon and the following: "*Provided*, That upon the examination of any return of income made pursuant to this title, the act of August 5, 1909, entitled 'An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes,' and the act of October 3, 1913, entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' if it shall appear that amounts of tax have been paid in excess of those properly due, the taxpayer shall be permitted to present a claim for refund thereof notwithstanding the provisions of section 3228 of the Revised Statutes" and a semicolon; and the Senate agree to the same.

Amendment numbered 106: That the House recede from its disagreement to the amendment of the Senate numbered 106, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"(d) That section 3225 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"SEC. 3225. When a second assessment is made in case of any list, statement, or return, which in the opinion of the collector or deputy collector was false or fraudulent, or contained any understatement or undervaluation, no tax collected under such assessment shall be recovered by any suit unless it is proved that the said list, statement, or return was not false nor fraudulent and did not contain any understatement or undervaluation; but this section shall not apply to statements or returns made or to be made in good faith under the laws of the United States regarding annual depreciation of oil or gas wells and mines."

Amendment numbered 111: That the House recede from its disagreement to the amendment of the Senate numbered 111, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "20"; and the Senate agree to the same.

Amendment numbered 112: That the House recede from its disagreement to the amendment of the Senate numbered 112, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "21"; and the Senate agree to the same.

Amendment numbered 113: That the House recede from its disagreement to the amendment of the Senate numbered 113, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "22"; and the Senate agree to the same.

Amendment numbered 114: That the House recede from its disagreement to the amendment of the Senate numbered 114, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "23"; and the Senate agree to the same.

Amendment numbered 115: That the House recede from its disagreement to the amendment of the Senate numbered 115, and agree to the same with an amendment as follows: In lieu of the matter inserted in said amendment insert "24"; and the Senate agree to the same.

Amendment numbered 116: That the House recede from its disagreement to the amendment of the Senate numbered 116, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "25"; and the Senate agree to the same.

Amendment numbered 118: That the House recede from its disagreement to the amendment of the Senate numbered 118, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "200"; and the Senate agree to the same.

Amendment numbered 119: That the House recede from its disagreement to the amendment of the Senate numbered 119, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "201"; and the Senate agree to the same.

Amendment numbered 120: That the House recede from its disagreement to the amendment of the Senate numbered 120, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 125: That the House recede from its disagreement to the amendment of the Senate numbered 125, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "202"; and the Senate agree to the same.

Amendment numbered 129: That the House recede from its disagreement to the amendment of the Senate numbered 129, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 132: That the House recede from its disagreement to the amendment of the Senate numbered 132, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 133: That the House recede from its disagreement to the amendment of the Senate numbered 133, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "204"; and the Senate agree to the same.

Amendment numbered 135: That the House recede from its disagreement to the amendment of the Senate numbered 135, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 136: That the House recede from its disagreement to the amendment of the Senate numbered 136, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 137: That the House recede from its disagreement to the amendment of the Senate numbered 137, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "203"; and the Senate agree to the same.

Amendment numbered 139: That the House recede from its disagreement to the amendment of the Senate numbered 139, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "Return shall be made in all cases of estates subject to the tax or where the gross estate at the death of the decedent exceeds \$20,000, and in the case of the estate of every nonresident any part of whose gross estate is situated in the United States. If the executor is unable to make a complete return as to any part of the gross estate of the decedent, he shall include in his return a description of such part and the name of every person holding a legal or beneficial interest therein, and upon notice from the collector such person shall in like manner make a return as to such part of the gross estate. The Commissioner of Internal Revenue shall make all assessments of the tax under the authority of existing administrative special and general provisions of law relating to the assessment and collection of taxes"; and the Senate agree to the same.

Amendment numbered 140: That the House recede from its disagreement to the amendment of the Senate numbered 140, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "206"; and the Senate agree to the same.

Amendment numbered 141: That the House recede from its disagreement to the amendment of the Senate numbered 141, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 142: That the House recede from its disagreement to the amendment of the Senate numbered 142, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "207"; and the Senate agree to the same.

Amendment numbered 144: That the House recede from its disagreement to the amendment of the Senate numbered 144,

and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "208"; and the Senate agree to the same.

Amendment numbered 146: That the House recede from its disagreement to the amendment of the Senate numbered 146, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "209"; and the Senate agree to the same.

Amendment numbered 154: That the House recede from its disagreement to the amendment of the Senate numbered 154, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "210"; and the Senate agree to the same.

Amendment numbered 155: That the House recede from its disagreement to the amendment of the Senate numbered 155, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "205"; and the Senate agree to the same.

Amendment numbered 156: That the House recede from its disagreement to the amendment of the Senate numbered 156, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "211"; and the Senate agree to the same.

Amendment numbered 157: That the House recede from its disagreement to the amendment of the Senate numbered 157, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "212"; and the Senate agree to the same.

Amendment numbered 158: That the House recede from its disagreement to the amendment of the Senate numbered 158, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "300"; and the Senate agree to the same.

Amendment numbered 163: That the House recede from its disagreement to the amendment of the Senate numbered 163, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 301. (1) That every person manufacturing (a) gunpowder and other explosives, excepting blasting powder and dynamite used for industrial purposes; (b) cartridges, loaded and unloaded, caps or primers, exclusive of those used for industrial purposes; (c) projectiles, shells, or torpedoes of any kind, including shrapnel, loaded or unloaded, or fuses, or complete rounds of ammunition; (d) firearms of any kind and appendages, including small arms, cannon, machine guns, rifles, and bayonets; (e) electric motor boats, submarine or submersible vessels or boats; or (f) any part of any of the articles mentioned in (b), (c), (d), or (e), shall pay for each taxable year, in addition to the income tax imposed by Title I, an excise tax of 12½ per cent upon the entire net profits actually received or accrued for said year from the sale or disposition of such articles manufactured within the United States: *Provided, however,* That no person shall pay such tax upon net profits received during the year 1916 derived from the sale and delivery of the articles enumerated in this section under contracts executed and fully performed by such person prior to January 1, 1916.

"(2) This section shall cease to be of effect at the end of one year after the termination of the present European war, which shall be evidenced by the proclamation of the President of the United States declaring such war to have ended.

"SEC. 302. That in computing net profits under the provisions of this title, for the purpose of the tax there shall be allowed as deductions from the gross amount received or accrued for the taxable year from the sale or disposition of such articles manufactured within the United States, the following items:

"(a) The cost of raw materials entering into the manufacture;

"(b) Running expenses, including rentals, cost of repairs and maintenance, heat, power, insurance, management, salaries, and wages;

"(c) Interest paid within the taxable year on debts or loans contracted to meet the needs of the business, and the proceeds of which have been actually used to meet such needs;

"(d) Taxes of all kinds paid during the taxable year with respect to the business or property relating to the manufacture;

"(e) Losses actually sustained within the taxable year in connection with the business of manufacturing such articles, including losses from fire, flood, storm, or other casualty, and not compensated for by insurance or otherwise; and

"(f) A reasonable allowance according to the conditions peculiar to each concern, for amortization of the values of buildings and machinery, account being taken of the exceptional depreciation of special plants.

"SEC. 303. If any person manufactures any article specified in section 301 and, during any taxable year or part thereof, whether under any agreement, arrangement, or understanding, or otherwise, sells or disposes of any such article at less than the fair market price obtainable therefor, either (a) in such manner as directly or indirectly to benefit such person or any person directly or indirectly interested in the business of such person, or (b) with intent to cause such benefit, the gross amount received or accrued for such year or part thereof from the sale or disposition of such article shall be taken to be the amount which would have been received or accrued from the sale or disposition of such article if sold at the fair market price.

"SEC. 304. On or before the 1st day of March, 1917, and the 1st day of March in each year thereafter a true and accurate return under oath shall be made by each person manufacturing articles specified in section 301, to the collector of internal revenue for the district in which such person has his principal office or place of business, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income received or accrued from the sale or disposition of the articles specified in section 301, and from the total thereof deducting the aggregate items of allowance authorized in section 302, and such other particulars as to the gross receipts and items of allowance, as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may require.

"SEC. 305. All such returns shall be transmitted forthwith by the collector to the Commissioner of Internal Revenue, who shall, as soon as practicable, assess the tax found due and notify the person making such return of the amount of tax for which such person is liable, and such person shall pay the tax to the collector on or before 30 days from the date of such notice.

"SEC. 306. If the Secretary of the Treasury or the Commissioner of Internal Revenue shall have reason to be dissatisfied with the return as made, or if no return is made, the commissioner is authorized to make an investigation and to determine the amount of net profits and may assess the proper tax accordingly. He shall notify the person making, or who should have made, such return and shall proceed to collect the tax in the same manner as provided in this title, unless the person so notified shall file a written request for a hearing with the commissioner within 30 days after the date of such notice; and on such hearing the burden of establishing to the satisfaction of the commissioner that the gross amount received or accrued or the amount of net profits, as determined by the commissioner, is incorrect, shall devolve upon such person.

"SEC. 307. The tax may be assessed on any person for the time being owning or carrying on the business, or on any person acting as agent for that person in carrying on the business, or where a business has ceased, on the person who owned or carried on the business, or acted as agent in carrying on the business immediately before the time at which the business ceased.

"SEC. 308. For the purpose of carrying out the provisions of this title the Commissioner of Internal Revenue is authorized, personally or by his agent, to examine the books, accounts, and records of any person subject to this tax.

"SEC. 309. No person employed by the United States shall communicate, or allow to be communicated to any person not legally entitled thereto, any information obtained under the provisions of this title, or allow any such person to inspect or have access to any return furnished under the provisions of this title.

"SEC. 310. Whoever violates any of the provisions of this title or the regulations made thereunder, or who knowingly makes false statements in any return, or refuses to give such information as may be called for, is guilty of a misdemeanor, and upon conviction shall, in addition to paying any tax to which he is liable, be fined not more than \$10,000 or imprisoned not exceeding one year, or both, in the discretion of the court.

"SEC. 311. All administrative, special, and general provisions of law relating to the assessment and collection of taxes not specifically repealed are hereby made to apply to this title, so far as applicable and not inconsistent with its provisions.

"SEC. 312. The Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any person subject to such provisions to furnish him with further information whenever in his judgment the same is necessary to collect the tax provided for herein."

And the Senate agree to the same.

Amendment numbered 164: That the House recede from its disagreement to the amendment of the Senate numbered 164, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "400"; and the Senate agree to the same.

Amendment numbered 165: That the House recede from its disagreement to the amendment of the Senate numbered 165, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 401. That natural wine within the meaning of this act shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging: *Provided, however,* That the product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a gauger or storekeeper-gauger in the capacity of gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 per cent, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per cent of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this act, and may be labeled, transported, and sold as 'wine,' qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety: *And provided further,* That wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this act, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this act."

And the Senate agree to the same.

Amendment numbered 166: That the House recede from its disagreement to the amendment of the Senate numbered 166, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "402"; and the Senate agree to the same.

Amendment numbered 177: That the House recede from its disagreement to the amendment of the Senate numbered 177, and agree to the same with an amendment as follows: Strike out the matter inserted by said amendment and insert in lieu thereof the words "or section 401 of this act" and a comma; and the Senate agree to the same.

Amendment numbered 187: That the House recede from its disagreement to the amendment of the Senate numbered 187, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "1½ cents"; and the Senate agree to the same.

Amendment numbered 201: That the House recede from its disagreement to the amendment of the Senate numbered 201, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out "55" and insert "403"; and the Senate agree to the same.

Amendment numbered 202: That the House recede from its disagreement to the amendment of the Senate numbered 202, and agree to the same with an amendment as follows: In lieu of the section number contained in the Senate amendment strike out "56" and insert "404"; and the Senate agree to the same.

Amendment numbered 203: That the House recede from its disagreement to the amendment of the Senate numbered 203, and agree to the same with an amendment as follows: Insert at the beginning of the amendment the following: "Sec. 405"; and the Senate agree to the same.

Amendment numbered 204: That the House recede from its disagreement to the amendment of the Senate numbered 204, and agree to the same with an amendment as follows: In lieu of the section number proposed by the Senate amendment strike out the numeral "57" and insert "406"; and the Senate agree to the same.

Amendment numbered 205: That the House recede from its disagreement to the amendment of the Senate numbered 205, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "407"; and the Senate agree to the same.

Amendment numbered 206: That the House recede from its disagreement to the amendment of the Senate numbered 206, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Every corporation, joint-stock company or association, now or hereafter organized in the United States for profit and

having a capital stock represented by shares, and every insurance company, now or hereafter organized under the laws of the United States, or any State or Territory of the United States, shall pay annually a special excise tax with respect to the carrying on or doing business by such corporation, joint-stock company or association, or insurance company, equivalent to 50 cents for each \$1,000 of the fair value of its capital stock and in estimating the value of capital stock the surplus and undivided profits shall be included: *Provided*, That in the case of insurance companies such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the fair average value of the capital stock for the preceding year: *Provided*, That for the purpose of this tax an exemption of \$99,000 shall be allowed from the capital stock as defined in his paragraph of each corporation, joint-stock company or association, or insurance company. *And provided further*, That a corporation, joint-stock company or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation, joint-stock company or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act.

"Every corporation, joint-stock company, or association, or insurance company, now or hereafter organized for profit under the laws of any foreign country and engaged in business in the United States, shall pay annually a special excise tax with respect to the carrying on or doing business in the United States by such corporation, joint-stock company, or association, or insurance company, equivalent to 50 cents for each \$1,000 of the capital actually invested in the transaction of its business in the United States: *Provided*, That in the case of insurance companies such deposits or reserve funds as they are required by law or contract to maintain or hold in the United States for the protection of or payment to or apportionment among policyholders shall not be included. The amount of such annual tax shall in all cases be computed on the basis of the average amount of capital so invested during the preceding year: *Provided*, That for the purpose of this tax an exemption from the amount of capital so invested shall be allowed equal to such proportion of \$99,000 as the amount so invested bears to the total amount invested in the transaction of business in the United States or elsewhere: *Provided further*, That this exemption shall be allowed only if such corporation, joint-stock company, or association, or insurance company makes return to the Commissioner of Internal Revenue, under regulations prescribed by him, with the approval of the Secretary of the Treasury, of the amount of capital invested in the transaction of business outside the United States: *And provided further*, That a corporation, joint-stock company, or association, or insurance company, actually paying the tax imposed by section 301 of Title III of this act, shall be entitled to a credit as against the tax imposed by this paragraph equal to the amount of the tax so actually paid: *And provided further*, That this tax shall not be imposed upon any corporation, joint-stock company, or association, or insurance company not engaged in business during the preceding taxable year, or which is exempt under the provisions of section 11, Title I, of this act."

And the Senate agree to the same.

Amendment numbered 208: That the House recede from its disagreement to the amendment of the Senate numbered 208, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sixth. Proprietors of theaters, museums, and concert halls, where a charge for admission is made, having a seating capacity of not more than 250, shall pay \$25; having a seating capacity of more than 250 and not exceeding 500, shall pay \$50; having a seating capacity exceeding 500 and not exceeding 800, shall pay \$75; having a seating capacity of more than 800, shall pay \$100. Every edifice used for the purpose of dramatic or operatic or other representations, plays, or performances, for admission to which entrance money is received, not including halls or armories rented or used occasionally for concerts or theatrical representations, shall be regarded as a theater: *Provided*, That in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment shall be one-half of that above stated: *Provided further*, That whenever any such edifice is under lease at the passage of this act, the tax shall be paid

by the lessee, unless otherwise stipulated between the parties to said lease."

And the Senate agree to the same.

Amendment numbered 209: That the House recede from its disagreement to the amendment of the Senate numbered 209, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the said amendment insert the following: "except in private homes"; and the Senate agree to the same.

Amendment numbered 210: That the house recede from its disagreement to the amendment of the Senate numbered 210, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "408"; and the Senate agree to the same.

Amendment numbered 211: That the House recede from its disagreement to the amendment of the Senate numbered 211, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert a comma and the following: ", including small cigars weighing not more than 3 pounds per 1,000"; and the Senate agree to the same.

Amendment numbered 213: That the House recede from its disagreement to the amendment of the Senate numbered 213, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "409"; and the Senate agree to the same.

Amendment numbered 214: That the House recede from its disagreement to the amendment of the Senate numbered 214, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "410"; and the Senate agree to the same.

Amendment numbered 215: That the House recede from its disagreement to the amendment of the Senate numbered 215, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "411"; and the Senate agree to the same.

Amendment numbered 216: That the House recede from its disagreement to the amendment of the Senate numbered 216, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "412"; and the Senate agree to the same.

Amendment numbered 217: That the house recede from its disagreement to the amendment of the Senate numbered 217, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 413. That all internal-revenue agents and inspectors be granted leave of absence with pay, which shall not be cumulative, not to exceed thirty days in any calendar year, under such regulations as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may prescribe."

And the Senate agree to the same.

Amendment numbered 219: That the House recede from its disagreement to the amendment of the Senate numbered 219, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 221: That the House recede from its disagreement to the amendment of the Senate numbered 221, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Group I. Acenaphthene, anthracene having a purity of less than 25 per cent benzol, carbazol having a purity of less than 25 per cent, cresol, cumol, fluorene, metacresol having a purity of less than 90 per cent, methylanthracene, methylnaphthalene, naphthalene having a solidifying point less than 79 degrees centigrade, orthocresol having a purity of less than 90 per cent, paracresol having a purity of less than 90 per cent, pyridin, quinolin, toluol, xylool, crude coal tar, pitch of coal tar, dead or creosote oil, anthracene oil, all other distillates which on being subjected to distillation yield in the portion distilling below 200 degrees centigrade a quantity of tar acids less than 5 per cent of the original distillate, and all other products that are found naturally in coal tar, whether produced or obtained from coal tar or other source, and not otherwise specially provided for in this title, shall be exempt from duty."

And the Senate agree to the same.

Amendment numbered 222: That the House recede from its disagreement to the amendment of the Senate numbered 222, and agree to the same with an amendment as follows: In lieu of the matter inserted by the said amendment insert:

"Group II. Amidonaphthol, amidophenol, amidosalicylic acid, anilin oil, anilin salts, anthracene having a purity of 25 per cent or more, anthraquinone, benzoic acid, benzaldehyde, benzylchloride, benzidin, binitrobenzol, binitrochlorobenzol, binitro-

naphthalene, binitrotoluol, carbazol having a purity of 25 per cent or more, chlorophthalic acid, cumidin, dimethylanilin, dianisidin, dioxynaphthalene, diphenylamin, metacresol having a purity of 90 per cent or more, methylantraquinone, metanilic acid, naphthalene having a solidifying point of 79° C. or above, naphthylamin, naphthol, naphthylenediamin, nitrobenzol, nitrotoluol, nitronaphthalene, nitranilin, nitrophenylenediamin, nitrotoluylenediamin, orthocresol having a purity of 90 per cent or more, paracresol having a purity of 90 per cent or more, phenol, phthalic acid, phthalic anhydride, phenylenediamin, phenylnaphthylamin, resorcin, salicylic acid, sulphanic acid, toluidin, tollidin, toluylenediamin, xyloidin, or any sulphoacid or sulphoacid salt of any of the foregoing, all similar products obtained, derived, or manufactured in whole or in part from the products provided for in Group I, and all distillates which on being subjected to distillation yield in the portion distilling below 200° C. a quantity of tar acids equal to more than 5 per cent of the original distillate, all the foregoing not colors, dyes, or stains, photographic chemicals, medicinals, flavors, or explosives, and not otherwise provided for in this title, and provided for in the paragraphs of the act of October 3, 1913, which are hereinafter specifically repealed by section 502, 15 per cent ad valorem."

And the Senate agree to the same.

Amendment numbered 226: That the House recede from its disagreement to the amendment of the Senate numbered 226, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "501"; and the Senate agree to the same.

Amendment numbered 228: That the House recede from its disagreement to the amendment of the Senate numbered 228, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 229: That the House recede from its disagreement to the amendment of the Senate numbered 229, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following: "(except natural and synthetic alizarin, and dyes obtained from alizarin, anthracene, and carbazol; natural and synthetic indigo and all indigoids, whether or not obtained from indigo; and medicinals and flavors)"; and the Senate agree to the same.

Amendment numbered 231: That the House recede from its disagreement to the amendment of the Senate numbered 231, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "500"; and the Senate agree to the same.

Amendment numbered 232: That the House recede from its disagreement to the amendment of the Senate numbered 232, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "502"; and the Senate agree to the same.

Amendment numbered 235: That the House recede from its disagreement to the amendment of the Senate numbered 235, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"TITLE VI.—PRINTING PAPER.

"SEC. 600. That paragraph 322, Schedule M, and paragraph 567 of the free list of the act entitled 'An act to reduce tariff duties and to provide revenue for the Government, and for other purposes,' approved October 3, 1913, be amended so that the same shall read as follows:

"322. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 5 cents per pound, 12 per cent ad valorem: *Provided, however*, That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 5 cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other export charge imposed by such country, dependency, province, or other subdivision of government, upon either printing paper or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

"567. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and

imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 5 cents per pound, decalcomania paper not printed."

And the Senate agree to the same.

Amendment numbered 237: That the House recede from its disagreement to the amendment of the Senate numbered 237, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "700"; and the Senate agree to the same.

Amendment numbered 240: That the House recede from its disagreement to the amendment of the Senate numbered 240, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "701"; and the Senate agree to the same.

Amendment numbered 242: That the House recede from its disagreement to the amendment of the Senate numbered 242, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "702"; and the Senate agree to the same.

Amendment numbered 245: That the House recede from its disagreement to the amendment of the Senate numbered 245, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "703"; and the Senate agree to the same.

Amendment numbered 246: That the House recede from its disagreement to the amendment of the Senate numbered 246, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "704"; and the Senate agree to the same.

Amendment numbered 248: That the House recede from its disagreement to the amendment of the Senate numbered 248, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "705"; and the Senate agree to the same.

Amendment numbered 249: That the House recede from its disagreement to the amendment of the Senate numbered 249, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "706"; and the Senate agree to the same.

Amendment numbered 250: That the House recede from its disagreement to the amendment of the Senate numbered 250, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "707"; and the Senate agree to the same.

Amendment numbered 251: That the House recede from its disagreement to the amendment of the Senate numbered 251, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "708"; and the Senate agree to the same.

Amendment numbered 253: That the House recede from its disagreement to the amendment of the Senate numbered 253, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "709"; and the Senate agree to the same.

Amendment numbered 256: That the House recede from its disagreement to the amendment of the Senate numbered 256, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "800"; and the Senate agree to the same.

Amendment numbered 257: That the House recede from its disagreement to the amendment of the Senate numbered 257, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "801"; and the Senate agree to the same.

Amendment numbered 262: That the House recede from its disagreement to the amendment of the Senate numbered 262, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "802"; and the Senate agree to the same.

Amendment numbered 263: That the House recede from its disagreement to the amendment of the Senate numbered 263, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert: "*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer or merchant, nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the article of any other person, but this proviso shall not be construed to exempt from the provisions of this section any article imported by such exclusive agent if such agent is required by the foreign producer or if it is agreed between such agent and such foreign producer that any agreement, understanding or condition set out in this section shall be imposed by such agent

upon the sale or other disposition of such article to any person in the United States"; and the Senate agree to the same.

Amendment numbered 264: That the House recede from its disagreement to the amendment of the Senate numbered 264, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "803," and on page 100 of the bill, line 15, strike out the words "six hundred and two" and insert in lieu thereof the words "eight hundred and two"; and the Senate agree to the same.

Amendment numbered 265: That the House recede from its disagreement to the amendment of the Senate numbered 265, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 804. That whenever any country, dependency, or colony shall prohibit the importation of any article the product of the soil or industry of the United States and not injurious to health or morals, the President shall have power to prohibit, during the period such prohibition is in force, the importation into the United States of similar articles, or in case the United States does not import similar articles from that country, then other articles, the products of such country, dependency, or colony.

"And the Secretary of the Treasury, with the approval of the President, shall make such rules and regulations as are necessary for the execution of the provisions of this section."

And the Senate agree to the same.

Amendment numbered 266: That the House recede from its disagreement to the amendment of the Senate numbered 266, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 805. That whenever during the existence of a war in which the United States is not engaged the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any country, colony, or dependency contrary to the law and practice of nations, the importation into their own or any other country, dependency, or colony of any article the product of the soil or industry of the United States and not injurious to health or morals is prevented or restricted the President is authorized and empowered to prohibit or restrict, during the period such prohibition or restriction is in force, the importation into the United States of similar or other articles, products of such country, dependency, or colony as in his opinion the public interest may require; and in such case he shall make proclamation stating the article or articles which are prohibited from importation into the United States; and any person or persons who shall import, or attempt or conspire to import, or be concerned in importing, such article or articles into the United States contrary to the prohibition in such proclamation, shall be liable to a fine of not less than \$2,000 nor more than \$50,000, or to imprisonment not to exceed two years, or both, in the discretion of the court. The President may change, modify, revoke, or renew such proclamation in his discretion."

And the Senate agree to the same.

Amendment numbered 267: That the House recede from its disagreement to the amendment of the Senate numbered 267, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 806. That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that any vessel, American or foreign, is, on account of the laws, regulations, or practices of a belligerent Government, making or giving any undue or unreasonable preference or advantage in any respect whatsoever to any particular person, company, firm, or corporation, or any particular description of traffic in the United States or its possessions or to any citizens of the United States residing in neutral countries abroad, or is subjecting any particular person, company, firm, or corporation or any particular description of traffic in the United States or its possessions, or any citizens of the United States residing in neutral countries abroad to any undue or unreasonable prejudice, disadvantage, injury, or discrimination in regard to accepting, receiving, transporting, or delivering, or refusing to accept, receive, transfer, or deliver any cargo, freight or passengers, or in any other respect whatsoever, he is hereby authorized and empowered to direct the detention of such vessels by withholding clearance or by formal notice forbidding departure, and to revoke, modify, or renew any such direction.

"That whenever, during the existence of a war in which the United States is not engaged, the President shall be satisfied that there is reasonable ground to believe that under the laws, regulations, or practices of any belligerent country or government American ships or American citizens are not accorded any of the facilities of commerce which the vessels or citizens

of that belligerent country enjoy in the United States or its possessions, or are not accorded by such belligerent equal privileges or facilities of trade with vessels or citizens of any nationality other than that of such belligerent, the President is hereby authorized and empowered to withhold clearance from one or more vessels of such belligerent country until such belligerent shall restore to such American vessels and American citizens reciprocal liberty of commerce and equal facilities of trade; or the President may direct that similar privileges and facilities, if any, enjoyed by vessels or citizens of such belligerent in the United States or its possessions be refused to vessels or citizens of such belligerent; and in such case he shall make proclamation of his direction, stating the facilities and privileges which shall be refused, and the belligerent to whose vessels or citizens they are to be refused, and thereafter the furnishing of such prohibited privileges and facilities to any vessel or citizen of the belligerent named in such proclamation shall be unlawful; and he may change, modify, revoke, or renew such proclamation; and any person or persons who shall furnish or attempt or conspire to furnish or be concerned in furnishing or in the concealment of furnishing facilities or privileges to ships or persons contrary to the prohibition in such proclamation shall be liable to a fine of not less than \$2,000 nor more than \$50,000 or to imprisonment not to exceed two years, or both, in the discretion of the court.

"In case any vessel which is detained by virtue of this act shall depart or attempt to depart from the jurisdiction of the United States without clearance or other lawful authority, the owner or master or person or persons having charge or command of such vessel shall be severally liable to a fine of not less than \$2,000 nor more than \$10,000, or to imprisonment not to exceed two years, or both, and in addition such vessel shall be forfeited to the United States.

"That the President of the United States is hereby authorized and empowered to employ such part of the land or naval forces of the United States as shall be necessary to carry out the purposes of this act."

And the Senate agree to the same.

Amendment numbered 270: That the House recede from its disagreement to the amendment of the Senate numbered 270, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "IX"; and the Senate agree to the same.

Amendment numbered 271: That the House recede from its disagreement to the amendment of the Senate numbered 271, and agree to the same with an amendment as follows: In lieu of the matter proposed by Senate amendment insert "900"; and the Senate agree to the same.

Amendment numbered 272: That the House recede from its disagreement to the amendment of the Senate numbered 272, and agree to the same with an amendment as follows: In lieu of the section number proposed by said amendment strike out "107" and insert "901"; and the Senate agree to the same.

Amendment numbered 273: That the House recede from its disagreement to the amendment of the Senate numbered 273, and agree to the same with an amendment as follows: In lieu of the matter stricken out by said amendment insert the following:

"SEC. 902. That unless otherwise herein specially provided, this act shall take effect on the day following its passage, and all provisions of any act or acts inconsistent with the provisions of this act are hereby repealed."

And the Senate agree to the same.

CLAUDE KITCHIN,  
HENRY T. RAINEY,  
LINCOLN DIXON,  
CORDELL HULL,

*Managers on the part of the House.*

F. M. SIMMONS,  
HOKE SMITH,  
JOHN SHARP WILLIAMS,  
WILLIAM HUGHES,

*Managers on the part of the Senate.*

#### STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 16763) to increase the revenue, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: The Senate placed the repealing clause and the clause providing the date of effectiveness of the act, when said date is not otherwise specified, immediately following

The enacting clause. The Senate recedes from its amendment, which permits the aforementioned provisions to come at the close of the act as the last section as provided in the House bill.

Amendment No. 2: This amendment is merely a clerical change. And the House recedes.

Amendment No. 3: The House bill provided that the total net income in excess of \$500,000 should be taxed 10 per cent. The Senate amendment provides that the rate of 10 per cent shall be imposed upon the amount by which the net income exceeds \$500,000 and does not exceed \$1,000,000, 11 per cent upon the amount by which the net income exceeds \$1,000,000 and does not exceed \$1,500,000, 12 per cent upon the amount by which the net income exceeds \$1,500,000 and does not exceed \$2,000,000, 13 per cent upon the amount by which the net income exceeds \$2,000,000. And the House recedes.

Amendments Nos. 4, 5, 6, 7, and 8: These amendments are merely clerical changes, and the House recedes.

Amendment No. 9: The House bill provided that stock dividends made out of earnings or profits should be considered income to the amount of its cash value, and the Senate recedes.

Amendments Nos. 10, 11, 12, and 13: These amendments are merely clerical changes, and the House recedes.

Amendment No. 14: This amendment is a clerical change, and the Senate recedes.

Amendment No. 15: This amendment adds the words "or beneficiaries," and the House recedes.

Amendment No. 16: The Senate amendment provides that—

"For the purpose of ascertaining the gain derived from a sale or other disposition of real property, the profits realized within the year from the sale or other disposition of any real estate purchased within two years previous to the close of the year for which such income is estimated shall be the basis for determining the amount of such gain so derived from such sale or other disposition thereof."

The House recedes from its disagreement to the amendment, and agrees to the following amendment in lieu of the Senate amendment:

"(c) For the purpose of ascertaining the gain derived from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived."

Amendments Nos. 17, 18, and 19: These amendments are merely clerical changes, and the House recedes.

Amendment No. 20: This amendment exempts securities issued under the provisions of the Federal farm-loan act of July 17, 1916, from the income-tax provisions; and the House recedes.

Amendments Nos. 21 and 22: These amendments are merely clerical changes, and the House recedes.

Amendment No. 23: This amendment is merely a clerical change, and the House recedes from its disagreement to the amendment with the amendment adding, after the word "school," on page 8 of the official print of the bill, line 6, the word "district."

Amendments Nos. 24, 25, 26, and 27: These amendments are merely clerical changes, and the House recedes.

Amendment No. 28: The Senate amendment provides:

"Provided, That for the purpose of ascertaining the loss sustained from the sale or other disposition of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss sustained."

And the House recedes.

Amendments Nos. 29 and 30: These amendments are merely clerical changes. And the House recedes.

Amendment No. 31: This Senate amendment provided that:

"(a) In the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof, not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually saved and sold during the year for which such return and computation are made." The House agreed to the Senate amendment, with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amend-

ment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 31: This amendment provides that for the purpose of the normal tax only the income embraced in a personal return shall be credited with the amount received as dividends upon the stock or from the net earnings of a trustee. And the House recedes.

Amendments Nos. 32, 33, and 34: These amendments are merely clerical changes. And the House recedes.

Amendment No. 35: The Senate amendment is only a clerical change. And the House recedes with an amendment inserting, on page 10 of the official print of the bill, line 19, after the word "school," the word "district."

Amendments Nos. 36, 37, and 38: These amendments are merely clerical changes. And the House recedes.

Amendment No. 39: The Senate amendment provides: "Provided, That for the purpose of ascertaining the amount of such loss or losses sustained in trade, or speculative transactions not in trade, from the same or any kind of property acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such loss or losses sustained." And the House recedes.

Amendment No. 40: The Senate amendment provided:

"In lawful business transactions entered into but not connected with his regular business or trade, the losses actually sustained therein during the year."

And the House recedes from its disagreement with the following amendment in lieu of the Senate amendment:

"In transactions entered into for profit but not connected with his business or trade, the losses actually sustained therein during the year to an amount not exceeding the profits arising therefrom, in the United States."

Amendment No. 41: The Senate amendment is a change in the paragraph number. And the House recedes.

Amendment No. 42: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 43: The Senate amendment is a change in the paragraph number. And the House recedes.

Amendment No. 44: The Senate amendment provides that:

"(a) In case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow under rules and regulations to be prescribed by the Secretary of the Treasury; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which such return and computation are made."

The House agreed to the Senate amendment with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines, and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 45: The Senate amendment followed the present law with reference to the \$3,000 and \$4,000 exemption for unmarried and married persons, respectively. The House recedes from its disagreement to the Senate amendment making the \$4,000 exemption extend to the heads of families as well as to married persons.

Amendments Nos. 46, 47, and 48: These Senate amendments are clerical changes, and the House recedes.

Amendment No. 49: This amendment relates to the oath to be made by a fiduciary in making his return. The House recedes from its disagreement to the Senate amendment with an amendment which in substance incorporates both the House and Senate provisions.

Amendment No. 50: The Senate amendment provides that no return of income not exceeding \$3,000 shall be required of estates or trusts, and the House recedes.

Amendment No. 51: The Senate amendment is a necessary clerical change, and the House recedes.

Amendment No. 52: This amendment relates to the income return of persons carrying on business in partnership and more.

clearly sets out the intent of the provisions than the House provision, and the House recedes.

Amendment No. 53: This amendment relates to the making of the return and should be carried over to the administrative section of the title. The effect of the Senate amendment is to strike the provision out of the individual section and to carry it over to the administrative section as a new section, which will be known as section 19, and the House recedes.

Amendment Nos. 54, 55, and 55½: These amendments are clerical changes, and the House recedes.

Amendment No. 56: The Senate amendment provides that: "No penalty shall be imposed or collected from any person or corporation for failing heretofore or hereafter to retain a tax at the source if it is shown satisfactorily that no tax in fact was or would be due by reason of an exemption for which no claim was filed with such person or corporation by the person entitled to such exemption," and the Senate recedes.

Amendment No. 56½: The Senate amendment is a clerical change, and the Senate recedes.

Amendments Nos. 57 and 58: The Senate amendments made it unnecessary for lessees to withhold rent, and the Senate recedes.

Amendments Nos. 59 and 60: These Senate amendments relate to the personal liability of persons withholding the tax at the source. The House provision made persons withholding the tax at the source liable for the tax. The Senate provision made such persons liable for the tax if they failed to withhold it, and provided that they should not be liable for any penalty if they made certified returns of information concerning the same to the collector of the district. The Senate recedes from both of these amendments.

Amendment No. 61: The Senate amendment provides that a person whose tax is withheld at the source may claim his exemptions by filing said claim with the collector of internal revenue of the district of his residence or chief place of business. The Senate recedes.

Amendment No. 62: The Senate amendment provides that if any person, for the purpose of obtaining any allowance or reduction by virtue of a claim for such exemption, knowingly makes any false or fraudulent representation, that he shall be liable to a penalty not exceeding \$300, and the House recedes.

Amendment No. 63: The Senate amendment provided that dividends should include any distribution of the profits or earnings of a corporation or association accrued since March 1, 1913, whether made in cash or stock dividends. The House recedes from its disagreement to this amendment with an amendment providing that stock dividends made out of the earnings or profits shall be considered income to the amount of its cash value.

Amendment No. 64: The Senate amendment provided "for the purpose of ascertaining the gain derived or loss sustained from the sale or other disposition by a corporation, joint-stock company or association, or insurance company, of property, real, personal, or mixed, acquired before March 1, 1913, the fair market price or value of such property as of March 1, 1913, shall be the basis for determining the amount of such gain derived or loss sustained by sale of such property." The House recedes from its disagreement to this amendment with an amendment striking out the following last five words of the amendment inserted by the Senate: "by sale of such property."

Amendment No. 65: The Senate amendment provides that the income of cooperative banks organized and operated for mutual purposes and without profit shall be exempt from the income-tax provisions. The House recedes from its disagreement to the Senate amendment with an amendment exempting cooperative banks without capital stock organized and operated for mutual purposes and without profit.

Amendment No. 66: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 67: The Senate amendment exempts mutual ditch or irrigation companies from the income-tax provisions. And the House recedes.

Amendments Nos. 68 and 69: The Senate amendments are clerical changes. And the House recedes.

Amendment No. 70: The Senate amendment exempts Federal land banks and national farm-loan associations from the income-tax provisions. And the House recedes.

Amendment No. 71: The Senate amendment exempts joint-stock land banks as to income derived from bonds or debentures of other joint-stock land banks or any Federal land bank belonging to such joint-stock land bank from the income-tax provisions. And the House recedes.

Amendment No. 72: The Senate amendment eliminated the provisions of the House bill which limited the deduction of the rentals paid by corporations as a condition to the continued use

or possession of property to the care of property to which the corporation has not taken or is not taking title or in which it has no equity. And the Senate recedes.

Amendment No. 73: The Senate amendment adds losses charged off and not compensated by insurance or otherwise to the corporation-deduction provision. And the House recedes.

Amendment No. 74: The Senate amendment provided that "(a) in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production, to be ascertained not by the flush flow but by the settled production or regular flow; (b) in the case of mines, a reasonable allowance for depletion thereof, not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage, not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made, under such rules and regulations as may be prescribed by the Secretary of the Treasury; (d) and in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts."

The House agreed to the Senate amendment with an amendment providing that the Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 75: The Senate amendment provided that mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders. And the House recedes.

Amendment No. 76: The Senate amendment is a clerical change. And the House recedes.

Amendment No. 77: The House provided that in the case of indebtedness wholly secured by property collateral, tangible or intangible, the subject of sale or hypothecation in the ordinary business of such corporation, joint-stock company, or association as a dealer only in the property constituting such collateral, or in loaning the funds thereby procured, the total interest paid by such corporation, company, or association within the year on any such indebtedness may be deducted as a part of its expense of doing business. And the Senate recedes from its amendment striking out the word "only."

Amendments Nos 78 and 79: The Senate amendments are clerical changes. And the House recedes.

Amendment No. 80: The Senate amendment is a clerical change. And the House recedes from its disagreement to the amendment with an amendment adding, after the word "school," on page 33 of the official print of the bill, line 13, the word "district."

Amendment No. 81: This amendment is a mere clerical change. And the House recedes.

Amendment No. 82: The Senate amendment eliminated the provision of the House bill which limited the deduction of the rentals paid by corporations as a condition to the continued use or possession of property, to the case of property to which the corporation has not taken or is not taking title, or in which it has no equity. And the Senate recedes.

Amendment No. 83: This amendment is a clerical change. And the House recedes.

Amendment No. 84: The Senate amendment provides that "in the case of oil and gas wells a reasonable allowance for actual reduction in flow and production to be ascertained not by the flush flow, but by the settled production or regular flow; (b) in the case of mines a reasonable allowance for depletion thereof not to exceed the market value in the mine of the product thereof which has been mined and sold during the year for which the return and computation are made; (c) and in the case of timber, a reasonable allowance for stumpage not in excess of the market value of the standing timber actually sawed and sold during the year for which the return and computation are made under such rules and regulations as may be prescribed by the Secretary of the Treasury; (d) and in the case of insurance companies, the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts." The House agreed to the Senate amendment, providing that the

Secretary of the Treasury should have power to make rules and regulations with reference to the allowance allowed for the exhaustion of oil and gas wells and mines and eliminating the provision with reference to timber, as this portion of the amendment was not necessary in view of the fair market value of property on March 1, 1913, being agreed upon as the date for the basis of determining the amount of the gain derived from the sale or disposition of property.

Amendment No. 85: The Senate amendment provided that mutual employers' liability and mutual workmen's compensation and mutual casualty insurance companies requiring their members to make premium deposits to provide for losses and expenses shall not return as income any portion of the premium deposits returned to their policyholders. And the House recedes.

Amendment No. 86: This amendment is merely a clerical change. And the House recedes.

Amendment No. 87: This amendment prevents the deduction, in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation, for the payment of any tax paid pursuant to such guaranty, instead of merely the income tax, as provided in the House bill. And the House recedes.

Amendment No. 88: This amendment is a clerical change. And the House recedes.

Amendment No. 89: The Senate amendment is only a clerical change. And the House recedes with an amendment inserting, on page 36 of the official print of the bill, line 25, after the word "school," the word "district."

Amendments Nos. 90, 91, and 92: These amendments are clerical changes. And the House recedes.

Amendment No. 93: This amendment provides that if a corporation, joint-stock company or association, or insurance company has no principal place of business, office, or agency in the United States, then the return shall be made to the collector of internal revenue at Baltimore, Md. And the House recedes.

Amendments Nos. 94, 95, 96, 97, 98, and 99: These amendments are clerical changes. And the House recedes.

Amendments Nos. 100 and 101: These amendments make the income-tax provisions relating to withholding at the source applicable to nonresident alien individuals apply to nonresident alien firms, copartnerships, companies, corporations, joint-stock companies or associations, and insurance companies. And the House recedes.

Amendment No. 102: This amendment provides that if an amount in excess of the amount properly due under an income-tax return required under the provisions of the act of August 5, 1909, the act of October 3, 1913, or this act has been paid into the Treasury a refund may be had of the excess amount paid, notwithstanding the provision of section 3228 of the Revised Statutes. And the House recedes with an amendment specifying the titles of the acts of August 5, 1909, and October 3, 1913.

Amendments Nos. 103 and 104: These amendments are clerical changes. And the House recedes.

Amendment No. 105: This amendment gives the Commissioner of Internal Revenue authority to grant corporations or individuals a reasonable extension of time in meritorious cases to make their returns. And the House recedes.

Amendment No. 106: The Senate amendment provides that section 3225 of the Revised Statutes shall not apply to a statement made in good faith, regarding annual depreciation of oil or gas wells, mines, and timberlands. The House recedes from its disagreement to this amendment with an amendment striking out "timberlands" so that this provision will only apply to statements and returns with reference to depreciation of oil and gas wells and mines.

Amendments Nos. 107 and 108: Are merely clerical changes. And the House recedes.

Amendment No. 108½: This amendment provides that "where any tax heretofore due and payable has been duly paid by the taxpayer, it shall not be re-collected from any person or corporation required to retain it at its source, nor shall any penalty be imposed or collected in such cases from the taxpayer, or such person or corporation whose duty it was to retain it, for failure to return or pay the same, unless such failure was fraudulent and for the purpose of evading payment." And the House recedes.

Amendment No. 109: This amendment relates to the making of the return and was carried in the House bill in the individual section. As an administrative provision it is more properly placed with the administrative sections. And the House recedes.

Amendment No. 110: The Senate amendment provided that "Nothing in this title shall be construed to release a taxable person from liability for income tax, and any contract here-

after entered into for payment of any interest, rent, or other fixed or determinable annual or periodical payment without allowing any deduction authorized to be made by this title or for the reimbursement of any amount so deducted shall be void." And the Senate recedes.

Amendments Nos. 111, 112, 113, 114, 115, and 116: These amendments are changes in section numbers. And the House recedes from its disagreement with the amendment numbering the sections numerically.

Amendment No. 117: This amendment provides that nothing in section 25 shall conflict with that portion of section 10 under which the taxpayer has fixed its own fiscal year. And the House recedes.

Amendments Nos. 118, 119, and 120: These amendments are changes in section numbers, and the House recedes from its disagreement to these amendments with amendments numbering the sections properly.

Amendments Nos. 121 and 122: These are clerical changes. The House recedes.

Amendment No. 123: The Senate amendment limits the 5 per cent rate to net estates exceeding \$450,000 and not exceeding \$1,000,000, and the House recedes.

Amendment No. 124: The Senate amendment introduces a new classification, as follows:

A 6 per cent rate upon the amount by which such net estate exceeds \$1,000,000 and does not exceed \$2,000,000;

A 7 per cent rate upon the amount by which such net estate exceeds \$2,000,000 and does not exceed \$3,000,000;

A 8 per cent rate upon the amount by which such net estate exceeds \$3,000,000 and does not exceed \$4,000,000;

A 9 per cent rate upon the amount by which such net estate exceeds \$4,000,000 and does not exceed \$5,000,000; and

A 10 per cent rate upon the amount by which such net estate exceeds \$5,000,000, and the House recedes.

Amendment No. 125: This amendment is a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 126: The Senate amendment changes a printer's error. The House recedes.

Amendment No. 127: The Senate amendment strikes out the words "and adequate," leaving the consideration to be a fair one, instead of a fair and adequate one. The House recedes.

Amendment No. 128: The Senate amendment changes the period prior to death during which a transfer of property shall be deemed to have been made in contemplation of death, from four years to two years. The House recedes.

Amendment No. 129: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 130 and 131: The Senate amendments are clerical. And the House recedes.

Amendments Nos. 132 and 133: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 134: The Senate amendment changes the time of the beginning of interest on unpaid taxes upon estates to one year after the decedent's death instead of from the time of death. The Senate recedes.

Amendments Nos. 135, 136, and 137: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendments Nos. 138 and 139: The Senate amendments provide that a return shall be made in case the gross estate at the time of death exceeds \$50,000, together with certain details of such returns. The House recedes with an amendment requiring returns whenever there is an estate subject to this tax or where the gross estate exceeds \$60,000.

Amendments Nos. 140, 141, and 142: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 143: The Senate amendment strikes out the words "and adequate," leaving the consideration to be a fair one, instead of a fair and adequate one. The House recedes.

Amendment No. 144: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendment No. 145: The Senate amendment provides that in case any of the tax provided for is paid out of the part of the estate passing to or in possession of any person other than the executor, such person shall be entitled to reimbursement from any part of the estate still undistributed, or by a just distribution from the other heirs. And the House recedes.

Amendment No. 146: This amendment is a change in section number. And the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 147, 148, 149, and 150: The Senate amendments in each instance insert the word "a" before the word "fair" and strike out the words "and adequate." These amendments leave the consideration as a fair one, instead of a fair and adequate one. And the House recedes.

Amendments Nos. 151, 152, and 153: These amendments are clerical changes. And the House recedes.

Amendments Nos. 154, 155, 156, and 157: These amendments are changes in section numbers. And the House recedes from its disagreement to the amendments with amendments numbering the sections properly.

Amendment No. 158: This amendment is a change in section number, and the House recedes from its disagreement to the amendment numbering the section with an amendment numbering the sections properly.

Amendment No. 159: The Senate amendment strikes out the word "person" and inserts the word "corporation." And the Senate recedes.

Amendment No. 160: The Senate amendment strikes out the word "partnership." The Senate recedes.

Amendment No. 161: The Senate amendment inserts the words "joint-stock companies." The Senate recedes.

Amendment No. 162: The Senate amendment strikes out the definition of the word "manufacture," as it is not necessary in the amended title. The House recedes.

Amendment No. 163: The Senate amendment strikes out the entire Title III, with the exception of section 300, and inserts in lieu thereof 10 new sections. The effect of the Senate amendments was to change the basis of the tax from the gross receipts to the net profits. It also strikes out the tax on copper and its alloys. It added a paragraph terminating the life of the tax one year after the end of the present European war. The House receded with certain amendments, the principal of which is the method of determining the net profits and the rate of tax is increased from 10 per cent, as provided by the Senate, to 12½ per cent.

Amendment No. 164: This amendment relates to a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 165: This Senate amendment defines wine. The House recedes from its disagreement to the amendment defining wine to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging, and providing that wine can be perfected by the addition of sugar and water, but that the additions shall not increase the volume more than 35 per cent.

Amendment No. 166: This amendment is a change in section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 167: The Senate amendment taxes compounds sold as wine at the same rates as still wines and artificial or imitation wines. And the House recedes.

Amendment No. 168: The Senate amendment fixed a uniform rate of 8 cents per gallon upon all wines. The Senate receded.

Amendment No. 169: The Senate amendment struck out the provisions imposing a tax of 4 cents per wine gallon upon wines containing less than 14 per cent of alcohol, 10 cents upon wine containing in excess of 14 per cent and not in excess of 21 per cent of alcohol, and 25 cents upon wines containing over 24 per cent of alcohol. The Senate receded.

Amendment No. 170: The Senate amendment changed the provisions imposing the distilled-liquor tax upon wines containing over 21 per cent of alcohol. The Senate receded.

Amendment No. 171: The Senate amendment is clerical, and the House receded.

Amendment No. 172: The Senate amendment struck out the provision abating or refunding the tax under the present law upon still wines unsold in the actual possession of the producer, so that the rates of this act could be imposed thereupon. The Senate receded.

Amendments Nos. 173 and 174: These amendments are clerical, and the House receded from them.

Amendment No. 175: This amendment is a clerical change. And the Senate recedes.

Amendment No. 176: This amendment is a clerical change. And the House recedes.

Amendment No. 177: This amendment is a change in section number; and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 178: The Senate increased the tax upon brandy for fortifying wines from the rate of 10 cents per proof gallon, provided in the House bill, to 55 cents per gallon; and the Senate recedes.

Amendment No. 179: The House provided that the tax upon brandy for fortifying sweet wines should be paid 90 days after notice. The Senate increased the period to 6 months; and the House recedes.

Amendment No. 180: This amendment provides that when sugar is used in sweetening wine, the sugar must contain not less than 95 per cent of actual sugar calculated on a dry basis; and the House recedes.

Amendments Nos. 181 and 182: These amendments are clerical changes; and the House recedes.

Amendment No. 183: This amendment allows an additional removal of wine from bonded premises before it is necessary to pay the tax; and the House recedes.

Amendments Nos. 184, 185, and 186: These amendments are clerical changes; and the House recedes.

Amendment No. 187: The House provided that each bottle or other container of artificial carbonated wine should pay 1 cent on each one-half pint or fraction thereof. The Senate increased this rate to 2½ cents. The House recedes from its disagreement to the Senate amendment with an amendment placing the tax at 1½ cents for each one-half pint or fraction thereof.

Amendment No. 188: This amendment restricts the taxable compounds to beverages; and the House recedes.

Amendments Nos. 189 and 190: The House provided that liqueurs, cordials, etc., containing distilled spirits of wine should pay a tax of 1½ cents on each one-half pint or fraction thereof. The Senate amendment provides that liqueurs, cordials, etc., containing sweet wine, fortified with grape brandy, shall pay a tax of 1½ cents on each pint or fraction thereof; and the House recedes.

Amendment No. 191: This amendment provides that liqueurs, cordials, etc., not containing sweet wines shall pay three-fourths cents on each one-half pint or fraction thereof; and the Senate recedes.

Amendment No. 192: This amendment is a clerical change; and the House recedes.

Amendment No. 193: The Senate struck out the tax upon medicinal compounds, so the House provision struck out by the Senate amendment is not necessary; and the House recedes.

Amendment No. 194: This amendment provides that in the case of imported still wines, including vermouth, sparkling wines, including champagne, and imported liqueurs, cordials, and similar compounds, the tax may be paid by assessment, instead of by stamps; and the House recedes.

Amendments Nos. 195, 196, 197, and 198: These amendments are clerical changes; and the House recedes.

Amendment No. 199: The Senate amendment is necessary in order to permit the blending of wines by other than rectifiers, and permits the use of grain or other ethyl alcohol in the fortification of sweet wines; and the House recedes.

Amendment No. 200: This amendment provides that distillers using the filtration-aeration process may use an unlimited amount of water in the process of mashing or filtration for fermentation; and the House recedes.

Amendment No. 201: This amendment provides that alcohol or other distilled spirits of proof strength of not less than 180 degrees intended for export free of tax may be drawn from receiving cisterns at any distillery or from storage tanks in any distillery warehouse, for transfer to tank or tank cars for export from the United States. The House recedes from its disagreement to this amendment with an amendment properly numbering the section.

Amendment No. 202: This amendment makes section 3255 of the Revised Statutes applicable to this act; and the House recedes with an amendment changing the section number to its proper number.

Amendment No. 203: This amendment provides that distilled spirits commercially known as gin, of not less than 80 per cent proof, at any time within eight years after entry in bond, at any distillery, may be bottled in bond at such distillery for export without payment of tax. The House recedes from its disagreement to this amendment with an amendment making this provision section 405.

Amendment No. 204: This amendment permits the use of a pipe line for the withdrawal of near beer from the brewery premises; and the House recedes from its disagreement to this amendment with an amendment to properly renumber the section.

Amendment No. 205: This amendment relates to the change in section number; and the House recedes from its disagreement

to the amendment with an amendment properly renumbering the section.

Amendment No. 206: The Senate provides that corporations, joint-stock companies, and associations shall pay 50 cents for each \$1,000 of capital stock, surplus, and undivided profits used in any of the activities or functions of their business, including such sums of capital stock, surplus, and undivided profits as may be invested in or loaned upon stocks, bonds, mortgages, real estate, or other securities. The House recedes from its disagreement to this amendment with an amendment providing as follows: "every corporation, joint-stock company, or association now or hereafter organized in the United States for profit and having a capital stock, and every insurance company now or hereafter organized under the laws of the United States, or any State or Territory of the United States, shall pay annually a special excise tax with respect to the carrying on or doing business of such corporation, joint-stock company, or association, or insurance company, equivalent to 50 cents for each \$1,000 of the fair value of its capital stock, and in estimating the amount of capital stock, surplus and undivided profits shall be included." The amendment further provides that in the case of an insurance company, such deposits and reserve funds as they are required by law or contract to maintain or hold for the protection of or payment to or apportionment among policyholders shall not be included in assessing the tax upon the fair value of the capital stock. The amendment allows an exemption of \$99,000 from the capital stock. The amendment further provides that a nonresident corporation doing business in the United States shall pay a tax equivalent to 50 cents for each \$1,000 of the capital actually invested in the transaction of this business in the United States, and contains the exemption for nonresident insurance companies the same as that given resident insurance companies. It also allows a deduction for nonresident companies, from the amount of capital so invested, equal to such proportion of \$99,000 as the amount so invested bears to the total amount invested in the transaction of business in the United States or elsewhere.

Amendment No. 207: This amendment is clerical; and the House recedes.

Amendment No. 208: The House provided a tax upon theaters, museums, or concert halls which was based upon the gross receipts. The Senate reenacted the emergency revenue provisions relating to theaters, museums, or concert halls providing that in cities, towns, or villages of 5,000 inhabitants or less the amount of such payment should be one-half that of those located in the larger places. The House recedes from its disagreement to the Senate amendment with an amendment limiting the taxing provision to theaters, museums, and concert halls.

Amendment No. 209: The House provided a tax upon bowling alleys and billiard rooms open to the public with or without price. The Senate amendment placed the tax upon bowling alleys and billiard rooms open to the public with or without price in addition to clubs and private homes. The House recedes from its disagreement with the Senate amendment with an amendment providing that the tax shall not apply to billiard tables and bowling alleys in private homes.

Amendment No. 210: This amendment changes the section number. And the House recedes from its disagreement with an amendment renumbering the section.

Amendment No. 211: This amendment makes little cigars weighing not more than 3 pounds per thousand taxable at the same rate as cigarettes. The House recedes from its disagreement to the Senate with an amendment changing the word "little" before cigars to "small."

Amendment No. 212: The House provided a tax upon manufacturers of cigarettes of 3 cents for every 10,000. The Senate increased the tax upon manufacturers of cigarettes to 8 cents for every 10,000 and made small cigars taxable at the same rates. The Senate recedes from its amendment, thus leaving the tax upon manufacturers of cigarettes and small cigars 3 cents per every 10,000.

Amendments Nos. 213, 214, 215, and 216. These amendments are changes in section numbers. And the House recedes from its disagreement to the same with an amendment properly renumbering the section numbers.

Amendment No. 217: This amendment imposes a stamp tax upon bonds, debentures, and certificates of indebtedness, certificates of stock, stock transfers, sales, or agreements to sell products of merchandise at an exchange or board of trade or other similar place for future delivery, the entry of goods at customhouse for warehousing or withdrawal, passenger tickets and seats in parlor or palace cars, and berths in sleeping cars, etc. The House recedes with an amendment striking out all the stamp taxes but leaving the last section of this amendment,

which provides for annual leave for internal-revenue agents and inspectors the same as granted to similar agents and inspectors in other departments.

Amendment No. 218: This amendment containing the administrative features for the stamp-tax provisions, and in view of the fact that the Senate receded from its amendment retaining the stamp taxes the Senate also recedes from its amendment containing the administrative provisions for the administration of the same.

Amendment No. 219: This amendment is a change in section number. And the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 220: The Senate amendment struck out the words "on and after the day following the passage of this act," the effect of which was to change the time of this tax going into effect. The Senate recedes.

Amendment No. 221: The Senate amendment changed the free list by limiting a number of articles to their more crude condition. The House receded with amendments changing the spelling of certain of the terms.

Amendment No. 222: The Senate amendment changed Group II of this section by including therein certain of the more advanced articles included in Group I. The House receded with amendments changing the spelling.

Amendment No. 223: The Senate amendment inserts in Group III of this section medicinals, flavors, and synthetic phenolic resin. The House recedes.

Amendment No. 224: The Senate amendment is clerical. And the House recedes.

Amendment No. 225: The Senate amendment inserts in Group III the following: "Colors, dyes, or color taken, obtained, derived, or manufactured from natural alizarin and indigo." And the House recedes.

Amendment No. 226: The Senate amendment changes the section number. And the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 227: The Senate amendment strikes out the words fixing the time of going into effect of the duties imposed in this section. And the Senate recedes, causing the tax to go into effect the day after the passage of this act.

Amendment No. 228: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 229: The Senate amendment imposed the specific duty of this section upon alizarin, indigo, and dyes obtained therefrom. The House receded with an amendment excepting these dyes and medicinals and flavors from these specific taxes.

Amendment No. 230: The Senate amendment is a clerical one, and the House recedes.

Amendments Nos. 231 and 232: These amendments are changes in section numbers, and the House recedes with amendments numbering the sections properly.

Amendment No. 233: The Senate amendment inserts the following: "and the words 'salicylic acid,'" in paragraph 1. This is a necessary amendment, and the House recedes.

Amendment No. 234: The Senate amendment delayed the taking effect of this title until the termination of the present European war. The Senate receded, causing the title to take effect the day following the passage of this act.

Amendment No. 235: The Senate amendment inserted a new title, increasing the price limit of print paper that can be admitted free of duty from 2½ cents per pound to 5 cents per pound. The House receded with an amendment correcting clerical errors.

Amendment No. 236: This amendment is a change in the title number, and the House recedes.

Amendment No. 237: This amendment is a change in the section number, and the House recedes from its disagreement to the amendment with an amendment numbering the section properly.

Amendments Nos. 238 and 239: The House provided the President should designate the chairman and vice president of the Tariff Commission biennially. The Senate provided the President should designate the said chairman and vice president annually, and the House recedes from both amendments.

Amendment No. 240: The Senate amendment changed the section number, and the House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 241: The Senate amendment is clerical, and the House agrees.

Amendment No. 242: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 243: The Senate amendment adds to the duties of the Tariff Commission the investigation of the industrial effects of our customs laws. The House recedes.

Amendment No. 244: The Senate amendment adds to the duties of the Tariff Commission the investigation of the effect upon the industries and labor of the country. And the House recedes.

Amendment No. 245: The Senate amendment changes the section number. The House recedes from its disagreement, with an amendment numbering the section properly.

Amendment No. 246: The Senate amendment changes the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 247: The Senate amendment adds to the duties of the Tariff Commission the power to investigate economic alliances. The House recedes.

Amendments Nos. 248, 249, 250, and 251: The Senate amendments change section numbers. The House recedes, with amendments correcting these numbers.

Amendment No. 252: The Senate amendment empowers the Tariff Commission to investigate the Paris economy pact and similar organizations and arrangements in Europe. The House recedes.

Amendment No. 253: The Senate amendment changed the section number. The House recedes from its disagreement with an amendment numbering the section properly.

Amendment No. 254: The Senate amendment made a permanent appropriation of \$300,000 per year. The House provision only authorized this appropriation. The Senate recedes.

Amendment No. 255: The Senate amendment changes the title number. The House recedes.

Amendments Nos. 256 and 257: The Senate amendment changes the section number. The House recedes with an amendment numbering the section properly.

Amendment No. 258: This Senate amendment is clerical. The House recedes.

Amendments Nos. 259 and 260: The Senate amendments extend the provisions of this section by making it unlawful to import or cause to be imported into the United States articles in unfair competition. The House recedes.

Amendment No. 261: The Senate amendment provides that nothing in this title shall be construed as depriving the proper State courts of jurisdiction in actions for damages thereunder. The House recedes.

Amendment No. 262: The Senate amendment changes the section number. The House recedes with an amendment correcting this number.

Amendment No. 263: The Senate amendment allows the establishment in this country on the part of a foreign producer of an exclusive agency for the sale of the products of said producer or merchant. The House receded with an amendment so as not to extend the exemption to the goods imported.

Amendment No. 264: The Senate amendment changed the section number. The House recedes with an amendment inserting proper section number.

Amendment No. 265: The Senate amendment inserts a section giving the President power to retaliate in case any country prohibits the imports of goods from the United States. The House recedes with a small clerical amendment.

Amendments Nos. 266 and 267: The Senate amendment inserted two sections empowering the President during the existence of a war in which the United States is not engaged, whenever he shall be satisfied that our trade is being unjustly discriminated against, to use retaliatory measures. The House recedes, with certain clerical amendments.

Amendment No. 268: The Senate amendment inserted a section empowering the President, under certain conditions, to deny the use of the United States mails, express companies, telegraph, cable, or wireless company to citizens, firms, companies, or corporations of certain belligerent countries. The Senate receded.

Amendment No. 269: The Senate amendment restricted the admission of certain fish from the North Pacific, through any foreign country, except in bond from an American port. The Senate receded.

Amendment No. 270: The Senate amendment changed the number of the title. The House receded with an amendment correcting the number of this title.

Amendment No. 271: The Senate amendment changes the section number. The House recedes with an amendment correcting this number.

Amendment No. 272: The Senate amendment provides that the appropriation of \$2,000,000 carried in the Army appropriation act for the fiscal year 1917 shall be available for time subsequent to June 18, 1916, and that payment shall be made with-

out reference to the enlisted men having enlisted before or after the call by the President. The House receded with an amendment correcting the number of the section.

Amendment No. 273: The Senate amendment had the effect of changing the position of the last section of the act. The House receded with an amendment restoring the section to its original position and numbering the section properly.

CLAUDE KITCHIN,  
HENRY T. RAINEY,  
LINCOLN DIXON,  
CORDELL HULL,

*Managers on the part of the House.*

Mr. LINDBERGH. Mr. Speaker, I had reserved the right to object. I desired to ask the gentleman a question in reference to the provision on page 50, lines 17, 18, and 19.

Mr. KITCHIN. The Senate receded. It becomes a public record, to be inspected upon the order of the President.

Mr. LINDBERGH. That remains the same as it went from the House to the Senate?

Mr. KITCHIN. Yes, sir.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The gentleman from North Carolina [Mr. KITCHIN] is recognized for one hour.

Mr. KITCHIN. Mr. Speaker, the first difference between the Senate and House on the revenue bill was in the income-tax provisions. One of the material changes from the House bill, or, rather, additions to the bill, which were made by the Senate amendments, was the increase in the surtax of the income tax on amounts exceeding \$500,000. The House bill provided that the total net income in excess of \$500,000 should be taxed 10 per cent. The Senate amendment provides that the rate of 10 per cent shall be imposed upon the amount by which the net income exceeds \$500,000, and does not exceed \$1,000,000, 11 per cent upon the amount by which the net income exceeds \$1,000,000 and does not exceed \$1,500,000, 12 per cent upon the amount by which the net income exceeds \$1,500,000 and does not exceed \$2,000,000, and 13 per cent upon the amount by which the net income exceeds \$2,000,000. The House receded from its disagreement to this amendment and concurred therein.

Another material change by Senate amendment was with respect to the exemptions. The House bill changed the present law by extending the exemptions of \$4,000 to the head of a family instead of to a married person. The Senate amended the bill, striking this out and incorporating the provisions of the present law. The conferees agreed on the House provision extending the exemptions to the head of the family. These are the important propositions that came before the conference committee in regard to the income tax.

I think we could save time and better get at the important portions of the conference report if gentlemen who are interested will take the bill as it was amended by the Senate and ask me as to the action of the conferees with respect to the Senate amendments.

Mr. MEEKER. The gentleman means just in regard to the income tax?

Mr. KITCHIN. As to any amendment by the Senate. In regard to the estate or inheritance tax, we concurred in the Senate amendment increasing the rates on net estates exceeding \$450,000. The House bill had it 5 per cent on the excess of the net estate over \$450,000. The Senate amendments limited the 5 per cent rate to net estates exceeding \$450,000 and not exceeding \$1,000,000, and introduced a new classification, as follows:

A 6 per cent rate upon the amount by which such net estate exceeds \$1,000,000 and does not exceed \$2,000,000;

A 7 per cent rate upon the amount by which such net estate exceeds \$2,000,000 and does not exceed \$3,000,000;

An 8 per cent rate upon the amount by which such net estate exceeds \$3,000,000 and does not exceed \$4,000,000;

A 9 per cent rate upon the amount by which such net estate exceeds \$4,000,000 and does not exceed \$5,000,000; and

A 10 per cent rate upon the amount by which such net estate exceeds \$5,000,000. The House receded and concurred in them.

In the munitions tax the House, as gentlemen will recall, levied a tax upon the gross receipts. We also levied a tax upon copper, alloyed and refined. The Senate struck out the copper tax. The House concurred in that amendment.

Mr. DENISON. Mr. Speaker, will the gentleman yield right there?

Mr. KITCHIN. I will.

Mr. DENISON. Does the gentleman intend to explain why that was left out?

Mr. KITCHIN. It was left out because the Senate conferees would not yield on it. That is the best reason I can give. Of course, I can not tell what took place in the conference.

Mr. DENISON. I was going to ask the gentleman if he could enlighten the House on the reasons that were given, whether the Senators—

Mr. KITCHIN. No; I could not say what reasons the conferees gave; but the Senate conferees would not yield.

Mr. ANDERSON. Mr. Speaker, will the gentleman permit a question?

Mr. KITCHIN. Yes.

Mr. ANDERSON. I wanted to know what was done on the Senate amendments relative to mutual fire and life insurance companies.

Mr. KITCHIN. The provisions as to mutual fire and life insurance companies are left substantially as the House bill had them. The amendments to which the gentleman refers are doubtless the amendments first reported by the Senate Finance Committee. These were stricken out or modified before the bill left the Senate.

Mr. MANN. Will the gentleman yield there?

Mr. KITCHIN. Yes.

Mr. MANN. On what theory was the copper tax stricken out?

Mr. KITCHIN. Well, on the theory that it was a special tax upon one industry, and there was no similar tax upon other industries, like zinc or lead or iron or steel.

Mr. MANN. Was that the theory that the committee had when they put the bill through the House?

Mr. KITCHIN. That was not the theory. The theory that we had was that it entered more largely into the composition of munitions of war than the products of the other big industries; that it was making exorbitant profits on account of the war, and it therefore could, without an unreasonable burden, and ought to pay a special tax.

Mr. MANN. Did the House conferees change their opinion on the subject?

Mr. KITCHIN. The House conferees have not changed their opinion, but under all the circumstances presented to them they reluctantly yielded. But the gentleman ought not to be too inquisitive, for he will get into the secrets of the conference. [Laughter.]

Mr. MANN. The Senators from the Democratic States were too much for the House conferees. [Laughter.]

Mr. KITCHIN. The Republican Senators were against the copper tax, and in deference to all the Republican Senators and a few Democratic Senators the Senate conferees insisted. [Laughter.]

Mr. MANN. The House conferees, then, did what they did because of the judgment of the Republican conferees in the Senate?

Mr. KITCHIN. No; the Democratic conferees and all the Republicans in the Senate. I fear that the Republican Senators badly influenced them. [Laughter.]

Mr. MANN. But the gentleman was not influenced by the Republican Members of the House.

Mr. KITCHIN. If the gentleman has nothing else to add that is real good; I will proceed. [Laughter.]

Now, instead of a tax on the gross receipts from munitions of war, the Senate placed a tax of 10 per cent on the net profits. The House conferees concurred with an amendment making it 12½ per cent on the net profits.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. COOPER of Wisconsin. Can the gentleman please tell how the net profits are to be determined, and by whom?

Mr. KITCHIN. They are to be determined by taking the gross receipts and making the same deductions as were provided in the House bill; that is, deducting from gross receipts labor, materials, salaries, and overhead charges, and so forth. After deducting these from the gross receipts, the balance is the net profit.

Mr. COOPER of Wisconsin. Was there any limitation on the salaries that could be paid in order to diminish the net profits?

Mr. KITCHIN. No. That would have to be thrashed out by the Treasury Department and the companies should such a question arise. There are no provisions about that in the Federal income tax or in the income-tax laws of the States.

Mr. COOPER of Wisconsin. I have in mind some experience that the Government had with great corporations, in which certain sums were to be paid back from the net income, and there was never any net income from which to pay back anything. If the payments had been required to be made out of the gross receipts, then something would have been paid back. That is the simpler and only sure way to get what the Government is entitled to.

Mr. KITCHIN. I agree with the gentleman. It is my judgment that a smaller tax on the gross receipts would have been simpler and surer.

Mr. COOPER of Wisconsin. I would not impute to anybody a dishonest motive, to have a thing of this kind put into the law, and of course the gentleman from North Carolina would not infer that I was imputing such a motive.

Mr. KITCHIN. Certainly not.

Mr. COOPER of Wisconsin. But that sort of a provision in the law affords every sort of an opportunity to beat the Government out of what it is entitled to. When you leave it to the people to fix the amount of the net income, they will see to it that it is not any larger than it can possibly be made.

Mr. KITCHIN. I will say to the gentleman that we did not leave it to them any more than the net income under the income tax is left to the taxpayer. The department is authorized by the bill to examine their books, and they must show the cost of everything that enters into the cost of the product.

Mr. KREIDER. You arrive at that amount just the same as you do in the income tax of corporations and individuals?

Mr. KITCHIN. Yes; except as to the amortization of temporary buildings that they erect for this purpose. A reasonable deduction on account of this may be allowed by the Treasury Department.

Mr. KREIDER. The gentleman believes it would be as correct as in the income tax?

Mr. KITCHIN. Yes; as correct as in the income tax.

Mr. LINDBERGH. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. Yes.

Mr. LINDBERGH. Will the gentleman read lines 17, 18, and 19 on page 50 as they now are?

Mr. KITCHIN. The Senate amendment is stricken out, and that provision now reads this way:

When the assessment shall be made, as provided in this title, the returns—

Mr. LINDBERGH. That is satisfactory.

Mr. MOORE of Pennsylvania. Will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Pennsylvania.

Mr. MOORE of Pennsylvania. Building and loan associations are not included in this bill at all, are they?

Mr. KITCHIN. They are exempted.

Mr. MOORE of Pennsylvania. They are wholly exempted from taxation under this bill?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. Although a member of the conference committee I am not as well informed as to the amendments as I would like to be. [Laughter.] If the gentleman will indulge me—

Mr. KITCHIN. The gentleman did not come around early enough. He was late. [Laughter.]

Mr. MOORE of Pennsylvania. I came around promptly as per invitation for this evening at 8 o'clock, and we had such a pleasant social session that I will not at this time divulge any of the secrets of that conference. However, I should like to ask the gentleman what became of amendment 206, taxing joint-stock companies and corporations 50 cents for each \$1,000 of capital stock.

Mr. KITCHIN. We have changed that by concurring with an amendment providing for a tax of 50 cents on each \$1,000 of the fair value of the capital stock and provided that in ascertaining the fair value of the stock there shall be taken into consideration the surplus and undivided profits; not that the surplus and undivided profits as such should be taxed, but that in estimating the value of the capital stock they should be considered or included.

Mr. STAFFORD. Leaving it at the exemption of \$99,000 still?

Mr. KITCHIN. Yes; \$99,000.

Mr. MOORE of Pennsylvania. As to amendment 217, the documentary stamp tax, has that been taken from the bill?

Mr. KITCHIN. All stamp taxes of every kind put in by the Senate have been wiped out. [Applause.]

Mr. MOORE of Pennsylvania. Does that include adhesive stamps?

Mr. KITCHIN. Yes; all.

Mr. MOORE of Pennsylvania. The stamp taxes have been entirely eliminated?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. Pardon me for saying that I think that was a pretty good political move at this time.

I thought the gentleman and his party, who imposed the stamp tax, would see the propriety of taking it off.

Mr. KITCHIN. We followed the example of your party once and put them on, but we will not do so any more.

Mr. MOORE of Pennsylvania. About amendment 263, on page 148—this refers to the antidumping provision:

*Provided*, That the above shall not be interpreted to prevent the establishing in this country on the part of a foreign producer of an exclusive agency for the sale in the United States of the products of said foreign producer or merchant, nor to prevent such exclusive agent from agreeing not to use, purchase, or deal in the article of any other person.

Before the gentleman answers, I should like to call his attention to section 3 of the Clayton antitrust law, which prevents any such exclusive agency on the part of any manufacturer or agent in the United States. Having called the gentleman's attention to section 3 of the Clayton antitrust law, I would ask whether that amendment 263 standing in this bill is not in direct contravention of the Clayton antitrust law?

Mr. KITCHIN. I really do not think it is; but I think if the agent, after he received the goods, were to impose any of the conditions set out in the section upon the person here to whom he sells the exclusive agent would be guilty under the Clayton Antitrust Act. But we go further. The House conferees added another proviso, which was accepted, making that section apply to goods shipped by the foreign producer to this exclusive agent, if he required the agent or had any agreement with the agent to impose those conditions upon any person to whom he sold in the United States.

Mr. MOORE of Pennsylvania. Unless there was something additional in conference to what appears in the print here, this provision would be in direct conflict with the Clayton antitrust law. It would favor the foreigner as against the American manufacturer or agent.

Mr. KITCHIN. But certainly not with the amendment to that, to which I have alluded.

Mr. MOORE of Pennsylvania. Several gentlemen are interested in the wine-tax provision, about which there has been a great deal of correspondence. Will the gentleman explain what was done there?

Mr. KITCHIN. The wine tax is exactly where the House placed it, the Senate receding in several amendments; but as to wines known as the Ohio wines we concurred in the Senate amendment with an amendment which permits an amelioration of the wine with water and sugar to the amount of 35 per cent of the resultant product. The Senate amendment by its wording, though intending to permit 35 per cent of the resultant product, would only permit about 26 per cent of the resultant product; but we have changed it as it was intended to be and have allowed them to ameliorate the wine to 35 per cent in volume of the resultant product.

Mr. MOORE of Pennsylvania. Does the gentleman regard that as a compromise between the eastern and the California growers?

Mr. KITCHIN. I would not regard it exactly as a compromise. The eastern fellows wanted it more and the California fellows wanted it less.

We thought that was fair and just to both, and fair and just to the Treasury. I do not think that either the California wine producers or the Ohio wine producers will have much ground for protest.

Mr. MEEKER. Does the gentleman believe that that will clear up the contention between the California and the eastern men and give them a fair chance in the market?

Mr. KITCHIN. Yes. I will say to the gentleman that the Bureau of Chemistry in the Agricultural Department has forbidden the Ohio wine producers to make wine which would have exceeded 25 per cent of amelioration. I have given some little study to the wine production in Ohio and Missouri, and I was convinced, as the conferees on the part of the House were, that the Agricultural Department had made it a little too low. We believed that in some years, on account of the condition of the grape, its acidity, and so forth, they needed as much as 35 per cent—some years they do not need so much—and we put it at 35 per cent.

Mr. MOORE of Pennsylvania. What became of amendment No. 269, known as the Alaskan fishery rider?

Mr. KITCHIN. That went out.

Mr. ANDERSON. While the gentleman is on the wine proposition, what became of amendment No. 170, which reduced the alcoholic contents from 24 to 21 per cent?

Mr. KITCHIN. The Senate receded. The provisions of the House bill, agreed to by the conferees, conform to the tariff laws we have in that respect.

Mr. STAFFORD. I wish the gentleman would acquaint the House with the action of the conferees on the embargo amendments.

Mr. KITCHIN. The House concurred in all the amendments except section 104, which relates to the retaliation by mail, express, telegraph, and so forth.

Mr. STAFFORD. The language is as incorporated in the Senate?

Mr. KITCHIN. Yes.

Mr. STAFFORD. In relation to print paper, was that eliminated?

Mr. KITCHIN. No; that was agreed to.

Mr. STAFFORD. If I understand the contention of the gentleman from Illinois [Mr. MANN] correctly, that means virtually that the newspaper publishers will be obliged to pay higher for print paper, because the Canadians will be able to charge more than \$2.50 a hundred pounds.

Mr. KITCHIN. I will say that I realize there is some ground for that argument.

Mr. STAFFORD. If I had not been a member with my distinguished colleague on the committee that investigated that subject, I would not be so firm in my belief in approving everything that the gentleman from Illinois stated yesterday as to the ultimate result of the news-print paper industry in this country. While the news-print paper concerns may temporarily get some benefit—those in Maine, New Hampshire, and New York where they have pulp wood—the other news-print paper concerns of the country will be starved in not being able to get the necessary supply of pulp wood from Canada. I think it was a grave mistake in the conferees to yield to the action of the Senate in that particular.

Mr. KITCHIN. For some time during the conference I shared the last sentiment that the gentleman just expressed, but not on the same grounds.

Mr. GILLETT. Will the gentleman tell us what became of amendment 100, for the collection of taxes?

Mr. KITCHIN. That went out as soon as we pointed the guns, and it was turned over to the gentleman's committee. I misunderstood the gentleman at first. I thought he asked about the \$100,000 appropriation by the Senate amendment for the collection of the munition tax. Amendment 100 was concurred in.

Mr. GILLETT. And amendment 102, in relation to returns and incomes of insurance companies, page 50?

Mr. KITCHIN. That is kept in with an amendment describing the acts of 1909 and 1913 more definitely.

Mr. GILLETT. It was left in applying to acts of 1909 and 1913.

Mr. KITCHIN. Yes. We described the acts with more particularity, so that it will be certain what acts are referred to.

Mr. BRUMBAUGH. Was the stamp tax taken off from fire insurance premiums?

Mr. KITCHIN. Yes.

Mr. BENNET. This morning I called the attention of the gentleman from North Carolina to certain words in the blacklist amendment and suggested that they be stricken out. What happened?

Mr. KITCHIN. The words "discretion of the President" and "in the opinion of the President" were stricken out. I thank the gentleman from New York for calling the attention of the conferees to those words. After some discussion in conference, it was unanimously agreed that those words should go out, and we have stricken them out.

Mr. BENNET. I want to say that I think the conferees are to be congratulated on that. With those words out, which is the constitutional right of Congress to do, it seems to me that we have put in the law some very good blacklist provisions. I say that very frankly, because I have made some speeches in which I have criticized the administration for not having done it, and now it is done it seems to me no more than fair that I should admit that it is a good provision.

Mr. KITCHIN. I thought we would come along before the session adjourned and do something that might meet with the gentleman's approval. [Laughter.]

Mr. GARDNER. I would like to have 15 minutes before the gentleman moves the adoption of the conference report.

Mr. KITCHIN. The gentleman is one of the conferees, and I believe he ought to have 15 minutes. I hope that other gentlemen will ask for just as little time as possible. I am anxious to get this to the Senate as soon as possible. But I think the gentleman ought to have that time.

Mr. DENISON. Before the gentleman from Massachusetts begins, I want to ask about a special tax on capital stock. I understand the tax was rejected in the House when the bill was before the House.

Mr. KITCHIN. No; that simply applied to banks, and this applies to all corporations.

Mr. DENISON. The Senate amendment taxes the capital stock and undivided profits.

Mr. KITCHIN. We fixed it at the fair value of the capital stock.

Mr. DENISON. The effect of the amendment as insisted upon by the House managers will be to increase the tax, generally speaking?

Mr. KITCHIN. No; to decrease the tax. The Senate amendment had the tax on the capital stock, surplus, and undivided profits—that is, the par value of the capital stock. We have put a tax of 50 cents a thousand upon the fair average value of the capital stock.

Mr. DENISON. That means the market value?

Mr. KITCHIN. When it has a market value, it would be the market value; but some stocks have no market value, and they would have to ascertain what the fair actual value is.

Mr. DENISON. Does not the gentleman think that ordinarily the market value of bank stock is far greater than the par value of the capital stock with the surplus added?

Mr. KITCHIN. Yes; and they would take that into consideration. They would get the actual value, and the provision declares they can consider the surplus and undivided profit in ascertaining that value. The earnings would also be considered.

Mr. DENISON. The result will be that all banks will pay their regular income tax and then this surtax of 50 cents per thousand on the actual value of the capital stock?

Mr. KITCHIN. Yes; and all other corporations. The bill as reported to the House had it \$1 on the capital stock and surplus and undivided profits, and confined it to banks. This is 50 cents per thousand on the fair value only of the capital stock and applies to all corporations.

Mr. DENISON. Will that apply also to munition manufacturers?

Mr. KITCHIN. No. Munition manufacturers are permitted to deduct the special munition tax paid from this, too.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. KITCHIN. I yield to the gentleman from Illinois.

Mr. MANN. Mr. Speaker, in reference to that tax of 50 cents a thousand on the capital stock, I understood the gentleman to say that it would be 50 cents a thousand upon the fair market value?

Mr. KITCHIN. It reads, "The amount of such annual tax shall in all cases be computed on the basis of the fair average value of the capital stock for the preceding year."

Mr. MANN. Who determines that?

Mr. KITCHIN. The Treasury Department determines that, just as it would if we had put it the actual value. It would have to make investigation and determine the value.

Mr. MANN. Of course, it is a very simple matter to determine what the capital stock and surplus, and so forth, is, and it may be a simple matter to determine what the fair average value is, which, I take it, is the fair market value, where there is a market.

Mr. KITCHIN. Yes.

Mr. MANN. Is that to be determined as of a particular date, or the fair value for the year?

Mr. KITCHIN. It is a fair average value for the preceding year.

Mr. MANN. I would think it would take considerable figuring to find out the market value of some of the stock.

Mr. KITCHIN. I imagine they would take a day or two in each month of the year—say the first day in the month and the last—and average it in that way; or, as the gentleman from Pennsylvania [Mr. KREIDER] suggests, as is done by many corporations, the highest and lowest value during the year would be taken and divide it by two to get the average or the highest and lowest in each month, and from this get the average. It would be more difficult than if we had said the par value, but that would not be just, for some stocks of par value of 100 are not worth 20.

Mr. MANN. These people must make a return in the first instance?

Mr. KITCHIN. Yes.

Mr. MANN. I take it that the Treasury Department would not fix the value of the stock before the return is made?

Mr. KITCHIN. They make a return first, and they swear what the fair average value of the stock was for the preceding year. Of course if the department has any reason to suspect them, it would make them give it more particularly and in detail.

Mr. MANN. This, of course, will not tax the indebtedness?

Mr. KITCHIN. Oh, no; this will not. The Finance Committee in the Senate first had it on the capital. Then they had it on the capital stock, surplus, and undivided profits, and we now have it on a fair average value of the capital stock.

Mr. MANN. Is there any estimate as to how much money that will raise?

Mr. KITCHIN. First, as the Senate had it, they estimated it would raise about \$18,000,000. I think it will raise from \$12,000,000 to \$15,000,000 as we now have it.

Mr. MANN. These corporations pay an income tax?

Mr. KITCHIN. Yes; pay an income tax.

Mr. MANN. They pay this capital-stock tax?

Mr. KITCHIN. Yes.

Mr. MANN. It is to be taken out of the munitions tax as to munition companies?

Mr. KITCHIN. They are given credit for what they pay on munition taxes.

Mr. KREIDER. If I understand the gentleman, all stamp taxes have been repealed?

Mr. KITCHIN. All.

Mr. KREIDER. Whether or not they are to be applied to the issue of stocks of corporations?

Mr. KITCHIN. Yes; this and all other stamp taxes are repealed. Mr. Speaker, if no one desires further to make inquiries as to the report, I yield 15 minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, I have a few words to say about your retaliatory amendments aimed against the allies.

Your President has bidden you to be neutral in thought, word, and deed. He has directed you to be neutral between right and wrong, between black and white, between humanity and inhumanity. But has he directed you to be hypocrites?

You claim that you are devoted to the cause of humanity and despise the cause of commercialism. Then, why do not you pass an amendment refusing our harbors to Germany's interned ships until she repudiates her *Lusitania* crime? Why do you pass amendments which even you admit can serve no other end than the stuffing of sordid pockets, already bulging with the golden harvest of our fellowmen's misery?

In adopting these retaliatory amendments you are taking an action which all over the world will be looked on as a blow in support of Germany's unholy cause. Without warning your own people you have suddenly surrendered to the insidious propaganda which so long has corrupted such a large part of our press. Doubtless your action will serve its purpose—it will bring to your standard in doubtful States hundreds of thousands of disloyal voters who care nothing for the bloom and glory on the American roll of honor, and everything for the jealousies and hatreds of lands which they swore to renounce when they took the oath which made them—God forgive us—American citizens.

With her uncanny thoroughness Germany arranged a system by which her spies could send their crafty news through neutral mails. The allies stopped the leak by military censorship, as stop it they must. Many innocent letters were opened, it is true; but ultimately they reached their destinations. Fortunate letters! More fortunate, indeed, than our women and babies who were lost on the *Lusitania*. They never will reach their destination in this world. Their unavenged corpses have long since been eaten by lower forms of life, leaving their weeping relatives to marvel at their country, which believes that "strict accountability" means a flood of gentle ink.

Ninety-nine men out of a hundred who howl against the allies' censorship want Germany to win the war. Yet the overwhelming mass of the American people pin their faith on the banners of the allies.

Fat traders, who by hook or by crook seek access to the luscious profits of the contraband market, yell against a blockade which hampers their lust for more gold to jingle in their already overweighted pockets.

And to all this we yield and in our statute book we inscribe still more threats, at whose unfulfillment countless Americans of the future will blush with shame. I say that the threats in this bill will be unfulfilled. President Wilson may rattle the saber which you have given him; doubtless he will do so in a series of resounding notes. He will not draw that saber. He will bark, but he will not bite. He will bluster, but he is "too proud to fight."

He has not dared to force from Germany a disavowal of her horrid crime against the *Lusitania*. He did not dare to face the banded trainmen and require them to withhold their hands till their Nation's Government could examine into the justice of their cause.

You are closing this Congress by adding a sorry chapter to a sorry record.

You saw Belgium violated with wanton inhumanity and you held your peace. You listened to the shocking tale of the cruel death of Edith Cavell and you smugly continued on your way. It was brought to you that thousands of helpless maidens in

northern France were being ravished from their homes to serve the needs of their bloody conquerors. You pretended that you could not hear their shrieks. Deaf to the cries of women and children! Mute when you should have spoken! Shouting when you should have been mute!

What has Congress done? Your only protests have been aimed at the allies, who are fighting our fight and the fight of civilization. The maniac Casement failed in his attempt to stab in the back 200,000 gallant Irishmen fighting for civilization in Flanders' blood-soaked trenches; you strove to stay the hand of justice.

And now you pass your paltry threats, which secretly you believe and hope are empty. Pass them! Nag and hinder the allies if you will! Bring a satisfied grin to the hideous face of hatred; feed another snarl to the nasty countenance of spite—but remember that for every grin and for every snarl future Americans must pay a millionfold in blushes!

Mr. KITCHIN. Mr. Speaker, I move the adoption of the conference report.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN. Mr. Speaker, I ask leave to extend my remarks in the Record.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Mr. Speaker, I ask the same privilege.

The SPEAKER. The gentleman from Pennsylvania asks the same privilege. Is there objection?

There was no objection.

Mr. GILLETT. Mr. Speaker, I ask the same privilege.

The SPEAKER. Is there objection?

There was no objection.

Mr. HELVERING. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Kansas [Mr. HELVERING] makes the same request. Is there objection?

There was no objection.

Mr. LINDBERGH. Mr. Speaker, my call for a quorum, I am sorry to say, may inconvenience some Members and force others to return to Washington who are not here. But when I hear that the lack of a quorum is being used to whip into conference bills matters that ought not be in the bills and keep out of bills what ought to be in, I feel it my duty to make the point. The reason I withhold the point for the time being is that possibly the one matter that I have in mind may be corrected in order that the point of no quorum may not be insisted upon.

On page 50, lines 17, 18, and 19, the Senate amended the revenue bill, H. R. 16763, by striking out "assessment" and inserting "assessments of any corporation, joint-stock company, or association, or insurance company." As the House bill stood it included individuals, as the terms were general; but the amendment of the Senate restricts it to the concerns named in the amendment. It has been shown by reputable authority that it is individuals mostly who are dodging the income-tax law, and that multimillionaires have in the last year defrauded the Government, by false statements, of approximately \$300,000,000. The effect of the House provision was to make the statements public, provided the President ordered it. The fact that the Senate amendment may prevent the Government collecting hundreds of millions of dollars that it would if the House provision is retained justifies me in making the point of no quorum, which I shall do unless the House provision is retained. There was an amendment offered in the Senate which would have been much better than even the House provision, but it was defeated by a narrow margin.

Mr. Speaker, the statement of Mr. Basil M. Manly in the hearings on H. Res. 221 sets out the conditions clearly. His statement claims that the income-tax evasion is \$320,000,000, and is based upon his calculations that the aggregate income of everybody, including corporations, is \$46,000,000,000 a year.

Secretary McAdoo denies that, and claims that the income is \$20,000,000,000. The absurdity of McAdoo's claim seems to me clear. Even back in 1914 the census shows the income to be \$24,000,000,000, and there can be no doubt that the census omitted a great deal. Since then the income has been enormously increased. This Congress has appropriated \$1,700,000,000. If Secretary McAdoo was correct, then this Congress is taking 8½ per cent of all the people's earnings to run the Federal Government. If you add the taxes of the States, cities, counties, and other subdivisions, that would again be very

much increased. There can be no doubt that Secretary McAdoo is away off in his figures.

Mr. DIXON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record.

The SPEAKER. The gentleman from Indiana asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. IGOE. Mr. Speaker, I make the same request.

Mr. CANDLER of Mississippi. And I, Mr. Speaker, make the same request.

Mr. RAINEY. Mr. Speaker, I make the same request.

Mr. HULL of Tennessee. I make the same request, Mr. Speaker.

Mr. BLACK. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to these several requests?

There was no objection.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks on this bill.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to extend his remarks on this bill. Is there objection?

There was no objection.

Mr. JOHNSON of Kentucky. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the gentleman's request? There was no objection.

Mr. KEATING. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Colorado makes the same request. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Speaker, I make the same request.

The SPEAKER. Is there objection to the gentleman's request? There was no objection.

Mr. RAKER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from California makes the same request. Is there objection?

There was no objection.

Mr. KREIDER. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Pennsylvania makes the same request. Is there objection?

There was no objection.

Mr. PHELAN. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Massachusetts makes the same request. Is there objection?

There was no objection.

Mr. BOWERS. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from West Virginia makes the same request. Is there objection?

There was no objection.

Mr. SIEGEL. I make the same request, Mr. Speaker.

The SPEAKER. The gentleman from New York makes the same request. Is there objection?

There was no objection.

Mr. FIELDS. Mr. Speaker, I make the same request.

The SPEAKER. The gentleman from Kentucky makes the same request. Is there objection?

There was no objection.

Mr. GARDNER. Mr. Speaker, is this leave on this bill or on all matters?

The SPEAKER. No; on this bill.

Mr. MANN. That is not on my request.

The SPEAKER. The gentleman's request is already granted.

Mr. MOORE of Pennsylvania. Mine was the request immediately following that of the gentleman from Illinois, and I asked specifically to extend my remarks on this bill. All the other requests were on the same line from that time on.

Mr. GILLETT. Mr. Speaker, I do not want to extend on this bill. I wanted to extend on appropriations.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts? [After a pause.] The Chair hears none.

Mr. RAKER. I wanted to extend my remarks on this bill, and also on vital statistics.

The SPEAKER. What is the gentleman's request?

Mr. RAKER. I want to extend my remarks on this bill and on the subject of vital statistics—vital conservation.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks on this bill, and also on vital conservation. Is there objection?

There was no objection.

Mr. GARDNER. Mr. Speaker, I ask unanimous consent to extend my remarks on the military and naval legislation of the present Congress.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER] asks unanimous consent to extend his remarks on the naval and military legislation of this Congress. Is there objection?

There was no objection.

Mr. LOBECK. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a speech of the Hon. John A. Maguire, Member of the Sixty-first, Sixty-second, and Sixty-third Congresses, in relation to the work in Congress and his experience here.

The SPEAKER. The gentleman asks unanimous consent to extend his remarks on the work of Congress. Is there objection?

There was no objection.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. KITCHIN, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

#### FINAL ADJOURNMENT.

Mr. KITCHIN. Mr. Speaker, I send to the desk a privileged resolution.

The SPEAKER. The gentleman presents a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 60.

*Resolved by the House of Representatives (the Senate concurring), That the President of the Senate and the Speaker of the House of Representatives be authorized to close the present session of the Congress by adjourning their respective Houses on the 8th of September, 1916, at 10 o'clock ante meridian.*

[Applause.]

Mr. KITCHIN. Mr. Speaker, I will say that before we adjourn I am going to ask unanimous consent that we meet at 8.30 o'clock to-morrow morning. I understand that the Senate will meet at that time, and they have asked me to fix the time for final adjournment at 10 o'clock. We are preparing to have the enrolled bill ready by 8.30 o'clock, and if it is, both Houses can adjourn at 10 o'clock.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

#### HOOR OF MEETING TO-MORROW.

Mr. KITCHIN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 8.30 to-morrow morning.

The SPEAKER. The gentleman from North Carolina asks unanimous consent that when the House adjourns to-day it adjourn to meet at 8.30 a. m. to-morrow. Is there objection?

There was no objection.

#### NOTIFICATION OF THE PRESIDENT.

Mr. KITCHIN. Mr. Speaker, I present another privileged resolution.

Mr. DECKER. Mr. Speaker, I ask unanimous consent, before we go home to-night, that I have five minutes to reply to the distinguished gentleman from Massachusetts [Mr. GARDNER] on his declaration of war.

The SPEAKER. The Chair will recognize the gentleman in half a minute. The Clerk will report the resolution offered by the gentleman from North Carolina.

The Clerk read as follows:

House resolution 369.

*Resolved, That a committee of three Members of the House be appointed by the Speaker, to join a similar committee to be appointed by the Senate, to wait upon the President of the United States and inform him that the two Houses have completed the business of the present session and are ready to adjourn, unless the President has some other communication to make to them.*

Mr. KITCHIN. I move the adoption of the resolution, Mr. Speaker.

The SPEAKER. The question is on the adoption of the resolution.

The resolution was agreed to.

#### EVA M. BOWMAN.

Mr. STEPHENS of Mississippi. Mr. Speaker, I desire to call up the conference report on the bill (S. 136) for the relief of Eva M. Bowman.

The SPEAKER. The gentleman presents a conference report, which will be read by the Clerk.

The conference report was read, as follows:

#### CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 136)

for the relief of Eva M. Bowman having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House numbered 1, and agree to the same.

HUBERT D. STEPHENS,

GEORGE M. YOUNG,

*Managers on the part of the House.*

HENRY F. ASHURST,

HARRY LANE,

MOSES E. CLAPP,

*Managers on the part of the Senate.*

Mr. MANN. Mr. Speaker, what is the amendment?

Mr. STEPHENS of Mississippi. The Senate allowed \$5,000. The House struck out \$5,000 and inserted \$1,400. The Senate have receded and agreed to the House amendment.

The SPEAKER. The question is on the conference report. The conference report was agreed to.

#### PEACE OR WAR.

Mr. DECKER. Now, Mr. Speaker, I renew my request.

The SPEAKER. The gentleman from Missouri [Mr. DECKER] asks unanimous consent to address the House for five minutes. Is there objection?

Mr. DECKER. I should like to amend that request by making it 10 minutes. I do not think I will use all the time.

The SPEAKER. The gentleman asks for 10 minutes.

Mr. MANN. Reserving the right to object—I am not going to object—I want to ask the gentleman from North Carolina if we are through with business for to-night?

Mr. KITCHIN. Yes.

Mr. MANN. And it is expected that we will adjourn when the gentleman from Missouri concludes his remarks?

Mr. KITCHIN. As soon as the speeches are over.

The SPEAKER. Is there objection?

There was no objection.

Mr. DECKER. Mr. Speaker and gentlemen of Congress, it may seem presumptuous on my part, but I can not sit silent in my seat and listen to the speech of the distinguished gentleman from Massachusetts [Mr. GARDNER] without saying to him and saying to the country and saying to the world that this House of Representatives is not an adjunct of the British Parliament; without saying to the country and to him that this is a neutral Nation.

The vitriolic speech of the distinguished gentleman is but a repetition of the sentiment and propaganda that has been coming from some parts of this country, from people who have bet their money on the English horse and want the United States to help it win, who want the United States to become a party to that awful, horrible, conflict beyond the sea.

He pours forth his vitriolic abuse against the distinguished head of this Nation. He refers again to the crossing of the Belgian frontier by the Germans and chides the President of this Nation because he did not interfere. He would leave the inference that when the guns of Liege could not stop them, where the brave Frenchmen could not stop them, that a mighty sweep of the big stick of Theodore Roosevelt would have sent the Germans back to Berlin.

There is just one proposition in this case. The distinguished gentleman—and he is distinguished; he was once the Republican candidate for governor of Massachusetts; he has just returned from campaigning for Mr. Hughes—talks about a more aggressive policy; he talks about the flood of ink; he wants but one thing. He is not satisfied with what Woodrow Wilson, the great President, has done; he wants but one thing, and that awful thing is war for the United States.

He can not play both ends against the middle. He knows in his artful way that many Germans in this country are not satisfied with the course of Woodrow Wilson because they think that he has been too aggressive. I am sorry that they all do not think, as I think, that that great man in the White House, following the example of George Washington, who was no mollycoddle, following the example of Alexander Hamilton, following the example of Ulysses S. Grant, has been trying to guide the ship of state along the lines of strict neutrality. But now he seeks to stir up in this country against Woodrow Wilson and this administration the animosity of those whose sympathies are with the allies in that awful struggle. He thinks that Mr. Hughes already has the German vote, and now, through men like himself and Theodore Roosevelt, who abused Woodrow Wilson for not going to war on account of Belgium, he expects to get the pro-English vote for Mr. Hughes. In his letter of non-acceptance Mr. Roosevelt said, in substance, "I talked to Mr.

Hughes, the candidate for President of the United States on the Republican ticket, and he is satisfactory to me," and if he is satisfactory to me, Theodore Roosevelt, he ought to be satisfactory to the most pro-English gentleman in this country.

But I want to say to the distinguished gentleman from Massachusetts that he does not voice the sentiment of the people of this country; he does not voice the sentiment of the true Republicans; he does not voice the sentiment of Democrats; he does not voice the sentiment of the Progressives, because the people of this country, not only many of the leaders high in authority but the rank and file of all parties, thank God tonight that there is a man in the White House who is following the path of strict neutrality.

Oh, you may call it a wobbling policy, you may call it resorting to the pen instead of resorting to the sword, but I want to say to you who believe as the gentleman from Massachusetts believes—and I hope there are not many that agree with him, and if there are I want to say to you—the people of this country thank God that they are living under the leadership of a man who is willing to resort to negotiation before he resorts to the sword.

They talk about the lowering of the prestige of this country, they talk about the sacred honor of that flag, they talk about the honor of our country, but I want to say to you that the prestige of this Nation, the honor of that sacred flag was never so high in the estimation of the world as it is to-night.

Oh, you say we do not stand high in the chancelleries of the world. Ah, we may not stand so high in the estimation of those people who with their scheming and their false pride brought on this horrible war on the other side of the sea, but over your faces I look to the faces of the people of this country. The man sitting in that Speaker's chair once said, "No man is fit to be the lawgiver for a mighty nation who yields to the demands and solicitations of the few who may have access to his ear, and is unmindful of the vast multitude who may never hear his voice or look into his face."

I am thinking to-night, Mr. Speaker, of the men out on the farms, to whom you then referred. I am thinking to-night, Mr. Speaker, of the men who go down in the mines to dig for their daily bread. I am thinking to-night of the men in the factories of old New England, whence the gentleman from Massachusetts [Mr. GARDNER] comes. I am thinking of the women and the men who earn their bread in the sweat of their face. I am thinking of those who have to die when war comes. I am thinking of them, Mr. Speaker; and I am thinking not only of those on this side of the sea, but I am thinking of the plain people over there beyond the seas, the kind of people to whom you referred, and I ask the gentleman from Massachusetts [Mr. GARDNER], How does our prestige stand with the plain people across the seas? I am willing to leave the question of our national prestige not to those who wear the gold braid over there, but I am willing to leave it to the mothers of Europe whose sons are dying at Verdun.

I am willing to leave the question of our prestige to the sisters of Europe whose brothers are rotting in unmarked graves along the far-flung battle lines. I am willing to leave the question of our prestige to the little children of Europe, who, as a result of this aggressive policy which the gentleman from Massachusetts recommends, this vengeful chip-on-the-shoulder policy, will go through life without a guiding father's care. I am willing to leave the question of our national prestige to the men over in Europe who are standing to-night in the trenches and hoping that they may live to see the rising of another sun. I am willing to leave it to those brave men behind the guns in Europe, who look with longing eyes to this land of ours beyond the seas and wish that they, too, had a ruler like Woodrow Wilson, who would be willing to negotiate before he plunged the men and the boys of his country into the awful caldron of war. Oh, yes; I am willing to leave it to them—this question of our honor and our prestige after the awful war is over, after the men begin to stagger home with parts of their bodies shot away, some of them with blinded eyes, some of them with awful pains of asphyxiating gas in their lungs, some of them with the dreadful effect of rheumatism from standing in the trenches—these men who go home to the firesides where chairs are empty and begin to bear the burdens and pay the debts caused by this saturnalia of destruction.

The SPEAKER. The time of the gentleman from Missouri has expired.

Mr. DECKER. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER. Is there objection?

There was no objection.

Mr. DECKER. And I want to use in closing the words of the distinguished gentleman from New York who sounded the

keynote of this campaign from the Democratic standpoint, as the gentleman from Massachusetts [Mr. GARDNER] sounded it to-night from the Republican standpoint. The issue is, Wilson with strict neutrality and honorable peace, or Hughes with the dangers of intermeddling and calamitous war. We accept the challenge and, in the words of Martin H. Glynn, we say to you and to the country, this policy of Woodrow Wilson "may not satisfy those who revel in destruction and find pleasure in despair. It may not satisfy the fire eater and the swashbuckler, but it does satisfy those who worship at the altar of the god of peace; it does satisfy the mothers of our land at whose hearth and fire-side no jingoistic war has placed an empty chair; it does satisfy the daughters of our land from whom brag and bluster have sent no loving brother to the dissolution of the grave; it does satisfy the fathers of our land and the sons of our land who will fight for that flag and die for that flag when reason primes the rifle, when honor draws the sword, and justice breathes a blessing on the standards they uphold."

#### THE REVENUE BILL.

Mr. BENNET. Mr. Speaker, I take occasion in these few moments to disagree with both the gentleman from Massachusetts [Mr. GARDNER] and the gentleman from Missouri [Mr. DECKER]. There are questions in the United States of America which rise above partisanship. There are questions, and always have been questions, upon which men of both parties and of all parties have stood as one. I took occasion earlier in the evening, before any attempt had been made to impart a partisan tinge to this particular portion of the revenue bill, to extend, out of a full heart, my sincere congratulations to the managers on the part of the House for these provisions in the revenue bill alluded to as retaliatory provisions. I do not like the word "retaliatory." For my part, as an American, representing an American district in an American Congress, I prefer to refer to them as "American provisions." [Applause.] And, Mr. Speaker, I do congratulate the Congress of the United States, Democrats and Republicans, that, true to the highest traditions of our American country; that, disdaining to inject any element of partisanship into this body where we ought, on international questions, to stand united before the world, and do stand united before the world; almost as one man, Republicans and Democrats, with but one dissenting vote, and with but one dissenting voice in either House we have written into this revenue bill, about to become a law of the land, written again the ringing words of that patriot of old, "Millions for defense but not one cent for tribute." [Applause.] The eloquent gentleman from Missouri [Mr. DECKER] has described the horrors of war; described them well; described them accurately; but, Mr. Speaker, there are worse things even than war; one of those things is national humiliation.

Unless we had written upon the statute books the provisions perfected to-day by the managers on the part of the House and of the Senate we would have gone forth, not as Republicans, not as Democrats, not as Socialists, but gone forth as Representatives of the people of the United States who had proven themselves unworthy of the traditions of a long list of illustrious and patriotic predecessors. [Applause.] To-night, with that law on the statute books, as it will be, we can go out and face not only our constituents—the least matter from this aspect—not only our country, to which we owe the highest measure of duty, but we can face the countries of the world and the judgment of the ages with the sure knowledge that in this time of turmoil and stress, with the world in arms, with powerful nations to be affected by this particular legislation, with knowledge upon our part that every word and every line of this law that is going on the statute books may mean the putting behind it, as the law itself says, the forces of the Army and Navy, we have, nevertheless, by a unanimous vote, put into the hands of the President of the United States the power to use the land and naval forces of the country for the upholding of our national honor. [Applause.] We have done it and done it properly; done it rightly; done it as Americans. We have dared deliberately, seriously, firmly, to assert our sovereignty as a Nation. Whatever else we have done of good or ill in this Congress—I for one will look back upon the first session of the Sixty-fourth Congress, no matter what else has occurred, with pride, with satisfaction, with gratification, with joy, because in this supreme regard we have proven ourselves to be worthy the name of Americans. [Applause.]

#### COMMITTEE TO WAIT UPON THE PRESIDENT.

The SPEAKER. The Chair announces the committee to wait upon the President under the resolution adopted.

The Clerk read as follows:

Mr. KITCHIN, Mr. FITZGERALD, and Mr. MANN.

Mr. CULLOP, Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Indiana rise?

Mr. CULLOP. To ask unanimous consent to proceed for five minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 5916. An act authorizing an investigation to determine the true north and west boundaries of the Warm Springs Reservation in Oregon; to the Committee on Indian Affairs.

S. 5611. An act providing for noncontiguous homestead entries within the former Fort Peck Indian Reservation, Mont., of land of the character described in the enlarged homestead act of February 19, 1909; to the Committee on the Public Lands.

S. 5450. An act to amend section 108, chapter 5, of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

NATIONAL DEFENSE, ETC.

Mr. DENT. Mr. Speaker, I ask unanimous consent for the gentleman from Indiana to yield to me for a moment to call up Senate joint resolution 169 on the Speaker's table.

Mr. CULLOP. I yield to the gentleman for that purpose.

The SPEAKER. The gentleman calls up Senate joint resolution 169, which the Clerk will report.

The Clerk read as follows:

Senate joint resolution 169, interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.

*Resolved, etc.*, That in the interpretation and execution of section 50 of the act of Congress approved June 3, 1916, credit shall be given as for service in the senior division of the Reserve Officers' Training Corps to any member of that division for any period or periods of time during which such member has received or shall have received at an educational institution under the direction of an officer of the Army, detailed as professor of military science and tactics, a course of military training substantially equivalent to that prescribed by regulations under this section for the corresponding period or periods of training of the senior division, Reserve Officers' Training Corps.

The SPEAKER. Is there objection?

Mr. FITZGERALD. Reserving the right to object, Mr. Speaker, what does this do?

Mr. DENT. Mr. Speaker, the object of this resolution is simply to meet a construction that has been placed by the War Department on the Army reorganization act passed June 3, 1916. Under that act there was a provision for the Reserve Officers' Corps in the civil educational institutions of this country. The War Department has construed the language to mean that no benefit can be received from the provisions of section 50 until there shall have been a performance of military duty on the part of the students in those educational institutions for two years.

In other words the act will not go into effect, so far as section 50 is concerned, until two years after its passage, whereas, as a matter of fact, students in a number of these institutions have already received a training substantially as provided in the law. I might state it in another way. If the act is construed as the War Department says, members of the junior and senior classes at colleges who have been trained by military officers will have to go in under the same provisions as colleges that would take advantage of it from now on.

Mr. FITZGERALD. Well, will not this bill give all the land-grant colleges an advantage over every other educational institution that is willing to come under the operation of the law and establish the course established in the national defense?

Mr. DENT. It will give them the advantage because of the fact that under the terms of this legislation they are considered as having already had the experience and training provided for under the act.

Mr. FITZGERALD. My recollection is that under the terms of the defense act, at these institutions a corps must be organized and established and the War Department must provide the course of instruction to be followed, but that no such regulations have yet been adopted. This is to permit them to say that some course heretofore followed is equivalent to the course which is to be adopted in the future. My recollection is further that a certain number of hours a week—

Mr. DENT. Yes; five hours—

Mr. FITZGERALD. Had to be devoted to military instruction. There is no provision in this resolution, as I heard it read, requiring as a minimum five hours' instruction per week in this course that is construed as equivalent to the course to be fixed?

Mr. DENT. Oh, yes. The resolution states they must have complied with the provisions contained in the Army reorganization act. It plainly states that.

Mr. FITZGERALD. Is this legislation requested by the War Department?

Mr. DENT. It is. The Secretary of War requests it—urgently requests it.

Mr. FITZGERALD. Do the men who are commissioned as officers in this reserve corps get any advantage by reason of seniority?

Mr. DENT. Those who have had the training in accordance with the provisions of the act will, of course, have the advantage.

Mr. GREENE of Vermont. Mr. Speaker, will the gentleman permit me to make a suggestion?

Mr. DENT. I will.

Mr. GREENE of Vermont. It was asked whether this resolution gave an advantage to certain schools that now partake of the benefits of it. It does; but it might, perhaps, be well to say it is not a continuing advantage. It will not handicap any of the schools hereafter. It simply recognizes certain schools already recognized by the department as schools of superior excellence and training, and it will allow the students in those institutions now completing the two years' course to go on with the benefits of those two years so that they may complete the four-year course.

Mr. STAFFORD. This is to give certain provisions of the Army reorganization bill a retroactive force, as I understand it?

Mr. DENT. Yes. It gives to them an advantage to which they are entitled, because they have already performed the service prescribed in the act.

Mr. STAFFORD. There is no monetary obligation against the Government entailed by the passage of this resolution?

Mr. DENT. No monetary obligation, except the obligation as to rations of 30 cents a day.

Mr. STAFFORD. Dating from what time will these rations apply?

Mr. DENT. They will date from now, if this resolution is adopted.

If this resolution is not adopted it will be two years hence. In other words, the members of these junior and senior classes would have no incentive to go into this service.

Mr. STAFFORD. So far as the retroactive rations are concerned, it will have no effect?

Mr. DENT. No.

Mr. STAFFORD. It only seeks to take advantage of the prior military training they already have?

Mr. DENT. Yes. It puts them on the same basis as the colleges that go into the business from the beginning.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The question is on the third reading of the Senate joint resolution.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

The SPEAKER. The gentleman from Indiana [Mr. CULLOP] is recognized.

[Mr. CULLOP addressed the House. See Appendix.]

ADJOURNMENT.

Mr. RAINEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 57 minutes p. m.) the House, under the order heretofore made, adjourned until to-morrow, Friday, September 8, 1916, at 8 o'clock and 30 minutes a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting a report of the Board of Engineers proposing a modification of the project for the reclamation and development of the Anacostia River and Flats, in the District of Columbia (H. Doc. No. 1357); to the Committee on the District of Columbia and ordered to be printed.

2. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, report on preliminary examination of Lynn Harbor, Mass. (H. Doc. No. 1358); to the Committee on Rivers and Harbors and ordered to be printed.

3. A letter from the Secretary of War, transmitting information relative to the military service of Passed Asst. Surg. Clarence C. Kress (H. Doc. No. 1359); to the Committee on Military Affairs and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ABERCROMBIE, from the Committee on Education, to which was referred the bill (H. R. 399) to create the Department of Education, reported the same without amendment, accompanied by a report (No. 1197), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 17577) for the relief of Samuel Schmitz, and the same was referred to the Committee on Military Affairs.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills and a resolution were introduced and severally referred as follows:

By Mr. DENT: A bill (H. R. 17786) providing for military highways between Foley and Fort Morgan, in Baldwin County, Ala.; to the Committee on Military Affairs.

By Mr. GARDNER: A bill (H. R. 17793) to authorize an additional appropriation for the acquisition of a site and the erection of a Federal building at Newburyport, Mass.; to the Committee on Public Buildings and Grounds.

By Mr. STEPHENS of Mississippi (by request): A bill (H. R. 17794) to abolish exemptions from taxation of private realty in the District of Columbia; to the Committee on the District of Columbia.

By Mr. LINTHICUM: Resolution (H. Res. 368) requesting the Secretary of Agriculture to furnish to the House of Representatives copies of data on which a certain portion of the annual report of the Department of Agriculture for 1912 was based and correspondence relative thereto; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills were introduced and severally referred as follows:

By Mr. CASEY: A bill (H. R. 17787) granting an increase of pension to Martin Connelly; to the Committee on Invalid Pensions.

By Mr. POWERS: A bill (H. R. 17788) granting an increase of pension to Andrew York; to the Committee on Invalid Pensions.

By Mr. RAYBURN: A bill (H. R. 17789) for the relief of J. B. Smith, son of S. M. Smith; to the Committee on War Claims.

By Mr. WILLIAMS of Ohio: A bill (H. R. 17790) granting an increase of pension to Elias Hanes; to the Committee on Invalid Pensions.

By Mr. CRAMTON: A bill (H. R. 17791) granting an increase of pension to Hattie J. Beecher; to the Committee on Invalid Pensions.

By Mr. BRITT: A bill (H. R. 17792) granting a pension to Mrs. Lethea Chambers; to the Committee on Invalid Pensions.

By Mr. PHELAN: A bill (H. R. 17795) granting a pension to Joseph B. Wade, alias John Bent; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. KETTNER: Petition of John E. Cowgill, general chairman, Order of Railroad Telegraphers, San Francisco, Cal., urging that House bill 9216 be passed in its original form; to the Committee on Interstate and Foreign Commerce.

Also, petition of ministers and laymen of the Swedish Evangelical Free Church of North America in session assembled in Chicago, Ill., June 7 to 11, 1916, protesting against shipment of munitions of war to nations in Europe, with reasons therefor; to the Committee on Foreign Affairs.

Also, petition of C. E. Butler, executive, Knob Hill Orchards Association, Oakland, Cal., urging passage of the original Pomereene bill as passed by Senate on three different occasions; to the Committee on Interstate and Foreign Commerce.

Also, petition of H. C. Bryant, Museum of Vertebrate Zoology, Berkeley, Cal., urging passage of Chamberlain-Hayden game-sanctuary bill; to the Committee on Agriculture.

Also, petition of Langley & Michaels Co., San Francisco, Cal., favoring passage of House bill 17396, introduced by Representa-

tive DOREMUS; to the Committee on the Post Office and Post Roads.

Also, petition of W. B. Atkinson, Niland, Cal., favoring amendments to sections 2, 3, 4, 5, Cullop bill, H. R. 9216; to the Committee on Interstate and Foreign Commerce.

Also, petition of James E. Addicott, ex-president of Association of Applied Arts and Sciences of California, San Francisco, Cal.; Frank H. Ball, State Normal School, Santa Barbara, Cal.; George A. Merrill, director California School of Mechanical Arts, San Francisco, Cal., favoring Smith-Hughes vocational education bill; to the Committee on Education.

Also, petition of John S. Mitchell, president Chamber of Commerce, Los Angeles, Cal., protesting against proposed amendment to revenue bill suspending drawback payments on exports until six months after peace in Europe; to the Committee on Ways and Means.

Also, telegrams from H. L. Titus, San Diego, Cal., and Paul Shoup, president Pacific Electric Railway, Los Angeles, Cal., asking that all electric railways be excluded from any proposed legislation regulating hours of service; to the Committee on Interstate and Foreign Commerce.

Also, petition of mayor and common council, city of Riverside, Cal.; H. C. Cree, city clerk; and W. H. Schureman, secretary Chamber of Commerce, Pomona, Cal., urging that Interstate Commerce Commission is proper tribunal to deal with controversies between railroads and employees; that it should be invested with authority to deal with such controversies; to the Committee on Interstate and Foreign Commerce.

Also, telegram from W. Clayton, vice president, San Diego & Arizona and San Diego & Southeastern Railways, San Diego, Cal., protesting against eight-hour law; to the Committee on Interstate and Foreign Commerce.

By Mr. MORIN: Protest of Western Insurance Co., of Pittsburgh, Pa., in re refund of overpayments applying solely to new income-tax act; to the Committee on Ways and Means.

By Mr. RAKER: Memorial of San Francisco Board of Supervisors, petitioning the establishment of a naval academy and aviation school on the Pacific coast; to the Committee on Naval Affairs.

By Mr. TAGUE: Petition of George Daly, of Boston, Mass., in re foreign affairs; to the Committee on Foreign Affairs.

By Mr. VARE: Memorial of Pennsylvania Pharmaceutical Association, relative to proposed changes in the patent laws; to the Committee on Patents.

Also, memorial of Board of Trade of Philadelphia, Pa., relative to banking and currency laws; to the Committee on Banking and Currency.

By Mr. WARD: Petition of residents of Charlotteville, N. Y., in favor of the adoption of a prohibition amendment to the Constitution; to the Committee on the Judiciary.

Also, letters of protest against condition of affairs between Great Britain and the United States, signed by Henry M. Weyrauch, of Liberty, N. Y.; Isaac W. Dietz, Peter Sternberg, William Ehcke, and Lawyer Sternberg, of Central Bridge, N. Y.; Leopold Haidegger and J. T. Dayton, of Neversink, N. Y.; Rev. H. C. Freimuth, of Liberty, N. Y.; and Rev. George J. M. Ketter, of Central Bridge, N. Y.; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, September 8, 1916.

(Legislative day of Thursday, September 7, 1916.)

The Senate reassembled at 8 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT resumed the chair.

THE FERTILIZER INDUSTRY (S. DOC. NO. 551).

The VICE PRESIDENT laid before the Senate a communication from the Federal Trade Commission, transmitting, in response to a resolution of the Senate, the report of the Federal Trade Commission on the fertilizer industry as of date of August 19, 1916, which, with the accompanying paper and illustrations, was referred to the Committee on Agriculture and Forestry and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 169) interpreting section 50 of the act of June 3, 1916, for making further and more effectual provision for the national defense, and for other purposes.