

payment of income and excess-profits taxes; to the Committee on Ways and Means.

By Mr. GOOD: A bill (H. R. 13870) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1921, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. ESCH: A bill (H. R. 13871) to amend section 5 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLEY of Michigan: A bill (H. R. 13872) to authorize officers of the naval service to accept offices with compensation and emoluments from Governments of the Republics of South America; to the Committee on Naval Affairs.

By Mr. MOTT: A bill (H. R. 13873) to amend "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," approved October 3, 1913; to the Committee on Ways and Means.

By Mr. FORDNEY: A bill (H. R. 13874) to provide adjusted compensation for veterans of the World War, to provide revenue therefor, and for other purposes; to the Committee on Ways and Means.

By Mr. DALLINGER: A bill (H. R. 13875) to stabilize the purchasing value of the dollar; to the Committee on Coinage, Weights, and Measures.

By Mr. DOWELL: Resolution (H. Res. 540) for the immediate consideration of H. R. 13500; to the Committee on Rules.

By Mr. MASON: Resolution (H. Res. 541) asking the Secretary of the Treasury to seek collection of the amount due from Great Britain to the United States; to the Committee on Ways and Means.

By Mr. RAKER: Joint resolution (H. J. Res. 349) to suspend the requirements of annual assessment work on mining claims during the year 1920; to the Committee on Mines and Mining.

By Mr. CULLEN: Memorial of the Legislature of the State of New York, urging action on the water-power bill; to the Committee on Water Powers.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVILA: A bill (H. R. 13876) for the relief of Richard Poillon; to the Committee on Claims.

By Mr. FORDNEY: A bill (H. R. 13877) for the relief of the Ann Arbor Railroad Co.; to the Committee on Claims.

By Mr. HICKS: A bill (H. R. 13878) for the relief of Charles B. Chrystal; to the Committee on Claims.

Also, a bill (H. R. 13879) for the relief of the Sirio Match Co., of New York City, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 13880) for the relief of the Aeme Die Casting Corporation, of New York City, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 13881) for the relief of the Drapery Hardware Co., of New York City, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 13882) for the relief of Fairbanks, Morse & Co., of New York City, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 13883) for the relief of the Thermal Syndicate (Ltd.), of New York City, N. Y.; to the Committee on Claims.

Also, a bill (H. R. 13884) for the relief of the William Wrigley, Jr., Co. (Inc.), of New York City, N. Y.; to the Committee on Claims.

By Mr. KAHN: A bill (H. R. 13885) for the relief of Palmer & McBryde; to the Committee on Claims.

By Mr. MASON: A bill (H. R. 13886) to give the Court of Claims jurisdiction to hear and adjudge the claims of the estate of John Frazier, deceased, and of the estate of Zephaniah Kingsley, deceased; to the Committee on Claims.

Also, a bill (H. R. 13887) granting a pension to Nancy Elizabeth Williams; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 13888) granting a pension to Sarah C. Turner; 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:

3338. By Mr. BRIGGS: Petition of commissioners of agriculture, opposing and protesting against the enactment of legislation designed to place regulation of fertilizers under control of Federal Government; to the Committee on Agriculture.

3339. By Mr. CULLEN: Petition of National Guard Association of the State of New York, favoring reorganization of the National Guard under the Army clause of the Constitution; to the Committee on Military Affairs.

3340. Also, petition of Chandelier and Art Lamp Workers' Union, New York City, favoring Senate joint resolution 171 and Senate bill 1233 regarding amnesty and repeal of the espionage laws; to the Committee on the Judiciary.

3341. Also, petition of Brotherhood of Painters, Decorators, and Paper Hangers of New York City, favoring Senate joint resolution 171 and Senate bill 1233 regarding amnesty and repeal of espionage laws; to the Committee on the Judiciary.

3342. Also, petition of One hundred and seventh Infantry Post, American Legion, New York City, favoring the more efficient care of disabled officers and enlisted men; to the Committee on Interstate and Foreign Commerce.

3343. Also, petition of American Federation of Labor, favoring Sterling-Lehlbach civil-service retirement bill; to the Committee on Reform in the Civil Service.

3344. By Mr. DALLINGER: Petition of Roger Casement Branch, Friends of Irish Freedom, urging favorable consideration of the Mason bill; to the Committee on Foreign Affairs.

3345. By Mr. DYER: Petition of Frank Lee, of St. Louis, Mo., asking the inclusion of the Regular Army men in the soldier-bonus legislation; to the Committee on Ways and Means.

3346. Also, petition of Merchants' Exchange, of St. Louis, Mo., favoring increase of appropriation in the transportation act to \$600,000,000; to the Committee on Appropriations.

3347. Also, petition of O. J. Moore Grocer Co. and the Charles R. Jong, Jr., Co., favoring the passage of House bill 263, the anticommmercial-bribery bill; to the Committee on the Judiciary.

3348. By Mr. FULLER of Illinois: Petition of the Italian Chamber of Commerce, of Chicago, Ill., concerning immigration bills; to the Committee on Immigration and Naturalization.

3349. Also, petition of Augustus P. Gardner Post, No. 18, American Legion, of the District of Columbia, opposing soldier-bonus legislation; to the Committee on Ways and Means.

3350. By Mr. GALLIVAN: Petition of citizens of Boston in favor of passage of Mason bill and, further, in favor of abrogation of all treaties with England; to the Committee on Foreign Affairs.

3351. By Mr. O'CONNELL: Petition of National Shoe Retailers' Association of the United States of America, protesting against the McNary bill; to the Committee on Interstate and Foreign Commerce.

3352. Also, petition of Ideal Cocoa & Chocolate Co., of New York, urging reform in tax system; to the Committee on Ways and Means.

3353. Also, petition of Augustus P. Gardner Post, No. 18, District of Columbia, opposing bonus legislation; to the Committee on Ways and Means.

3354. Also, petition of Listerated Gum Corporation, of New York, favoring reform in tax system; to the Committee on Ways and Means.

3355. By Mr. RAKER: Three petitions of numerous citizens of the United States favoring passage of House bill 1112; to the Committee on the Judiciary.

3356. By Mr. TEMPLE: Resolutions adopted at mass meeting at New Castle, Pa., April 11, 1920, protesting against the passage of Senate bill 3718; to the Committee on the Post Office and Post Roads.

3357. Also, petitions favoring the passage of the Capper-Hersman bill, as follows: Ginger Hill Grange, No. 1549, Monongahela; Brighton Grange, No. 1392, Beaver; and Big Beaver Grange, No. 1578, New Galliee, all in the State of Pennsylvania; to the Committee on the Judiciary.

SENATE.

SATURDAY, May 1, 1920.

(Legislative day of Friday, April 30, 1920.)

The Senate met at 12 o'clock noon, on the expiration of the recess.

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 bill (S. 1699) for the retirement of employees in the classified civil service, and for other purposes, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House insists upon its amendments to the bill (S. 2448) for the relief of certain officers of the United States Army, and for other purposes, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. CRAIG, Mr. SANFORD, and Mr. WISE managers at the conference on the part of the House.

PETITIONS AND MEMORIALS.

Mr. TOWNSEND presented a petition of the Friends of Irish Freedom, of Detroit, Mich., praying for the recognition of the Republic of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a petition of Nicholas Tasson Post, No. 157, Michigan Branch, American Legion, of Diorite, Mich., praying for increased compensation for ex-service men, which was referred to the Committee on Finance.

He also presented a memorial of the Michigan State Dental Society, remonstrating against any change being made in the present status of the Army Dental Corps, which was referred to the Committee on Military Affairs.

He also presented a petition of the Holland American Aid Society, of Kalamazoo, Mich., praying for an increase in the salaries of postal employees, which was ordered to lie on the table.

He also presented petitions of sundry citizens of St. Clair, Port Huron, and Norway, all in the State of Michigan, praying for the parole of Federal prisoners, which were referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of St. Clair County, Mich., praying for the protection of maternity and infancy, which was referred to the Committee on Public Health and National Quarantine.

He also presented a memorial of the Michigan State Dental Society, remonstrating against the imposition of excise tax upon any material employed in the correction of any physical defects, which was referred to the Committee on Finance.

Mr. KNOX presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation authorizing an issuance of bonds in exchange for bonds of the first, second, third, and fourth Liberty loan issues, which was referred to the Committee on Finance.

He also presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation providing a further exemption from taxation of the interest from Liberty bonds, which was referred to the Committee on Finance.

He also presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation to limit the charges of nonmember banks as to the collection and payment of checks upon them, which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation providing that the representatives of American industries shall in any way obligate the Government of the United States to guarantee the payment of debts of other nations, carry mercantile accounts or finance mercantile credits for foreign governments, which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation to prohibit the destruction of gold and subsidiary silver coins, etc., which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Board of Trade of Philadelphia, Pa., remonstrating against the enactment of legislation providing for the protection of the monetary gold reserve, etc., which was referred to the Committee on Finance.

He also presented a petition of the Board of Trade of Philadelphia, Pa., praying for the adoption of compulsory universal military training, which was ordered to lie on the table.

ADJUSTMENT OF POSTAL SALARIES.

Mr. LENROOT. I present a petition signed by several thousand residents of the city of Milwaukee, Wis., praying for immediate action relative to the adjustment of salaries of post-office employees. I ask to have the heading printed in the RECORD, and that the petition be referred to the Committee on Post Offices and Post Roads.

Mr. MOSES. Will the Senator from Wisconsin have the heading of the petition read, so that we may understand its purport?

Mr. LENROOT. I shall be glad to read it. It is as follows: A petition and a demand for better mail service and justice for the postal employees.

We are all aware that the present poor mail service is due to the fact that the country is willfully neglecting the postal employees, causing them to resign in large numbers. The present salary scale in the post office is both inadequate and insecure. The resignations will not stop until a new and just scale is adopted, and all bonuses discontinued. Congress promised over a year ago to take such a step and has dodged the issue ever since. The Postal Service can not last much longer at the present gait; a complete smash up is in sight.

How can anybody imagine that such a situation is real economy? If you will agree to the above sentiments, sign this petition. I will see to it that it is forwarded to Congress.

CHAS. J. CUMMING,
Real Estate and Insurance, 120 Wisconsin Street.

The petition proper is headed as follows:

We, the undersigned, respectfully petition and insist upon immediate action on your part, and upon the part of Congress in general, to provide for an adequate and just reclassification of salaries in the Postal Service. We are absolutely convinced that this is the only way in which efficiency can ultimately be restored in our mail service.

I will say, Mr. President, that this is not a petition from postal employees. It is from business men of Milwaukee, patrons of the post office at that city. They ask that the petition be referred to the Postal Classification Commission, but I understand that that commission will shortly make a report. The Senator from New Hampshire [Mr. MOSES] is a member of that commission, and I should like to inquire of him as to the status of this matter.

Mr. MOSES. Mr. President, the postal commission has been engaged in taking testimony in all parts of the country to develop the actual conditions in the Postal Service. That work has been completed. The commission has also finished the work of taking the testimony of the administrative heads of the Post Office Department, and it is expected that the commission will be able to proceed within a few days to the drafting of a report. The character of that report, naturally, I can not undertake to forecast, but I am of the opinion, Mr. President—and I hope that the Senator from Wisconsin [Mr. LENROOT] will convey this opinion to his constituents—that the report of the commission, if adopted by Congress, will afford adequate relief for some of the conditions which to-day exist in the Postal Service.

I take this occasion, however, Mr. President, to express my further opinion that the conditions in the Postal Service are due to many elements, among which low salaries constitute but one. There are other elements entering into the Postal Service more fundamental, more far-reaching, and infinitely more detrimental to the morale of the service than the income which the postal employees receive. It is my opinion that the entire policy of the administration of the Postal Service at the minute is of a nature tending to destroy the morale of the service, even, indeed, as if that were its purpose; and I think that no complete remedy for these conditions can be had from any report which the commission may make or from the adoption of the recommendations of the commission; I think that the remedy lies much deeper than that; but, so far as the commission is able to govern the conditions of the Postal Service, through its recommendations, I think I may safely assure the Senator from Wisconsin that the commission's report will be adequate.

Mr. LENROOT. Mr. President, I am very glad to have the statement from the Senator from New Hampshire; but, however great the responsibility elsewhere may be for the administration of the postal laws, Congress itself is responsible for the inadequate salaries that are now being paid the postal employees and should, so far as it has power, relieve the present situation as soon as possible. I am glad to know that the prospects are that the report of the commission will be submitted in a few days, and I sincerely hope that it will be acted upon by Congress and the salaries of postal employees adjusted before this session shall adjourn.

The VICE PRESIDENT. The petition will be referred to the Committee on Post Offices and Post Roads.

TERMINATION OF WAR LEGISLATION.

Mr. SMITH of Georgia introduced a bill (S. 4315) providing for the termination of certain war legislation, which was read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That any provision contained in any law enacted by Congress rendering the operation or effectiveness of such law, or any part thereof, contingent upon the termination of the present war or the present or existing emergency, in whatever words expressed, shall be construed and interpreted to refer to and indicate, in lieu of the date of the termination of the present war or the present or existing emergency, the date of the enactment of this act, irrespective of any provision to the contrary contained in any such law. The termination of any such law, or of any part thereof, shall not be construed or interpreted, however, so as to prejudice, terminate, or affect any rights, privileges, or remedies, or any duties, obligations, liabilities, or penalties arising or accruing, or acquired or incurred, thereunder prior to such termination.

BILLS INTRODUCED.

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

By Mr. OWEN (by request):

A bill (S. 4316) to amend act of Congress approved June 30, 1913; to the Committee on Indian Affairs.

By Mr. TOWNSEND:

A bill (S. 4317) granting an increase of pension to Ralph S. Jordan (with accompanying papers); to the Committee on Pensions.

By Mr. CUMMINS:

A bill (S. 4318) to extend the period for construction of Eagle Rock Reservoir under the act of March 3, 1891; to the Committee on Public Lands.

A bill (S. 4319) to further amend an act entitled "An act to regulate commerce," approved February 4, 1887, as amended; to the Committee on Interstate Commerce.

A bill (S. 4320) for the relief of Joseph D. McGarraugh (with accompanying papers); to the Committee on Military Affairs.

RETIREMENT OF CIVIL-SERVICE EMPLOYEES.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1699) for the retirement of employees in the classified civil service, and for other purposes.

Mr. STERLING. I move that the Senate disagree to the amendments of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Vice President appointed Mr. STERLING, Mr. CUMMINS, and Mr. MCKELLAR conferees on the part of the Senate.

A PROPOSED PLATFORM OF NATIONAL ECONOMY FOR ALL PARTIES.

Mr. THOMAS. Mr. President, at this time when the people are being assured of effective programs of economy in legislation it is most discouraging to be informed by the Post that the total new burden to be borne by the public, inclusive of the proposed bonus, is \$5,000,000,000 a year, or ten times the cost of the Panama Canal. I refer to an article from the pen of George Rothwell Brown appearing in this morning's paper emphasizing the demand of the transportation companies for higher freights, also of the coal operators for more expensive coal, together with the soldiers' bonus and the proposed increase of wages to the railroad brotherhoods.

I shall not attempt to read into the RECORD this long but very important article. I merely wish to emphasize the fact that whatever legislation against the profiteer may be enacted or enforced, however rigidly he may be punished, the almost certain addition of \$5,000,000,000 to the burdens of the people must result in a continued rise in prices, a continued demand for higher wages and salaries, and a continuance of the spiral up to a point where industrial collapse is as certain as the tides.

Mr. President, face to face with these conditions, it has occurred to me that a suggestion of a political platform would not be inappropriate, to consist of 14 points, that being the popular number of propositions for peace, for sermons, for reforms of all kinds, and therefore appropriate for a political platform in 1920. I venture to submit one, not intended for any particular party but which incorporates some trite but valuable principles. Whether they emanate from the committee of 107, which has long been incubating platform propositions for the Republican Party, or whether they come from the committee on resolutions of the Democratic Party, of which Mr. Bryan may or may not be the chairman, or from the committee of 48, which I understand has been selected or self-appointed to consider platform propositions for the new party—and a modern campaign without a new party would be Hamlet with the principal character omitted—I indulge the hope that it will receive the anxious consideration of the taxpayers of the country.

I suggest, therefore, Mr. President, the following:

1. Enforcement of law, without fear, favor, or relaxation.
2. Maintenance of order at all times.
3. Protection of every citizen in the exercise of his constitutional rights.
4. Holding every citizen, individual and corporate, to the recognition and performance of every civic duty and responsibility.
5. Encouragement of production, with campaigns against waste and extravagance.
6. Promotion of thrift everywhere, the Government setting an example by the practice of rigid economy in every department of public administration that may consist with public security, safety, and efficiency.
7. Discouragement of all further legislation transferring the duties, prerogatives, and powers of the States to the domain of Federal jurisdiction.
8. American rights and interests the first duty of the individual and the Government.
9. America first. In our foreign relations the maintenance of friendship, amity, mutual understanding, and every assistance

to other powers in their task of rehabilitation compatible with our interest and our constitutional authority.

10. Revision and decrease of national taxation to the lowest possible rate compatible with the actual needs of an economic national administration.

11. Pensions for dependents of soldiers killed in battle or dying in the service, for retirements, and for service men wholly or partially disabled by wounds or by disease incurred in the service.

12. All appropriations to be wholly confined to public objects and purposes.

13. The consumer is the ultimate taxpayer. Though unorganized he is entitled to our first consideration, whatever his political affiliations or lack of political influence.

14. Pointing with pride and viewing with alarm will catch no votes in 1920.

NATIONAL BUDGET SYSTEM.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9783) to provide a national budget system and an independent audit of Government accounts, and for other purposes.

Mr. KING. Mr. President, the Senator from Colorado [Mr. THOMAS] has suggested a number of interesting matters for the consideration of the Senate and Congress. Upon many occasions he has discussed in a fearless manner important questions which demand attention at the hands of the American people. It would be for the welfare of the country if the sound advice often given by him were followed in governmental affairs as well as by the citizens of our country. However, I did not rise for the purpose of adverting to the various points referred to by the Senator.

We have before us what is known as the budget bill, and there is a desire that it be speedily passed this morning. I had intended to present in a brief way a history of budgetary reforms and operations of the budget system in other countries as well as in some of the States of the Union, the inherent difficulties to be encountered in the establishment of a budget system in a Federal Government such as ours as well as the advantages and benefits which a proper budget system will bring to the administration of the affairs of our Government. It has developed, however, that there is no opposition to the pending measure, and I shall therefore pretermit a discussion of the subjects referred to and content myself with a few general observations and a reference to the substitute bill which I shall offer pro forma for the measure which is now before us.

In common with other Senators, I have felt for some time that the method employed by the United States in dealing with its financial affairs was loose and inefficient. I have felt that the estimates furnished by the various agencies of the Government were wholly unreliable, and if accepted by Congress would result in still greater inefficiency, waste, and extravagance and lead to serious financial embarrassment. No one who is familiar with the method of preparing estimates and making appropriations to meet the expenses of the Government can speak approvingly of the same. Students of governmental problems and of fiscal administrative reforms have with substantial unanimity condemned our limping, imperfect, inefficient, and chaotic system. Executive officials, unfortunately, have failed to appreciate the responsibility resting upon them or the solemn duty which they owed to their Government and to the country. Bureau chiefs and subordinate officials have prepared estimates and figures for submission to Congress which call for appropriations of such magnitude as to shock all who are interested in economy, efficiency, and good government. There seems to have been a wild scramble upon the part of the executive departments and agencies to get the largest possible sums out of the Treasury of the United States. There has been the appearance of an indefensible rivalry as to which bureau or executive agency could secure the largest appropriation. Officials have projected their own ambitious schemes for extension of their functions and powers and authority into submitted estimates for appropriations. Unimportant divisions and bureaus headed or controlled by theorists, doctrinaires, or those who have no conception of the limitations upon the Federal Government and its Treasury have under the present system of appropriations been magnified and developed until they have assumed enormous proportions and extracted from the Treasury of the United States from year to year stupendous sums.

Executive officials in their desire to extend the operations of the branches of the public service with which they were connected have encroached upon other bureaus, divisions, or fields of activity under the control of the Federal Government, and have thus produced duplication which has resulted in expenditures of millions annually which brought no adequate results

to the Government or the people and, indeed, with propriety could be entered in a column entitled "Waste and extravagance."

The evils of which I am speaking are not recent in their origin. They have existed for many years and have manifested themselves regardless of the party in power. The machinery of the Government is not new. It has developed slowly, but the passage of time has only increased the mechanical devices, but unfortunately the augmentation of the machinery has brought neither efficiency nor reform.

I think it may truthfully be said that with the increase in divisions, bureaus, and governmental agencies there has been less efficiency and less of a spirit of service and devotion to the public weal. It has often been charged by political economists and historians that republics are proverbially extravagant and inefficient. Without expressing any opinion in regard to this view, I do not hesitate to state that in the administration of the affairs of this Republic there has been great waste and extravagance, and there has developed a cumbersome, lumbering organism which has suffered many breakdowns and brought chagrin and humiliation to all who were interested in efficiency and economy in the public service and the application of the highest principles of political and administrative morality to the governmental affairs of the Republic.

The pending measure has many admirable features and I believe is a step in the right direction. It will work some needed reforms; but I am afraid it will prove disappointing to many students of our Government and its administrative functions, who have felt that a well-balanced scientific budget system would accomplish radical and important reforms. No budget system, no system of estimates or accounting, will effectuate the reforms desired or eradicate all of the evils attending Federal administration. As a matter of fact, few genuine reforms result from legislation; wise legislation is the result of manifestations of the spirit of justice and progress. There is a mental and moral attitude which is a most potential factor in advancing the cause of justice and righteousness in the private lives and relations of individuals, as well as in their relations to the Government and in the affairs of the Government itself. So long as the people believe that the Government may be exploited for their advantage or may be plundered for the advancement of interests not purely governmental there will be inefficiency and prodigality in governmental administration. So long as public officials and employees of the Government feel an impersonal relation to the Government and are not filled with a passion and patriotic desire for its welfare and the welfare of all the people, we may expect maladministration, inefficiency, extravagance, bureaucratic tyranny, and executive incapacity.

Loyalty to the Government by its employees is indispensable to efficient administration. Employers, whether corporations or individuals, who have the loyal and enthusiastic and moral support of all who are in their service achieve the highest and most satisfactory results.

There must be developed a higher standard of morality with respect to governmental affairs. Individuals of high integrity and probity do not always appreciate the wrong involved in evading customs laws and regulations. Persons who in their relations with their fellows follow the highest standards of truth and rectitude feel, in dealing with the Government or when in the Government service, that a different rule of conduct or standard of duty applies. When all who are in the service of the Government, or are directly or remotely connected with its administration, feel that the Government is a part of themselves and that when they injure it they are striking themselves and at the most important and sacred things in life, there will be administrative reforms and the affairs of the Government will be conducted upon a different level. There will be efficiency and loyalty and genuine progress. When we carry into the service of our country and into our daily relations and dealings with it that spirit of sacrifice and loyalty, that patriotic fervor which manifested itself in the recent war as a powerful spiritual force, many of the evils and imperfections and wrongs now existing in the Government and in administrative action will disappear.

There must be developed a feeling that the Government is a repository of the liberties and happiness of the people, and that whatever weakens or injures or debases it reacts immediately upon each individual and will impair, if not destroy, the liberty and peace and happiness of the people individually and collectively. Many persons visualize truth and justice and religion and moral forces as divine and sacred beings; the forces and influences manifesting themselves therein are not cold and lifeless and abstract, but are animate and vital. So also our Government should be regarded not as a mental abstraction nor as a pallid and inanimate projection of the finite mind. The most perfect expedients to secure wise and just administration in

the affairs of government will fail of their object unless among the people and in the hearts of those clothed with government privilege there is a profound respect and reverence for law and justice as well as a spirit of love for and devotion to country. In an autocratic government reforms have been wrought by those invested with power. In the earlier years of Napoleon's power he accomplished important administrative reforms. He gave a code of laws to his country which has survived to this day. He introduced administrative reforms particularly in the fiscal and accounting branches of the Government that have excited the admiration of students of political science. The people of France were not sufficiently loyal to the great reforms which he inaugurated to fully preserve them after Napoleon's power was gone.

The American people have not yet learned the lesson of thrift and economy. The inexhaustible resources of the new world have made this the richest and most powerful Government the world has ever seen. We have believed that our resources were limitless and that no improvidence or extravagance could jeopardize or endanger our future. We have regarded our country as vast in area and unrestricted in power. We have examined everything with the telescope; seldom have we employed the microscope. We have insisted upon doing big things in a big way. We have opposed conservation and economy and thrift and a jealous regard for the small things whether they were material or abstract. This characteristic is preeminently American and has found expression in our private lives, in our business affairs, and in our administration of our municipal, State, and National Governments. This view, which has become a national trait, has developed a spirit of prodigality and extravagance. We have not worked intensively nor applied ourselves with the scientific and investigating spirit to the details of life. There must be a radical change among the people. The economic and industrial condition of our country and of the world calls for a reexamination of our policies and our attitude toward those questions which affect our lives individually and nationally. We should be admonished that our resources are limited and that some have reached the point of exhaustion. The cry should go forth from every section of our land for conservation and economy and providence. The curriculum of our schools should be so modified as to impress upon the coming generation the imperative necessity of thrift and the dignity and glory and sacredness of labor.

Mr. President, the success of the pending measure will depend largely upon the attitude of the Chief Executive of our Nation as well as upon the courage and ability and patriotism of the chief officials provided for in the bill. There will be the same demands, unreasonable and unjust, made by bureaus and executive departments for appropriations. There will be the same ambition for the aggrandizement of the executive departments, bureaus, agencies, and instrumentalities. There will be the same insistent demands for Federal aid in matters that are purely local in character. Indeed, unless there is a change in public sentiment, the demands for Federal aid and interposition by the States and local governments will increase and result in illegal and illegitimate and unconstitutional appropriations from the Federal Treasury. It also must be remembered that the attitude of the legislative branch of the Government toward the question of appropriations will largely determine the success of the budget system. If the accounting officers of the Government and if those who have to do with the operation of the budget as provided in the pending bill faithfully discharge their duties, they will point the way to economy and efficiency and reform. If Congress fail to support them and listen to local and individual demands for appropriations and refuse to follow the path of safety and of constitutional sanction, inefficiency and waste will continue, and the evils of maladministration will be increased. This bill, in my opinion, will provide checks and restraints that will be of great benefit to our country. That something should be done to check the growing expenditures of our Government all must admit. The people everywhere seem to be obsessed with the thought that there is no limit to the funds of the Federal Government, and that there should be no restriction upon the appropriations which it makes.

If we do not curtail expenses national bankruptcy is inevitable. As I have stated, conscientious and patriotic officials carrying out the letter and spirit of this bill can challenge attention to the dangers before the country and point to the disasters which will follow the heedless, headlong, frenzied expenditures which we are making and are called upon to make. This Congress has appropriated entirely too much. Efforts to check appropriations prove futile. Many who cry the loudest for appropriations bestow but little thought upon the question of producing the necessary revenue to meet the appropriations.

There are many organizations clamoring for appropriations; the forces and influences exerted in and out of Congress to secure appropriations are numerous and powerful. The voices raised against these demanded appropriations are few and the impediments in the way of the flood from the Federal Treasury offer but slight resistance.

The administration of the Government must be conducted along scientific lines. The successful business man is the one who avails himself of the most improved and scientific methods in every department of his enterprise. He is constantly looking for reforms and economies. Efficiency experts command high salaries and the money invested for their services is like bread cast upon the waters, and it returns a hundredfold. One marvels that our Government has not provided a proper system for estimates and accounts and that we have followed archaic and obsolete methods in the administration of the departments of Government. There has been no coordination of the executive branches of the Government. Let me say, in passing, that legislation is imperatively needed for the purpose of re-arranging, consolidating, coordinating, and integrating the executive departments and bureaus and agencies of the Government. There is much confusion in the present arrangement of departments and executive agencies. Many bureaus should be transferred; some should be abolished. A scientific and rational plan should be promptly provided under which there will be a complete reorganization of the departments of the Government.

Mr. President, the bill reported by the Special Budget Committee is not perfect. Many of its provisions are not satisfactory to me. However, it has so many meritorious features that I think it should receive the support of both sides of the Chamber. The committee in the consideration of the question were actuated by a desire to work out the very best plan that the situation permitted. There was not the slightest partisanship manifested. The distinguished chairman of the committee, the Senator from Illinois, is entitled to the thanks of the Senate and the Congress for his unselfish and faithful efforts. It was my good fortune to be a member of the committee and to participate in the discussions and work, the result of which is the bill now before us.

On the 5th of January, 1920, I introduced a bill which reorganized the Bureau of Efficiency and increased its powers. It also provided that the chief of the bureau should be appointed by the Speaker of the House of Representatives. The object of the bill was to secure efficiency in the administration of the departments of the Government. The bill before us, as amended, provides that the Bureau of Efficiency shall be transferred to the jurisdiction of Congress, and it is empowered to investigate matters relating to the methods of business and organization of the executive branches of the Government. It will be the duty of the bureau to aid Congress in investigating the various departments of the Government with a view to determining whether there is inefficiency and for the purpose of aiding Congress in judging as to the necessity in meeting the appropriations suggested by the executive branches of the Government.

On the 3d day of March of this year I introduced a bill to extend the powers of the Comptroller of the Treasury and to create an office of accounts in the Department of the Treasury and to provide for an annual budget of estimates and report the fiscal operations of the Treasury. Some of its provisions are incorporated in the pending measure. I have prepared a substitute for the present bill. It does not differ materially, except in one or two particulars.

The terminology of the pending measure in a number of instances might in my opinion be improved. I shall ask for a vote upon the substitute. However, it is not my purpose to analyze its provisions or demand its adoption. Having given my support to the committee bill, I do not feel at liberty to argue against its provisions nor to impede its passage. The parliamentary situation is such as to call for the prompt passage of the bill and the Senate should act to-day, and at an early hour to-day, upon the matter. Therefore, as stated, I have no intention of confusing the situation nor obstructing the speedy passage of the committee bill, although I believe the substitute which I shall offer, and which is upon the desks of the Senators, contains some improvements over the pending bill. If the substitute should not be accepted, I shall ask the conferees upon the part of the Senate to consider carefully the provisions of the substitute bill, and when the subject is in conference to write into the bill as it shall be agreed upon the amendments which are embodied in the substitute bill. Briefly, let me say that in my opinion the title of the committee bill is not quite appropriate. It should be "An act to create a

bureau of estimates and a general accounting office in the Department of the Treasury, to provide for an annual budget, and for other purposes." Technically speaking, the committee bill does not create a budget system, but it does create a bureau of estimates.

Permit me, first, to call attention to section 3 of the committee bill, which provides that "there is hereby created in the Treasury Department a budget bureau." My substitute would change this expression so that it would read, "there is hereby created in the Treasury Department a bureau of estimates." The duty of this bureau is to prepare estimates, and in my opinion it is more accurate to denominate the bureau which is created "a bureau of estimates" than "the budget bureau." The committee bill provides that the head of the bureau shall be named "commissioner," and that two assistants shall be provided. The substitute changes the name of the head of the bureau to "examiner" and his assistants to "assistant examiners." The word "commissioner" is too general and rather meaningless. There are so many officials under that title that it ceases to convey any meaning as to the nature and duties of the office. The word "examiner" has a more precise and distinctive meaning. Section 21 of the committee bill states "that there is created an establishment to be known as the general accounting office, which shall be independent of the several executive departments and under the control and direction of the comptroller general of the United States." The substitute which I shall offer provides "that there is created in the Department of the Treasury the general accounting office, which shall be under the control and direction of the comptroller of accounts." It will be observed that the substitute changes the name of the chief officer of accounts from "comptroller general of the United States" to "comptroller of accounts." It seems to me that the title "comptroller general of the United States" is rather too big and overwhelming.

The office created deals with the accounts, and the chief official in this organization is the comptroller of accounts. It seems to me that the term is misleading if he is named the comptroller general of the United States. I sincerely hope the conference committee will consider this provision.

I also believe better results will be secured and it is certainly more logical to create in the Department of the Treasury a general accounting office than to—

create an establishment * * * which shall be independent of the general executive departments.

I believe that there will be better coordination and more satisfactory results if the amendments which I have suggested prevail. The budget bureau or bureau of estimates is created in the Treasury Department, as the Treasury Department is the fiscal department of the Government. There should be one department in which are merged and consolidated all the agencies of the Government which have to do with the revenues and disbursements. The Treasury Department records the income received by the Government. There should be found within the Treasury Department full and complete information regarding the expenditures of the Government. I believe that the placing of these organizations provided by the pending bill in the one department will make for greater efficiency and facility of administration.

Mr. President, without taking further time to explain the differences between the substitute bill and the committee bill, I move that the substitute bill which I send to the desk be adopted in lieu of the committee bill.

Mr. KING's amendment is to strike out all after the enacting clause and insert the following:

That this act may be cited as the "estimates and accounts act."

SEC. 2. That when used in this act—

The term "department" means any executive department.

The term "establishment" means any independent commission, board, bureau, office, agency, or other establishment of the Government, including the municipal government of the District of Columbia, but shall not include the legislative branch of the Government.

The term "estimates" means all estimates for appropriations made or requested by any department or establishment.

SEC. 3. That there is hereby created in the Department of the Treasury the bureau of estimates. The President shall nominate and, by and with the advice and consent of the Senate, appoint an examiner and two assistant examiners of the bureau of estimates. The examiner first appointed shall continue in office for a term of two years, and the assistant examiners four and six years, respectively, from the date when this act shall take effect, the term of each assistant examiner to be designated by the President, but the successors of the examiner and of the two assistant examiners shall be appointed for terms of six years, except that any person chosen to fill a vacancy shall be appointed only for the unexpired term of the official whom he shall succeed. The examiner shall receive an annual salary of \$8,000 and the assistant examiners shall each receive an annual salary of \$6,000. The assistant examiners shall perform such duties as the examiners may designate, and in the absence or incapacity of the examiner or during a vacancy in the

office of examiner the Secretary of the Treasury shall designate one of the assistant examiners to act as examiner.

SEC. 4. That the examiner of estimates shall employ and fix the compensation of such attorneys, accountants, examiners, experts, clerks, and other employees, and make such expenditures for rent, printing, books, periodicals, office equipment, and supplies as he may find necessary to carry out the provisions of this act: *Provided*, That not more than \$200,000 per annum shall be expended under the provisions of this section and not more than four persons shall be employed by the examiner at a salary of \$5,000 per annum, and no person shall be employed by him at a salary in excess of that sum. All employees of the bureau, except the examiner and the two assistant examiners, shall be appointed in accordance with the civil-service law and regulations.

SEC. 5. That the head of each department and establishment shall designate one of the chief officers of the department or establishment to have direct supervision of the business operations of the department, such as the offices of chief clerk, appointment clerk, disbursing officer, division of accounts, division of mails and files, division of supplies, superintendent of buildings, etc., and, under the direction of the head of the department, to perform the duties of a general business manager of the department. The officer so designated shall supervise the classification and compilation of the estimates, including supplemental and deficiency estimates, for such departments, and perform such other duties as the head of the department or establishment may prescribe.

SEC. 6. That the head of each department and establishment shall examine, analyze, and revise the estimates of his department or establishment, and shall submit to the examiner of estimates on or before the 1st day of October in each year his final revised estimates for the ensuing fiscal year, and shall attach thereto specifications of the personnel and employees arranged by classes with the number in each class, of the work and functions to be performed and of the amount and description of materials and supplies required, which specifications shall comprehend the personnel, work, functions, and materials covered by the estimates, together with a comparative statement of the personnel, work, functions, and materials used and performed in the preceding fiscal year. In case of the failure of the head of any department or establishment to furnish such estimates as herein required, the examiner of estimates shall cause to be prepared estimates for such appropriations as in his judgment shall be requisite for such department or establishment.

SEC. 7. That after the head of a department or establishment has submitted to the examiner of estimates the regular estimates of such department or establishment for the ensuing fiscal year, he shall not submit for such year any special, supplementary, or additional estimates or other request for appropriations except to carry out laws subsequently enacted, or to meet unforeseen emergencies. Such special, supplementary, or additional estimates shall be supported by a full statement of their necessity and the cause for their omission from the regular estimates.

SEC. 8. That the head of each department or establishment in transmitting the estimates to the examiner of estimates shall refer to the law or treaty by which the proposed expenditures are authorized, specifying the date of each and the volume and page of the Statutes at Large or of the Revised Statutes, as the case may be, and the section of the act in which the authority is to be found.

SEC. 9. That in all cases where the head of a department or establishment includes in his estimates an item that is in excess of the amount previously provided for the same purpose, or an item for which no appropriation previously has been made, he shall set forth in detail the reason why he has made such increased or additional estimates.

SEC. 10. That the Secretary of the Treasury shall prescribe a uniform system of preparing and submitting estimates.

SEC. 11. That the examiner of estimates shall have the powers and perform the duties now held and performed by the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury, in so far as they relate to the compilation of the estimates.

SEC. 12. That it shall be the duty of the examiner of estimates in the period prior to and after submission to him of the estimates to inspect and examine the organization, activities, and methods of business of the several administrative departments of the Government to determine the changes which, in his opinion, should be made in the existing organization, functions, and methods of business of such departments or in the appropriation of moneys for the maintenance of the same, or in the assignment of particular duties to particular personnel, or in the grouping of services, in order to secure greater effectiveness and economy in the conduct of the public business. The estimates for the ensuing fiscal year, together with the recommendations of the examiner of estimates, shall be submitted to the Secretary of the Treasury on or before November 1 of each year.

SEC. 13. That the Secretary of the Treasury shall revise, arrange, consolidate, coordinate, reduce, or otherwise alter any item or items of the estimates, including any special, deficiency, or supplemental estimates, in such manner as he may deem necessary to effect economies and to prevent waste, extravagance, or duplication.

SEC. 14. That every department and establishment shall furnish to the Secretary of the Treasury and to the examiner of estimates such information regarding its powers, duties, functions, organizations, finances, and methods of business as they or either of them may from time to time require, and the examiner of estimates, or any of his assistants or employees, when duly authorized by him, shall, for the purpose of securing such information, have access to, and have the right to examine, any books, documents, papers, or records of any such department or establishment.

SEC. 15. That the Secretary of the Treasury shall, on or before the 20th day of November in each year, prepare and submit to the President for his consideration the budget, which shall contain a statement in summary and in detail of the estimates for the ensuing fiscal year as revised under the provisions of section 13 hereof.

The budget shall further contain:

(a) Statements setting forth the expenditures of the Government during the last completed fiscal year classified by organization units, compared with the estimated expenditures of the same organization units for the fiscal year in progress, and with the estimates of expenditures to be authorized for the fiscal year next ensuing.

(b) Statements setting forth the expenditures of the Government during the last completed fiscal year classified by functions, compared with the estimated expenditures for the same functions for the fiscal year in progress, and with the estimates of expenditures to be authorized for the fiscal year next ensuing.

(c) Statements setting forth in detail the revenues of the Government actually paid into the Treasury during the last completed fiscal year, compared with the estimated revenues to be paid into the Treasury during the fiscal year in progress, and with the estimates of revenues

to be paid into the Treasury during the fiscal year next ensuing under the provisions of existing law.

(d) Balanced statements of Treasury resources and obligations setting forth in detail the condition of the Treasury at the end of the last completed fiscal year, the estimated condition of the Treasury at the end of the fiscal year in progress, and the estimated condition of the Treasury at the end of the next ensuing fiscal year on the basis of existing revenue laws and of the estimates of expenditures for the fiscal year next ensuing.

(e) Statements setting forth in detail all essential facts regarding the bonded and other indebtedness of the Government.

(f) Statements setting forth in detail amounts of appropriations, whether annual, permanent, or otherwise, including balances of appropriations for prior fiscal years available for expenditure during the year in progress.

(g) If the estimated revenues for the ensuing fiscal year, according to the existing law, are less than the estimated expenditures which in his opinion should be authorized for that year, the Secretary of the Treasury shall recommend to the President new taxes, loans, or other appropriate means to meet the deficiency; or if such estimated revenues are greater than the estimated expenditures for the ensuing fiscal year, he shall make recommendations for the application of such surplus or for a reduction in taxation.

The foregoing provisions regarding the contents of the budget are directory only, and may be altered in form or detail as conditions may render necessary or desirable, provided that the substantial purposes of such statements are adhered to.

The Secretary of the Treasury shall from time to time submit in like manner to the President such supplemental, deficiency, or other estimates as may be submitted to him by the Examiner of Estimates, as provided in this act.

SEC. 16. That the Secretary of the Treasury shall not transmit to the President estimates for the District of Columbia greater than twice the estimated revenues of the District, including charges under all appropriation bills.

SEC. 17. That the President shall have authority to revise the budget submitted to him by the Secretary of the Treasury, by the increase, reduction, or elimination or alteration of any item therein contained, by the addition of new items which, in his opinion, are needed for the conduct of the Government, by the consolidation, rearrangement, or regrouping of items, or by making any reassignment of specific duties, the regrouping of functions, the consolidation or elimination of field stations or other units of organization, or in any other arrangement of the organization and operations of the public business, which, in his opinion, will lead to increased economy and effectiveness.

SEC. 18. That the President shall, on or before the 10th day of December of each year, submit to Congress the budget, as revised and approved by him, including a statement of what, in his opinion, are the revenue requirements of the Government and how the same should be met. The President shall also from time to time submit to Congress such supplementary, deficiency, or other estimates as shall be approved by him, and no estimate or request for any increase in any item of the budget as submitted by the President shall be submitted to Congress or to any Member or committee thereof by any officer of, or person employed in, any department or establishment except as provided for by this act, unless at the request of either House of Congress or a committee thereof having jurisdiction over appropriations or revenues.

SEC. 19. That the Secretary of the Treasury shall, at the request of any committee of either House of Congress, direct appropriate officials from the bureau of estimates to furnish such committee such aid and information, in person or otherwise, as the committee may request.

SEC. 20. That the Secretary of the Treasury shall cause to be prepared a codification of all the laws now in force relating to the expenditures of the Government, and shall, on or before January 1, 1921, transmit the same to the President with a statement showing which of such laws in his judgment should be revised, or repealed in whole or in part, and what new provisions, if any, should be added. The President is hereby requested to transmit to Congress such codification and accompanying statements, together with his recommendations.

SEC. 21. That there is created in the Department of the Treasury the general accounting office, which shall be under the control and direction of the comptroller of accounts. The offices of Comptroller of the Treasury and Assistant Comptroller of the Treasury are abolished, to take effect July 1, 1920. All other officers and employees of the office of the Comptroller of the Treasury shall become officers and employees in the general accounting office at their grades and salaries on July 1, 1920, and all books, records, documents, papers, furniture, office equipment, and other property of the office of the Comptroller of the Treasury shall become the property of the general accounting office.

There shall be in the general accounting office a comptroller of accounts and three assistant comptrollers, who shall be nominated and by and with the advice and consent of the Senate appointed by the President. The comptroller of accounts shall receive a salary of \$8,000 a year; the first and second assistant comptrollers shall receive salaries of \$6,000 a year; the third assistant comptroller shall receive a salary of \$5,000 a year. During the absence or incapacity of the comptroller of accounts, or during a vacancy in that office, the first assistant comptroller shall act as comptroller of accounts. The comptroller of accounts and the assistant comptrollers shall hold office for a term of five years, and shall be removable only for cause: *Provided*, That in the first instance the comptroller of accounts shall be appointed for a term of one year, the first assistant comptroller for a term of two years, the second assistant comptroller for a term of three years, and the third assistant comptroller for a term of four years, respectively, from the date when this act shall take effect: *Provided further*, That any person chosen to fill a vacancy shall be appointed only for the unexpired term of the official whom he shall succeed.

SEC. 22. That the comptroller of accounts shall perform the same duties and have the same powers and responsibilities as those now performed by, or appertaining to the Comptroller of the Treasury, the six auditors of the Treasury Department, and the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury, except as provided in section 11 hereof. Subject to the approval of the Secretary of the Treasury, the comptroller of accounts shall prescribe the procedure for the issue of warrants for the receipt or payment of public moneys at the Treasury, including the postal revenues and expenditures therefrom. He shall perform the duties now appertaining to the Division of Public Moneys of the Office of the Secretary of the Treasury so far as they relate to the covering of the revenues and repayments into the Treasury, the issue of duplicate checks and warrants, and the certification of outstanding liabilities for payment. He shall prescribe the forms, systems, and procedures for administrative ap-

propriation and fund accounting in the several departments and establishments, and for the departmental or administrative examination of fiscal officers' accounts and claims against the United States. He shall submit periodically to Congress reports upon the adequacy and effectiveness of the administrative examination of accounts and claims in the respective departments and establishments, and upon the adequacy and effectiveness of the departmental inspection of the offices and accounts of fiscal officers, together with recommendations for such legislation as may improve and facilitate the settlement of accounts and as may correct wasteful practices and prevent the creation of deficiencies in excess of expenditures authorized by Congress. The comptroller of accounts, for this purpose, shall have the right to examine any books, documents, papers, records, or operations of any department, bureau, board, commission, office, or agency of the executive departments.

SEC. 23. That the assistant comptrollers shall perform the following duties:

(a) The first assistant comptroller shall perform the same duties as those now performed by, or appertaining to, the six auditors of the Treasury Department, except as otherwise expressly provided herein, and such other duties as may from time to time be assigned to him by the comptroller of accounts. He shall receive, audit, and settle all accounts of fiscal officers and claims against the United States, and certify his findings thereon to the third assistant comptroller. The findings of the first assistant comptroller upon the settlement of public accounts shall be final and conclusive upon the executive branches of the Government, except that any person whose account has been settled, or the head of the department or establishment to which any account pertains may, within a year, obtain a revision of the account by the board of appeals created by section 24 hereof.

(b) The second assistant comptroller shall prescribe the forms of keeping and rendering all accounts of appropriations and funds, revenues and expenditures, and accounts of fiscal officers. He shall determine the accounting procedure to be followed in the payment of settled liabilities of the Government, in advancing funds to disbursing officers, and in covering public moneys into the Treasury, and the procedure to be followed in accounting for appropriations made or special funds established or authorized by Congress. He shall conduct a continuous inspection of the methods and procedure followed in the administrative examination of fiscal officers' accounts and claims, and he shall report periodically to heads of departments and establishments, and to the comptroller of accounts, as to the adequacy and effectiveness of such examination. He shall periodically inspect the places of business of accountable officers, examine the books and papers evidencing their respective transactions, and count their cash, stamps, and accountable paper; he shall report periodically to heads of departments and establishments, and to the comptroller of accounts, as to the adequacy of the inspection of accountable officers conducted by the respective departments and establishments with which they are connected; and he shall perform such other duties as may from time to time be assigned to him by the comptroller of accounts.

(c) The third assistant comptroller shall keep all general accounts of receipts and expenditures of public money, including the postal revenues and expenditures therefrom; of appropriations, special funds, and trust funds, and of the public debt; and he shall perform generally the duties now appertaining to the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury, except as expressly provided herein; he shall perform the duties and exercise the functions now appertaining to the Division of Public Moneys of the Office of the Secretary of the Treasury so far as they relate to the covering of revenues and repayments into the Treasury, the certification of outstanding liabilities for payment, and the authorization of the issue of duplicate checks and warrants. He shall perform such other duties as may from time to time be assigned to him by the comptroller of accounts.

All acts performed by the assistant comptrollers under this section shall be subject to the direction and approval of the comptroller of accounts.

SEC. 24. That there shall be attached to the general accounting office a board of appeals, to consist of three members, including the second assistant comptroller and the third assistant comptroller. The third member, who shall be chairman of the board, shall be nominated, and, by and with the advice and consent of the Senate, appointed by the President, and shall receive compensation at the rate of \$6,000 a year. He shall be known as the solicitor of the general accounting office and shall hold office for a term of five years. He shall have administrative charge of the board's activities and shall supervise such subordinate personnel as may be attached to it.

The board of appeals shall perform its duties under such rules of procedure as may be prescribed by the comptroller of accounts. It shall review all decisions of the first assistant comptroller involving an original construction of a statute or a modification of an existing construction, and items in any account affected by such decision shall be suspended and settlement thereof withheld until the board of appeals shall approve, disapprove, or modify such decision and certify its findings to the first assistant comptroller. Upon application by any disbursing officer or head of a department or establishment the board of appeals shall render its decision upon any question involving a payment to be made by such disbursing officer or under the jurisdiction of such head of department or establishment, which decision when so rendered and confirmed by the comptroller of accounts shall govern the first assistant comptroller in settling the account containing such payment. Any disbursing officer or head of department or establishment, or any other person aggrieved by the action or by any decision of the first assistant comptroller in the settlement of an account or claim may, within one year from the date of such settlement, present an appeal to the board of appeals and obtain a revision of the account or claim thereby, and the decision of the board of appeals upon such revision shall be final and conclusive upon the executive branches of the Government after confirmation by the comptroller of accounts. Authority to suspend payment and direct the reexamination of any account settled by the first assistant comptroller shall be exclusively vested in the comptroller of accounts, who shall have authority to reopen any account so settled and direct its revision by the board of appeals.

SEC. 25. That the offices of the six auditors of the Treasury Department and the Division of Bookkeeping and Warrants of the Office of the Secretary of the Treasury shall be abolished, but the six auditors of the Treasury Department shall be transferred at their present salaries to become officers of the general accounting office, and all other officers and employees of these offices and of the Division of Bookkeeping and Warrants shall become officers and employees in the general accounting office at their grades and salaries on July 1, 1920. All books, records, documents, papers, furniture, office equipment, and other property of these offices and of the Division of Bookkeeping and Warrants shall become the property of the general accounting office. The

general accounting office shall occupy the space now occupied by the Office of the Comptroller of the Treasury, the six auditors of the Treasury Department, and the Division of Bookkeeping and Warrants until otherwise provided.

SEC. 26. That the comptroller of accounts shall appoint, remove, and fix the compensation of such officers and employees in the general accounting office as may from time to time be provided for by Congress, and perform all other duties of the head of an independent Government establishment. All such appointments shall be made in accordance with the civil-service laws and regulations. Not more than three persons shall be employed by the comptroller of accounts at a salary of \$5,000 a year, and no person shall be employed by him at a salary in excess of that sum. Until March 5, 1921, no person who at the time of the passage of this act holds office as one of the six auditors referred to in section 25, and who in pursuance of said section is transferred to the general accounting office, shall be removed from office or have his compensation reduced, except for cause. All officers and employees of the general accounting office, whether transferred thereto in pursuance of sections 21 and 25 or appointed by the comptroller of accounts, shall perform such duties as may be assigned to them by the comptroller of accounts. The comptroller of accounts shall make such rules and regulations as may be necessary for carrying on the work of the general accounting office.

SEC. 27. That the comptroller of accounts shall investigate, at the seat of government or elsewhere, all matters relating to the receipt and disbursement of public funds, and shall make to the President on or before October 15 of each year, and to Congress at the beginning of each regular session, a report in writing of the work of the general accounting office, containing recommendations concerning the legislation he may deem necessary to facilitate the prompt and accurate rendition and settlement of accounts and concerning such other matters relating to the receipt and disbursement of public funds as he may think advisable. In such regular report, or in special reports at any time when Congress is in session, he shall make recommendations looking to greater economy or efficiency in the public expenditures. He shall make such investigations and reports as shall be ordered by either House of Congress or by any committee of either House having jurisdiction over revenues, appropriations, or expenditures. The comptroller of accounts shall also, at the request of any such committee, direct assistants from his office to furnish the committee such aid and information as the committee may request. The comptroller of accounts shall specially report to Congress every expenditure or contract made by any disbursing officer in any department or establishment in any year in excess of the appropriation to such department or establishment and in violation of law.

All departments or establishments, except the Supreme Court, shall furnish to the comptroller of accounts such information regarding the powers, duties, activities, organization, financial transactions, and methods of business of their respective offices as he may from time to time require of them; and the comptroller of accounts, or any of his assistants or employees, when duly authorized by him, shall, for the purpose of securing such information, have access to and the right to examine any books, documents, papers, or records of any such department or establishment. The authority contained in this paragraph shall not be applicable to expenditures made under the provisions of section 291 of the Revised Statutes of the United States.

SEC. 28. That the Civil Service Commission shall establish an eligible register for accountants for the general accounting office, and the examination of applicants for entrance upon such register shall be based upon specifications approved by the comptroller of accounts.

SEC. 29. That for the fiscal year ending June 30, 1921, the sum of \$225,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of defraying the expenses of the establishment and maintenance of the bureau of estimates, and the sum of \$150,000 for the establishment and maintenance of the general accounting office, including the payment of salaries herein authorized.

SEC. 30. The Bureau of Efficiency, together with its books, papers, and records, furniture, equipment, and supplies, is hereby transferred to the jurisdiction of Congress; and its officers and employees are transferred in their present status without reappointment. The Chief of the Bureau of Efficiency shall hereafter be appointed jointly by the President of the Senate and the Speaker of the House of Representatives and may be removed from office by concurrent resolution for inefficiency, neglect of duty, or malfeasance in office. All other employees of the bureau, including a disbursing officer for the payment of the salaries and expenses of the bureau, shall be appointed in accordance with the civil-service laws and regulations. The Bureau of Efficiency is authorized to investigate any matters relating to the organization, activities, or methods of business of the several administrative services of the Government and shall from time to time submit to Congress reports of its investigations with recommendations looking to greater efficiency and economy in the conduct of the public business. It shall make such special investigations and reports as may be required by either House of Congress or by any committee of either House having jurisdiction over revenues, appropriations, or expenditures. Officers and employees of the executive departments and other establishments shall furnish authorized representatives of the Bureau of Efficiency with all information that the bureau may require for the performance of its duties, and shall give such representatives access to all records and papers that may be needed for that purpose.

SEC. 31. That this act shall take effect on July 1, 1920. Amend the title so as to read: "An act to create the bureau of estimates and the general accounting office in the Department of the Treasury, to provide for an annual budget, and for other purposes."

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah [Mr. KING].

The amendment was rejected.

Mr. SMOOT. Mr. President, I have for a number of years recognized the necessity of some agency in the Government to pass upon estimates for appropriations which are needed for the maintenance and operation of our Government. The present plan is so unsatisfactory, so unbusinesslike, that I doubt whether it can find a single defender. It has resulted in estimates being made not by the heads of departments, but in nearly all cases the estimates are made by the chief clerks of the various bureaus and divisions of the departments of the Government. Under the system now prevailing every bureau and every division of the departments of the Government has

vied with every other to see that its growth is not exceeded by that of any other bureau or division. It is a physical impossibility for Members of Congress to make a personal examination into every estimate submitted. The only investigations which are made are when the increases asked for are beyond all reason and the committee wants some explanation in regard to them.

I recognize that the pending measure is far from perfect, but I know that it is a step in the right direction, and I have every confidence that it will result in a more systematic plan of estimates for appropriations which are necessary for the maintenance of the Government than has been apparent in the past.

Again, Mr. President, there is a provision in the bill under which hereafter there can be a systematic checking up of the estimates when they are submitted to Congress. To-day estimates are sent by the Secretary of the Treasury to the Appropriations Committee of the House or of the Senate, through the Speaker of the House or the President of the Senate, and if there is an investigation made of any particular estimate, it is defended in every case by the very persons who originated it, and that at a time when the appropriation bill containing the item is before the House or Senate. Appropriation bills must be passed; they have the right of way in both Houses; and it is impossible for members of committees of the House and of the Senate to go into a detailed investigation of all the estimates which are submitted to them requiring appropriations.

I have no doubt the pending bill will be amended very shortly after it shall have become a law and put in operation, but the plan outlined in the bill, I think, will result in an immediate improvement. I think it will be easier for every Senator and every Representative, if he has any interest whatever in the amount of money which is appropriated by Congress in order to maintain the Government, to learn hereafter for what the money is to be expended and how it is to be expended than under the present system.

Mr. President, in the budget systems of some of the leading countries of the world there is provision made preventing the legislatures of such countries from increasing an appropriation which has been estimated for in budget form.

Mr. McCORMICK. That is true only as to the British Commonwealth.

Mr. SMOOT. No; there is one other country which has such a provision.

I have had enough experience in the Senate to know that such a provision would be rather too drastic. We all know that, even after appropriation bills have passed the other House, have come to the Senate, and have been reported to the Senate by the Committee on Appropriations, it has been found scores of times that it was absolutely necessary that there be an appropriation made for some particular purpose which had theretofore not been estimated for or reported from the committee; and with such a drastic provision in the law as that to which I have referred it would be hard to meet such a situation. But, Mr. President, I think that the rules of the Senate could be amended and strengthened so that no items could be put upon an appropriation bill increasing the budget estimate unless by unanimous consent.

I recognize the force of what the Senator from Colorado [Mr. THOMAS] stated yesterday, that unanimous consent generally is very easily obtained in the Senate; but I think if the proposed system were put in operation and should develop, as I hope it will develop, it will create a greater interest amongst Senators as to the expenditure of the public funds. In that event, whenever an increased appropriation would be asked for there would have to be an absolute reason and justification for it beyond a question of doubt before unanimous consent could be secured. That is one of the questions that will have to be considered later in connection with this proposed legislation; and I hope that within the next few years the legislation will be so perfected that it will work to the end all of us profess we want to reach. Yet how often do we see appropriations increased without a word of opposition being heard.

Mr. THOMAS. Mr. President—

Mr. SMOOT. I yield to the Senator.

Mr. THOMAS. The Senator has referred to the amendment of the rules of the Senate as a possible measure of relief from the evil to which his remarks have been directed. I concede that such a rule, although subject to suspension by a two-thirds vote or by unanimous consent, would go a long way toward preventing the incorporation into appropriation bills of additional appropriations through amendments offered on the floor; but does the Senator believe it is possible to secure such an amendment?

Mr. SMOOT. I think, Mr. President, that it will be possible; and not only that, but I wish to say to the Senator that, so

far as I am personally concerned, I should like to see the rule made absolute that an amendment providing an increased appropriation or an additional item of appropriation could only be added by unanimous consent of the Senate.

Mr. THOMAS. I should also like to see that done, and I wish I could share the Senator's confidence; but, in view of the futility of the efforts which have been made for over a period of many years to amend the rules of the Senate, I am unable even to hope that such a remedy is within the limits of senatorial possibility.

Mr. SMOOT. Mr. President, perhaps it would be well enough for me to state why I have hope and confidence that such action will be taken. There is no question in my mind that the appropriations which Congress will be called upon to make will be so large, the amounts will be so staggering to the American people, that the pressure brought to bear upon Congress for the reduction of the appropriations, even those which must be made, will be so great that Senators will want just such kind of a rule to protect themselves.

Mr. THOMAS. Mr. President, the Senator from Utah, as well as myself and some other Members of the Senate, during the last seven or eight years have warned this body that the indignant wrath of an outraged people would manifest itself in no uncertain terms against these appropriations. I fail to see any material evidence of any collective movement or expression of that sort, and I am beginning to doubt whether it will materialize.

Shortly after I came here, when I objected to one of these appropriations, I was informed by an old and experienced Senator that I was wasting my breath in a useless effort, for the very good reason that the people wanted these moneys expended and became indignant when any attempt was made to impose limitations upon our practice.

Mr. SMOOT. Mr. President, conditions to-day are quite different from the conditions before the year 1916 as to the indebtedness of our Government.

Mr. EDGE. Mr. President, may I interrupt the Senator just for a suggestion?

Mr. SMOOT. Certainly.

Mr. EDGE. Referring to the interesting experience of the Senator from Colorado, was it not quite true that in those days we did not have income taxes and excess-profits taxes and many other types of taxation which I think have served more or less to awaken the public?

Mr. THOMAS. No, Mr. President; we did not have them at that time, but I do not yet perceive any signs of awakening, although the tax rates have been doubled and quadrupled and quintupled. Possibly we may get under the skin after a while; I hope so; but so far we hear nothing—at least I have heard nothing—except individual protests and screams of pain. There has been no organized effort, no mutual protest, no general form of denunciation or demand for relief. I hope it will come, though. I hope the Senator is right.

Mr. SMOOT. I do not want to be an alarmist, but I say now that there will have to be a change not only in the expenditures of money on the part of the Government but in the mode of living of the people in this country, or trouble is bound to come. I see the storms arising; and when we stop to think that the world is not producing what the world requires, only one result can come from it, and that is disaster. The peoples of the world will have to produce more, and unless they do, I care not how much taxes may be reduced or how large the appropriations, it will not remedy the situation.

It is all very well for us to issue paper money by the billions; it is all very well for the countries of the world to put their printing presses in operation and issue untold billions of uncovered paper money; but the greater the quantity of it that is issued the greater the cost of producing goods in the world and the cost of living to the people. The only thing that can bring about normal times in this country and in all the world is to produce more and at least to produce as much as is consumed by the people of the world.

Mr. President, that is far afield from this bill. I want to express my approval of this legislation. I have assisted the chairman of this committee to prepare it with the best ability that I have; and while it does not represent the exact views of any member of the committee, I do believe that it represents the consensus of opinion of all of the members of the committee. There is not a member of the committee but who recognizes that when the bill is in operation weaknesses will be developed here and there, and when that time comes I have not any doubt but that Congress will be glad to make the necessary amendments to rectify the shortcomings of the bill.

I believe that the bill ought to pass the Senate of the United States with a unanimous vote. I did intend to analyze the

House bill and to show the difference between the House bill and the bill of the Senate; but I think it is hardly necessary, and I will content myself by saying this: There is no question in my mind but that the Senate bill is an immensely better piece of legislation than that of the House. In fact, I believe that if the House bill passed the Senate and became a law it would fail to accomplish what we hope for. Of course, it will go into conference and be thrashed out there. I hope the conferees will have little trouble in agreeing upon the bill.

Mr. McCORMICK. Mr. President, I believe there are no more amendments to be offered to the bill.

The VICE PRESIDENT. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

JOINT COMMITTEE ON RECLASSIFICATION OF SALARIES.

Mr. JONES of New Mexico. Mr. President, I desire to call up for consideration Senate joint resolution 160, Order of Business 419, authorizing the Civil Service Commission to take over the records of the Joint Reclassification Commission and have their custody and keep them up to date until the report of that commission can be acted on.

I have been receiving a good many inquiries regarding this joint resolution. On yesterday I inserted in the RECORD a letter from the Civil Service Reform League stating that that league had given careful consideration to the report of the commission and indorsed the work which had been done. Of course, the league suggested one or two amendments, and no contention is made by anybody on the commission that amendments may not be necessary. In fact, we know of some which we shall be glad to suggest ourselves.

This morning I am in receipt of a letter from the president of the Federal Employees' Union in the city of Washington. It embodies a copy of a resolution, which I will read:

Whereas on February 24, 1920, the chairman of the Commission on Reclassification of Salaries introduced in the Senate joint resolution 160 to provide for the preservation and maintenance of the records of that commission by authorizing and directing the United States Civil Service Commission to assume custody of the records and keep them current pending consideration by Congress of the final report and recommendations of the joint commission, which resolution was referred to the Committee on Civil Service and Retrenchment, and was reported back favorably to the Senate; and

Whereas on March 10, 1920, the chairman of the Committee on Reclassification of Salaries moved that the Senate consider that resolution, but instead, after a suggestion of no quorum by Senator SMOOR, the Senate proceeded to consideration of the peace treaty, and so far as can be ascertained, no further effort has been made to get action on the resolution, notwithstanding that its passage would be the first step in the progress of the service to the standardization which is essential to any betterment of it, and no good reason is apparent why that progress should be delayed; and

Whereas the civilian employees of the Government in the District of Columbia had every reason to believe that the investigation of working conditions by the Joint Commission on Reclassification of Salaries was made with an honest purpose of benefiting the service, by adjusting inequalities of compensation and correcting wrong conditions of employment, but the seemingly needless delay in action on the joint resolution 160 gives rise to a feeling of doubt in the minds of the civilian employees that there is any real interest at all in the matter on the part of Congress; and

Whereas administrative officers were advised when they were preparing their estimates for the coming fiscal year not to include any recommendations for increases in compensation of civilian employees for the reason that the Reclassification Commission was considering the matter of salaries, thus giving rise to the reasonable belief that Congress intended to adjust salaries in accordance with the recommendations of the commission or in accordance with some other plan, and as a result of this there are many deserving employees who will suffer a hardship; and

Whereas inaction or silence on the part of the civilian employees of the Government in the District of Columbia must appear to indicate that they are satisfied with the existing condition, although as a matter of fact they are entirely dissatisfied with that condition: Now therefore be it

Resolved by Federal Employees' Union, No. 2, in quarterly meeting assembled, That the members of this union record their dissatisfaction with the present bonus condition which represents an unscientific, inadequate, and unfair method of attempting to meet the greatly increased cost of living, and perpetuates existing irregularities of salaries which reclassification was intended to correct; and be it further

Resolved, That it is the sense of this union that dilatory or obstructive methods on the part of any member of either House of Congress in dealing with Senate joint resolution 160 or the report of the Reclassification Commission, can not help but lessen the confidence of the civilian employees of the Government in the sincerity of avowals of purpose by Members of Congress to standardize and readjust salaries in the civil service, notwithstanding the fact that such standardization is the most vital need of the civil service; and be it further

Resolved, That it is the sense of this union that the Civil Service Commission has not evinced the active interest in this reclassification that the employees had a right to expect, and that its passive attitude toward Senate joint resolution 160 is calculated to lead, and in many instances has led, to a lack of confidence on the part of civil service employees in the ability or the desire of the individual members of the

commission to take over the work of reclassification and administer it with the vigor that would be the first essential of the success of the undertaking; and be it further

Resolved, That a copy of these resolutions be furnished to the chairman of the Reclassification Commission, the chairmen of such committees of Congress as the president of this union may deem desirable, and to the president of the Civil Service Commission.

That resolution came to me unexpectedly; I knew nothing about any such action being contemplated; and I present it now, not for the purpose of contending that the attitude of the employees themselves should have any definite bearing upon this subject, but to indicate to the Senate the necessity that something shall be done.

The Reclassification Commission submitted its report on March 12. It is necessary that the statistics which the commission accumulated while it was active should be kept up to date. We have managed to do that thus far by getting some detailed employees in the District to keep those records. But it is done in a manner which it seems to me may possibly be termed irregular, and inasmuch as the commission is supposed to have completed its labors in fact, if not technically, the commission feels that it should be relieved of further responsibility in the matter.

I desire to call special attention to the letter which was inserted in the RECORD yesterday, which came from the National Civil Service Reform League. I believe I will read a portion of it. It certainly comes from a body whose judgment is worthy of very serious consideration, because that organization has been giving careful thought and study to these matters for many years. The letter is addressed to me, and in part is as follows:

The National Civil Service Reform League, through its committee on legislation, urges your favorable consideration of the recommendations in the report of the Joint Committee on Reclassification of Salaries. The league's committee has given careful consideration to the report and believes that it points the way to a distinct step in advance in the Government service.

The civil service is in serious need of attention on all of the points enumerated in the commission's report. At present many of the best employees are resigning from the service, and it is evident that something must be done to retain the more efficient of those who have not resigned.

Particular attention is called to the recommendation in paragraph 4 of the summary of recommendations "that the Congress direct an existing agency, logically and preferably the Civil Service Commission, to make a final allocation of individual positions to the classes set forth in the recommended plan of classification," and also that in paragraph 6 of the same summary of recommendations "that the permanent administration of the classification and schedules of compensation be delegated by law to an existing independent agency of the Government, logically and preferably the Civil Service Commission."

We are of the opinion that the Civil Service Commission is the only agency which by its character and position in the scheme of Government organization is at all fitted to perform these functions. A comprehensive and uniform employment policy for the Government can hardly be brought about unless the work outlined in the above-quoted recommendations is included within the scope of the commission's activities. The Civil Service Commission, by the nature of its present duties, is the only Government department that deals directly with every other department. It is in a position, if it is given authority to do so, to secure with the least possible friction the necessary information to enable it to specify standard rates of compensation and to develop a classification of the service which will be common to all departments.

Mr. President, I read that letter because it bears directly upon this joint resolution. I will state, however, that it is not the purpose of the joint resolution to forestall subsequent and different action by the Senate, or recommendations which may be made by the Committee on Appropriations, to which the report of the Reclassification Commission has been referred.

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

Mr. JONES of New Mexico. I gladly yield.

Mr. KING. It seems to me that the Senator, if I understand his position, is asking for some step to be taken which commits Congress to the acceptance and the passage of the reclassification bill tendered by the commission.

Mr. JONES of New Mexico. The Senator is not correct in that surmise. The purpose of this joint resolution is simply to transfer to the Civil Service Commission the records of the Reclassification Commission, and keep the information which those records contain up to date, pending the action by the Senate, or the Committee on Appropriations, to which the report has been referred.

Mr. KING. What information is it which the Senator desires shall be kept up to date, to use his expression?

Mr. JONES of New Mexico. For instance, there are changes in the personnel of the employees in the District from day to day, and in considerable numbers. The purpose is to keep together information as to who those employees are, what they are doing, what other employees have taken their places, if any, or any new employees who have been brought into the service of the Government; to keep not only their names but a list of the jobs which they are filling, and those jobs are pre-

ordinarily put into the classifications which have been stated by the commission.

Mr. KING. The information may be very important; I express no opinion in regard to the matter; but if it is necessary to be preserved does not each bureau possess that information, and can it not be obtained at a moment's notice from the various bureaus and executive agencies and instrumentalities of the Government?

Mr. JONES of New Mexico. By no means. I will state to the Senator that that was one of the first important services which the commission performed. There is no agency of the Government at the present time which keeps a record of all its employees and the jobs which they are filling. For the first time, this commission undertook to collect that information.

Mr. KING. Let me state to the Senator that upon a number of occasions I have asked for information as to the number of employees and the salaries being paid, and the information has been furnished me very promptly by various departments and bureaus of the Government.

Mr. JONES of New Mexico. The Senator can get that from each individual bureau, but there is no agency of the Government at the present time which keeps a total list of all employees, nor can the Senator get from any bureau on any short notice any information as to the jobs which the employees of that bureau are filling.

Mr. KING. I appreciate the fact that there ought to be somewhere a record of the employees of the Government and the work which they are performing, and if the heads of the various bureaus do not have that information, it seems to me they have been very derelict. I can not conceive of the head of a bureau performing his duties, or being able to understand really the work which is being done by his bureau, unless he knows the employees and the work which is committed to their care.

Mr. JONES of New Mexico. The difficulty is that at the present time there is no classification of the jobs which the Government employees are filling. They have titles. A given bureau can give to the Senator the number of employees under a given title, but those titles mean absolutely nothing, and there is no uniformity as between the different bureaus and the different departments as to those titles.

The Senator from Nevada [Mr. HENDERSON] day before yesterday made a very explicit and, I think, a very attractive and splendid discussion of this matter. Of course, we understand that Senators can not read all of the speeches which are made here, and the report of the Reclassification Commission is somewhat voluminous; but if Senators could possibly find time to go into this matter, I feel convinced that there would be no serious opposition, not only to this joint resolution, which is merely a temporary and a comparatively unimportant measure, but to taking up the substance of the report itself and putting it into law. We quite agree that a good deal of it was compiled under pressure; many of the decisions were reached in a hurried way; but you will find in the report the substance and the foundation for one of the most valuable things which has ever been suggested for the business administration of the affairs of the Government.

Mr. KING. Has the Senator estimated the cost which will be entailed upon the Government to keep up this information? It seems to me that it could be very readily maintained or obtained, and that the cost would not be very great.

Mr. JONES of New Mexico. The joint resolution was amended by the Committee on Civil Service and Retrenchment in the Senate by adding this proviso:

Provided, That the heads of the various governmental services and the Commissioners of the District of Columbia are hereby authorized, as provided in the original act, to detail officers and employees, not exceeding 20, and without additional expense for clerical services, to carry out the purposes of this resolution.

That is the manner in which this work is expected to be performed, and I think that it is the only proper manner in which it can be performed, for the reason that the report has been made up, in large measure, by the detailed services of present employees. They are familiar with those records and can do the work better than could possibly be expected from any new people.

Mr. KING. Of course, I am not very familiar with the activities of the Classification Commission. While I have given some attention to the report and to the speech delivered by the Senator from Nevada [Mr. HENDERSON], I do not appreciate the exact work which the Senator now seeks to devolve upon the Civil Service Commission, but, as I understand it, it seems that the work is not very onerous, and I can not conceive of the necessity of 20 employees for the purpose of keeping up that information.

Every firm in the United States knows the number of its employees. Some plants have perhaps 15,000 or 20,000 employees and the heads of the various departments know the employees, the wages which are being paid, and the changes which are made. Every night, if some employee leaves the service, his card is passed in and the bookkeeper makes the proper notation; indeed, they keep their books up to date so well—at least in many of the companies—that a man may be paid at the end of the day if he desires to sever his connection with the company.

I understand that there are over 100,000 names upon this classification report. It seems to me that it is not a very difficult task to note the necessary changes in the personnel of the Government employees in the District. I can not see why there should be a great number of employees detailed for the service. I do not see why each bureau should not make a record of the changes each day that are made in the personnel of that bureau. It would seem to me that the result could be accomplished by having the heads of the bureaus or the chief clerks of the various executive agencies, who have to do with the personnel, make a report every week or every month to such person or bureau or agency as may be designated of the changes in the personnel within those bureaus.

Mr. JONES of New Mexico. The Senator is quite right about that, I think. I am sure what he said would impress anyone as being the practical side of it. But there is a point which the Senator overlooks, and that is that under this reclassification system the list of the employees in the Federal service contains more information than the mere names and the official titles which they are given. Their cards, showing their duties, the jobs which they are performing, are put together under the reclassification system which the commission has reported, and no bureau can possibly perform that function. It must be done by a centralized agency, by an agency which understands the classifications, the various definitions of positions, and which understands the standardization which the commission has established and does keep up, for the use of the Committee on Appropriations, a complete list, so that that committee can get complete information as to the probable cost of any increase in salaries, as to the number of employees to be dealt with in any given class of positions. No bureau can possibly perform that function, because it has not the classifications. It is the centralized system of records which we have now that will be of value to the Committee on Appropriations when it comes to consider this work.

At any rate, it does seem to me that there can be no question that this report, on which there has been so much time and effort expended, as well as the money expense to the Government in its preparation, should be preserved and turned over in such form as that it shall be of positive use to the Committee on Appropriations when that committee undertakes to consider the general subject. It is the purpose in preserving and keeping it up to date to give definite and current information to the Committee on Appropriations when it undertakes the consideration and final determination of the report itself.

Mr. KING. Will the Senator permit one other question?

Mr. JONES of New Mexico. I am very glad to yield to the Senator from Utah.

Mr. KING. Does the classification which the commission has made in any way depend upon the number of employees of the Government?

Mr. JONES of New Mexico. It does not.

Mr. KING. Then, just for illustration, if the services of 20,000 or 30,000 employees in the District were dispensed with and they were dismissed from the public service, the classification would stand just the same?

Mr. JONES of New Mexico. I will say to the Senator that the classification as it now stands is a description of the different governmental jobs in the District of Columbia, regardless of the number of people filling those jobs. Of course, the jobs themselves may lapse, other jobs may be created, and changes in the classification must necessarily be made from time to time; but at present that classification consists merely in defining the classes of work which are actually being carried on in the District of Columbia now.

Mr. President, I move that the Senate take up for consideration the joint resolution (S. J. Res. 160) to provide for the preservation and maintenance of the records of the Joint Commission on Reclassification of Salaries.

Mr. WATSON. Mr. President—

The VICE PRESIDENT. The question is on the motion of the Senator from New Mexico, which is not debatable.

Mr. WATSON. I had no desire to debate it, but is not a motion in order to substitute another measure?

The VICE PRESIDENT. No; the pending motion must be voted up or down.

Mr. JONES of New Mexico. I should merely like to say that—

The VICE PRESIDENT. The Chair has announced that the motion to take up the joint resolution is not debatable. The question is on the motion of the Senator from New Mexico.

The motion was rejected.

THE DYE INDUSTRY.

Mr. WATSON. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 8078) to regulate the importation of coal-tar products, to promote the establishment of the manufacture thereof in the United States, and, as incident thereto, to amend the act of September 8, 1916, entitled "An act to increase the revenue, and for other purposes."

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

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ball	Gerry	McCumber	Smith, Ga.
Brandegge	Gronna	McLean	Smith, Md.
Capper	Hale	McNary	Smith, S. C.
Chamberlain	Harris	Moses	Smoot
Colt	Harrison	New	Sterling
Comer	Henderson	Nugent	Sutherland
Culbertson	Jones, N. Mex.	Overman	Swanson
Cummins	Jones, Wash.	Page	Townsend
Curtis	Kellogg	Phipps	Trammell
Dial	Kendrick	Pittman	Underwood
Dillingham	Keyes	Pomerene	Walsh, Mass.
Edge	King	Ransdell	Warren
Elkins	Knox	Sheppard	Watson
Frelinghuysen	Lenroot	Simmons	
Gay	Lodge	Smith, Ariz.	

The VICE PRESIDENT. Fifty-eight Senators have answered to the roll call. There is a quorum present. The Senator from Indiana [Mr. WATSON] moves that the Senate proceed to the consideration of House bill 8078.

Mr. KING. I ask for a division.

On a division the motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 8078) to regulate the importation of coal-tar products, to promote the establishment of the manufacture thereof in the United States, and, as incident thereto, to amend the act of September 8, 1916, entitled "An act to increase the revenue, and for other purposes."

Mr. FRELINGHUYSEN. Mr. President, the bill now under consideration, known as the dyestuffs bill, is designed to regulate the importation of coal-tar products, and, I think, is one of the most important bills which Congress has been called upon to consider since the declaration of war with Germany. We have recently passed an Army reorganization bill providing for the future preparedness of this country—a national defense act, so to speak. We have also passed a naval appropriation bill providing appropriations for the maintenance of a strong naval force as an additional means of national defense. I consider the pending bill third in importance to those two important measures which the Senate has lately passed.

While I might be accused of having to some extent a local interest in this bill, inasmuch as in my State during the war there were erected from 25 to 30 factories for the manufacture of dyes from coal-tar products, as similar factories were erected in other States, yet I am not approaching the subject from the commercial standpoint or from the standpoint of its material importance, but I am approaching it from the standpoint of our duty as the representatives of the people to prepare this country by protecting and sustaining the dyestuff industry which was created during the war and which prior to the war was practically a negligible quantity, so far as manufacturing the necessities of war was concerned. During the great struggle we were forced, owing to our unpreparedness, to create this new industry in our country. Our lack of vision placed us in a very critical and dangerous position at the beginning of the war.

Public expression has been repeatedly given to the duty that Congress owes to the Nation in regard to this subject. Many public men have expressed the opinion that what expediency has taught us to create during the war should be capitalized and retained and that Germany's industrial hold here should be loosened. Great industries which prior to the war Germany controlled in the United States are now in the hands of American owners, or are supposed to be.

Before the war German interests, through partial or complete control of raw and semimanufactured material, largely controlled the production of textiles, medical supplies, including asperin and salvarsan and many other drugs in everyday use, electrical and automotive equipment, candy, chemicals, raw materials, and last, but not least, coal-tar dyes, the key to the whole organic chemical industry.

These industries and many others which I can not at the present moment recall have passed into American hands. German patents filed in the United States are now controlled for America's needs and uses and secrets heretofore protected by laws against American competition are revealed to American manufacturers for the public benefit and profit.

It is safe, therefore, to assume that with the passage of this bill the industrial influence which before the war Germany exercised in this country can never be restored.

Let us see what the publicly declared policy of the United States has been since we faced this dangerous condition.

The President has twice recommended to Congress a policy to be pursued in regard to dyes and coal-tar products. The last occasion of such a recommendation was in his message on May 20, 1919.

This message was sent to Congress at a time when the great problems of reconstruction were to be considered by Congress, and probably after the President had been advised by those who had been obliged to meet the problem of procuring munitions and producing chemical gases and the other necessary materials in the war that it was absolutely necessary, if in the future we were to be prepared, that some measure of protection should be thrown around this great industry. So the President said in his message:

There is, fortunately, no occasion for undertaking in the immediate future any general revision of our system of import duties. No serious danger of foreign competition now threatens American industries. Our country has emerged from the war less disturbed and less weakened than any of the European countries which are our competitors in manufacture. Their industrial establishments have been subjected to greater strain than ours, their labor force to a more serious disorganization, and this is clearly not the time to seek an organized advantage. The work of mere reconstruction will, I am afraid, tax the capacity and the resources of their people for years to come. So far from there being any danger or need of accentuated foreign competition, it is likely that the conditions of the next few years will greatly facilitate the marketing of American manufactures abroad. Least of all should we depart from the policy adopted in the tariff act of 1913, of permitting the free entry into the United States of the raw materials needed to supplement and enrich our own abundant supplies.

Nevertheless, there are parts of our tariff system which need prompt attention. The experience of the war has made it plain that in some cases too great reliance on foreign supply is dangerous, and that in determining certain parts of our tariff policy domestic considerations must be borne in mind which are political as well as economic. Among the industries to which special consideration should be given is that of the manufacture of dyestuffs. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacturer of dyestuffs, on the one hand, and of explosives and poisonous gases, on the other, moreover, has given the industry an exceptional significance and value. Although the United States will gladly and unhesitatingly join in the program of international disarmament, it will nevertheless be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind.

Mr. President, if Germany's industrial mailed fist extended across the seas and crushed this industry before the war and was prevented during the war, Germany's mailed fist is again appearing in opposition to this bill at the present time. I am told that agents in this country representing the German cartel, the powerful corporation that practically prevented the American industry from prospering before the war, are already conspiring and conniving, and already have their lobby here in Washington to prevent the passage of this bill. The President was right when he pointed out in his message that undoubtedly those influences will be exerted again to crush this industry which has been built up during the war.

The President went on in his message:

The United States should, moreover, have the means of properly protecting itself whenever our trade is discriminated against by foreign nations, in order that we may be assured of that equality of treatment which we hope to accord and to promote the world over. Our tariff laws as they now stand provide no weapon of retaliation in case other governments should enact legislation unequal in its bearing on our products as compared with the products of other countries. Though we are as far as possible from desiring to enter upon any course of retaliation we must frankly face the fact that hostile legislation by other nations is not beyond the range of possibility and that it may have to be met by counter legislation. This subject has, fortunately, been exhaustively investigated by the United States Tariff Commission. A recent report of that commission has shown very clearly that we lack and that we ought to have the instruments necessary for the assurance of equal and equitable treatment. The attention of the Congress has been called to this matter on past occasions, and the past measures which are now recommended by the Tariff Commission are substantially the same that have been suggested by previous administrations. I recommend that this phase of the tariff question receive the early attention of the Congress.

Again, even as late as Monday, February 23, 1920, Attorney General Palmer, in a speech in Topeka, Kans., said:

May last the President urged upon the Congress the necessity for legislation which would support the great chemical industry which was built up in the United States during the war, at a time when German dyestuffs were not imported. At last accounts that recommendation had not been complied with in letter or in spirit.

In our effort to meet this situation this bill is before the Senate; and let me quote from the testimony of Dr. Matthews in the hearings before the House committee, in which I think he puts his finger on the great principle involved in this bill:

There is one thing which the people of the United States must remember, and that is that all the most important explosives of the present day are either coal-tar products or the result of chemical processes requiring the use of coal tar, and in all dyestuff factories there is unavoidable production of large quantities of substances which are directly available for conversion into explosives, so that it is important that the Government aid the industry in every way possible.

When the importation of dyes from Germany was cut off by the war it was encouraging to the people of this country to see the large number of people who went into the industry to serve the country. There were large establishments and small ones, every one doing its full part. They commenced with the dyes which were the easiest to produce and gradually expanded the production until to-day they are producing about 90 per cent of the dyes needed in this country.

In that connection, Mr. President, to show you the patriotism of one of our great inventors and manufacturers in New Jersey, I want to read a letter from Thomas A. Edison, dated Orange, N. J., December 16, 1919:

FROM THE LABORATORY OF THOMAS A. EDISON,
Orange, N. J., December 16, 1919.

CHARLES L. PARSONS, Esq.,
709 G Street, Washington, D. C.

DEAR MR. PARSONS: Your letter of December 13 has been received. During the early part of the war I erected the first plants for producing benzol and toluol. The latter was used for making T. N. T. The benzol was used in my plant where I produced the first synthetic carbolic acid for our Government, from which they made picric-acid explosives at Picatinny, N. J., and Indianhead, near Washington.

In addition, I was the first to produce aniline oil in quantity for the textile mills, at their request, to prevent them from shutting down.

I want to bear on that "to prevent the mills in this country from shutting down." I mention it to point out the selfishness of those textile industries in this country that are now opposing this measure. They have forgotten the great service rendered to them during the war when the supply of dyes and other products was cut off by reason of the war. They have forgotten that; and now, when they can get some of these raw materials and these dyes cheaper, they are indifferent to the interests of this great industry which was created during the war, and are opposing this legislation intended to protect and to retain that industry for America.

I was also the first to produce in this country paraphenylenediamine, which saved the fur dyers from closing their doors. Other very necessary chemicals were also produced in these early plants. Altogether, I put up five chemical works and four subsidiary plants, all of which were erected within 65 days from the time of starting. I continued to operate these various plants until other manufacturers could supply the market, when I retired and sold the apparatus to various chemical works. These facts are mentioned to show that I am familiar with chemical manufacture, but I no longer have any interest in this kind of production.

I have been reading about the various schemes put forward for protecting our factories against German low cost until they get a little more experience. It is my opinion that our factories should be protected, not by tariff, which would be no protection at all, but by a licensing system, good for, say, four years, at the end of which Congress, if necessary, could make longer extension. I believe that ultimately the Americans will beat the Germans at their own game.

Yours, very truly,

THOS. A. EDISON.

Carbon copies to Hon. JOSEPH S. FRELINGHUYSEN and Hon. WALTER E. EDGE.

Here was a great manufacturer in my State who came to the rescue of the manufacturing interests of this country.

Senators, shall these immense factories now be dismantled? Shall their machinery become idle? Shall their laboratories for research, so valuable to all industries and trades, be abandoned? Shall the scientists, chemists, and great army of artisans who have been trained and become experienced at such cost be dismissed and the value of their achievements be lost sight of?

The defeat of this bill would mean this.

The story of the dye industry is one that shows the pitiful plight of a great country whose statesmen have lacked the vision to see that encouragement of industrial progress through the development of science was essential to the safety of the country and its people, who had placed their destiny in their hands. What an indictment this is of the lethargy and indifference of Presidents, Senators, and Congressmen during the last 40 years in failing to recognize the very essentials of preparedness in advancing the science of dye and coal-tar manufacturing industries. That a country in which had been born men of inventive genius, who had bridled steam in the locomotive and steamboat and produced the telephone, telegraph, airplane, automobile, cotton gin, and thousands of other inventions which show the masterly genius of America, should find itself helpless and impotent in the final analysis when a great war threatens is indeed a pity.

Notable advances have also been made in the manufacture of synthetic medicinal in the United States. A small number of these were made here in 1914, but German dye manufacturers,

especially the house of Bayer, dominated the world's markets. A large proportion of America's prewar production was carried on in the factories owned and controlled by the German manufacturers—the Bayer Co. and the Heyden Chemical Works, which are now in American hands.

Two drugs widely used in the treatment of influenza are acetylsalicylic acid and salol. The output of both these drugs in 1918 showed a large increase over 1917. There can be little question that if the manufacture of these drugs in the United States had not been well established the mortality during the recent epidemic would have been much larger than it was.

Of special interest is the case of arsphenamine, a specific remedy for syphilis, and commonly ranked by the medical profession as among the most important half dozen drugs.

This drug was controlled by German patents and trade-marks under the name "salvarsan," and therefore could not be made in the United States until the passage of the trading-with-the-enemy act. This act gave power to the Federal Trade Commission to issue licenses under patents owned by citizens of enemy countries. The first licenses issued under the law were for this drug. Later these patents were seized and sold by the Alien Property Custodian to the Chemical Foundation. The licenses contain provisions requiring the licensees to use the name of arsphenamine and provide for a large reduction of price for the drug to the public.

Prior to the war Germany controlled the dye industry of the world, amounting to \$68,300,000 in value of artificial dyes. In 1914 only seven establishments in the United States were engaged in the industry, with \$3,000,000 capital invested, employing only 500 people, and producing only \$3,596,795 worth of goods, the salaries and wages amounting to only \$500,000 per annum. But what a change in 1918.

At the beginning of the war America was therefore helpless as far as the dye industry was concerned, but not for long. American ingenuity, genius, and enterprise soon produced a marvelous change. The war had created an embargo. No fear then of German competition. No fear then of the power of German science and research. Necessity knew no law, and America was equal to the emergency. The war caused men to engage in the enterprise for patriotic purposes. Old factories were enlarged, new companies organized, and factories built. German patents filed in America were seized and utilized. Manufacturing establishments in the United States had used about \$25,000,000 worth of German dyes per annum. Dyes used in industrial manufacture, with an output of \$3,000,000,000 worth of goods annually, all had been dependent on Germany for their colors. If Germany had at any time prior to the war shut off her supplies, these enterprises could not have produced the goods to meet the fashions and styles of the period. Many and varied were the industries affected—leather, paint, textile, silk, cotton, woolen, hosiery, carpet, automobile trades, and numerous others.

We all know the terrible plight of our manufacturers shortly after the war broke out—the money loss and embarrassment to trade and commerce. Read the papers of that period. Shortly after the war broke out and before the United States entered it, Secretary Bryan arranged with Germany for exchange of wool and cotton for the dyes so sorely needed in this country. What a humiliating confession of industrial weakness was this! Who does not recall the sensation made by the sudden appearance of the giant submarine *Deutschland* in Baltimore or has forgotten the wild scramble by the manufacturers to secure the cargo of dyes with which she was loaded? This was repeated when she returned to America the second time, at New London.

I dare say we have not forgotten the expedients we used in our efforts to produce picric acid, T. N. T., ammonium nitrate, tetryl, and the chemical gases, acetate cellulose, the "dope" for our airplanes, and the chemicals for photography, and many other valuable essentials which we so much needed when we finally entered the conflict.

Let us reflect on this lesson—the tremendous cost due to our indifference to national preparedness. If we had had the foresight to have considered in advance the signs so clearly outlined, how many lives would have been spared, how much treasure would have been saved, how much more speedily the war would have been ended! Now what a change has come over the spirit of our dreams—or nightmare would be a better term!

I read from the report of the Senate Committee on Finance: The Tariff Commission submitted a table of production of dyes in this country in 1918, and the amount produced by the 77 companies making finished dyes was 58,464,866 pounds, of the value of \$62,026,390. This was a clear gain over the production of 1917, which amounted to 45,977,246 pounds, valued at \$57,796,288, and when it is remembered that there was imported into this country in 1914 over 45,000,000 pounds, the change is wonderful, and it is the best evidence of what can be done in this country.

It is true that at this time there are many important dyes which are not produced in this country, but the men who have become interested in this industry believe that in time, and with proper protection and regulation, they will be able to supply the demand. More than 300 different dyes were made in the United States in 1918, and many dyes which were not produced in 1917 were on the list of American products in the year 1918. One of the large producers informed the committee that he was now producing several vat dyes, but he was not ready to put them on the market and did not intend to offer them to the public until he was satisfied that they were equal to the foreign product.

Sixteen States are now represented by plants manufacturing chemicals and dyestuffs alone.

I have a list taken from the House hearings naming the States, as well as the names of the establishments which are now operating in those States. This is a report filed by the American Dye Institute and includes those manufacturing concerns which are making dyes, not coal-tar products. There are 16 different States in which these plants are located—Pennsylvania, New York, Ohio, Massachusetts, Michigan, Delaware, New Jersey, Illinois, Wisconsin, Missouri, Connecticut, California, West Virginia, Florida, Rhode Island, and Tennessee. I ask that this list be inserted in the RECORD in connection with my remarks.

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

Althouse Chemical Co., Reading, Pa.; American Aniline & Products Co., New York City; Atlas Color Works, Brooklyn, N. Y.; Atlantic Dyestuff Co., Boston, Mass.; Ault & Wiborg Co., Cincinnati, Ohio; Beacon Color & Chemical Co., Boston, Mass.; Butterworth-Judson Corporation, New York City; Certified Chemical Corporation, New York City; Chemical Co. of America, New York City; Commonwealth Chemical Corporation, New York City; Dicks, David Co. (Inc.), New York City; Dow Chemical Co., Midland, Mich.; E. I. du Pont de Nemours & Co., Wilmington, Del.; Dye Products & Chemical Co., New York City; Essex Aniline Works (Inc.), Boston, Mass.; Grasselli Chemical Co., Cleveland, Ohio; Heller & Merz Co., Newark, N. J.; Frank Hemingway (Inc.), New York City; Holland Aniline Co., Holland, Mich.; Holliday-Kemp Co., New York City; Hydrocarbon Chemical Products Co., Cardington, Pa.; H. Kohnstamm & Co., New York City; Calco Chemical Co., Bound Brook, N. J.; Marden, Orth & Hastings Corporation, New York City; John Campbell & Co., New York; Consolidated Color & Chemical Co., Newark, N. J.; Newport Chemical Co., Milwaukee, Wis.; Gaskill Chemical Co., Brooklyn, N. Y.; Merrimac Chemical Co., Boston, Mass.; Barrett Manufacturing Co., New York; Metals Disintegrating Co., New York City; Monroe Color & Chemical Works, St. Louis, Mo.; Monsanto Chemical Works, St. Louis, Mo.; Geo. H. Morrill Co., Norwood, Mass.; National Aniline & Chemical Co. (Inc.), New York City; Naugatuck Chemical Co., Naugatuck, Conn.; Organic Salt & Acid Co., Long Island City, N. Y.; Sherwin-Williams Co., Cleveland, Ohio; Transatlantic Chemical Corporation, New York City; United States Color & Chemical Co., Boston, Mass.; Zobel Color Works (Inc.), New York City; Central Dyestuff & Chemical Co., Newark, N. J.; Peerless Color Co., Bound Brook, N. J.; Rector Chemical Co., New York City; Newport Chemical Works, Passaic, N. J.; The Barrett Co., New York, N. Y.

In its geographical distribution the dyestuff industry is represented by plants in 16 different States, as follows:

Pennsylvania, New York, Ohio, Massachusetts, Michigan, Delaware, New Jersey, Illinois, Wisconsin, Missouri, Connecticut, California, West Virginia, Florida, Rhode Island, Tennessee.

Mr. DIAL. Mr. President—

The PRESIDING OFFICER (Mr. STERLING in the chair).

Does the Senator yield to the Senator from South Carolina?

Mr. FRELINGHUYSEN. I yield.

Mr. DIAL. Can the Senator tell us whether or not these plants have been successful financially?

Mr. FRELINGHUYSEN. I am glad the Senator has asked that question. I intend later to place in the RECORD a statement from one or two of these plants, showing that no profit has been made out of the dye industry; in other words, that they have practically put back in reconstruction and purchase of new machinery almost all the earnings. If the Senator is anxious regarding the excessive profits accruing to those concerns, I will say that most of the profits have been returned to the plants in construction and purchase of machinery; that the industry is largely in the experimental stage; and they must continue their experiments, which is very costly. I do not think that in any instance any great profits have been made, and I will show later in my speech a comparison between the estimate of the profits made in America and the profits made in Germany by German plants during the war.

In this connection possibly the Senator will be interested in the information given in a letter from John J. White, a man interested in the dye industry in my State. He wrote me as early as October 9 last asking that something be done to protect these war plants against German competition. I informed him as to what Congress was doing, and he wrote me on April 22 this letter. It illustrates, I will say to the Senator from South Carolina, the situation which is confronting a number of plants in my State, thirteen or twenty, I believe. He says:

As you can well realize, it is very upsetting to me not to know what shape this legislation is finally going to take. It is becoming more and more the opinion of people in the chemical business that they are going to get no help whatever from Washington. I am glad to note that you are positive that the bill will pass.

I wish that there were some way that we could get immediate action on this. Concerns like ours can wait until something is done, but on behalf of the small chemical manufacturers, with only \$100,000 to \$150,000 invested, I can say that their entire assets are in jeopardy due to the delay on this situation. For example, I know of one small manufacturer who makes a product in competition with one of ours, who has had to close his plant, because foreign goods were coming in here at better prices than he could manufacture at, on account of the rates of exchange. As far as we are concerned, on this particular product we have had the portion of our plant which manufactures it shut down for four months, on account of the same condition, and have now turned to importing merchandise as a measure of self-defense.

Mr. DIAL. I thank the Senator. I was just asking for information. I have heard different reports about the profits they are making.

Mr. THOMAS. Mr. President, may I ask the Senator from New Jersey if his correspondent informs him from what country these imports are being received?

Mr. FRELINGHUYSEN. That information is not contained in the letter. I was a little curious regarding that myself.

I have been very much interested in reading a book written by Edwin E. Slosson, literary editor of the Independent and associate in the Columbia School of Journalism, entitled "Creative Chemistry." The book is a compilation of articles prepared for the Independent in 1917 and 1918. It tells the story of the wonderful advancement made through modern chemistry in medicine and commercial materials produced from coal-tar derivatives. I wish that every Member of the Senate could read the book.

In chapter 4, referring to coal-tar colors, we find the following description of the utilization that is made of the tar derivatives of coal:

If you put a bit of soft coal into a test tube (or, if you haven't a test tube, into a clay tobacco pipe, and lute it over with clay) and heat it, you will find a gas coming out of the end of the tube that will burn with a yellow, smoky flame. After all the gas comes off, you will find in the bottom of the test tube a chunk of dry, porous coke. These, then, are the two main products of the destructive distillation of coal. But if you are an unusually observant person—that is, if you are a born chemist with an eye to by-products—you will notice along in the middle of the tube, where it is neither too hot nor too cold, some dirty drops of water and some black, sticky stuff. If you are just an ordinary person, you won't pay any attention to this, because there is only a little of it and because what you are after is the coke and gas. You regard the nasty, dirty, smelly stuff that comes in between as merely a nuisance, because it clogs up and spoils your nice clean tube.

Now, that is the way the gas makers and coke makers, being for the most part ordinary persons and not born chemists, used to regard the water and tar that got into their pipes. They washed it out so as to have the gas clean and then ran it into the creek. But the neighbors, especially those who fished in the stream below the gas works, made a fuss about spoiling the water, so the gas men gave away the tar to the boys for use in celebrating the Fourth of July and election nights or sold it for roofing.

But this same tar, which for a hundred years was thrown away and nearly half of which is thrown away yet in the United States, turns out to be one of the most useful things in the world. It is one of the strategic points in war and commerce. It wounds and heals. It supplies munitions and medicines. It is like the magic purse of Fortunatus, from which anything wished for could be drawn. The chemist puts his hand into the black mass and draws out all the colors of the rainbow. This evil-smelling substance beats the rose in production of perfume and surpasses the honeycomb in sweetness.

Mr. President, for many years we have been allowing this valuable product in this country to go to waste because we have neglected the dye and coal-tar industry. I have here an estimate made by Mr. Henry D. Rust, president of the Coppers Co., of Pittsburgh. These figures were presented to the Senate by the distinguished Senator from Pennsylvania [Mr. Knox] in the very able speech made in support of the bill when it was first reported. The table is to be found on page 139 of the dyestuffs hearings before the Committee on Finance of the Senate, and shows that the annual wastage of the by-product of coal amounts to \$930,000,000. It is compiled by States. The State of Pennsylvania is the highest, with \$309,000,000 a year wasted; the State of West Virginia, \$159,000,000; the State of Illinois, \$149,000,000; and the State of Alabama, \$32,000,000.

The tar obtained from the gas plant or the coke plant has now to be redistilled, giving off the 10 "crudes" already mentioned and leaving in the still 65 per cent of pitch, which may be used for roofing, paving, and the like. The 10 primary products or crudes are then converted into secondary products, or "intermediates," by processes like that for the conversion of benzene into aniline. There are some three hundred of these intermediates, and from them are built up more than three times as many dyes. The year before the war the American customhouse listed 5,674 different brands of synthetic dyes imported, chiefly from Germany, but some of these were trade names for the same product made by different firms or represented by different degrees of purity or form of preparation. Although the number of possible products is unlimited and over 5,000 dyes are known, only about 900 are in use. We summarize the situation so: Coal tar—10 crudes, 300 intermediates, 900 dyes, 5,000 brands.

Indigo is one of the oldest and fastest of the dyestuffs. To see that it is both ancient and lasting look at the unfaded blue cloths that enwrap an Egyptian mummy. When Cæsar conquered the British he found them tattooed with woad, the native indigo. But the chief source of indigo was, as its name implies, India. In 1897 nearly a million acres in India were growing the indigo plant, and the annual value of the crop was \$20,000,000. Then the fall began, and by 1914 India was producing only \$300,000 worth. What had happened to destroy this wonderful industry? Simply that the Badische Anilin und Soda Fabrik, of Germany, had worked out a practical process for making artificial indigo.

That indigo on breaking up gave off aniline was discovered as early as 1840. But how to reverse the process and get indigo from aniline puzzled chemists for more than 40 years, until finally it was solved by Adolf von Baeyer, of Munich. He worked on the problem of the constitution of indigo for 15 years, and discovered several ways of making it. It is possible to start from benzene, toluene, or naphthalene. The first process was the easiest, but if you will refer to the products of the distillation of tar you will find that the amount of toluene produced is less than the naphthalene, which is hard to dispose of. That is, if a dye factory had worked out a process for making indigo from toluene it would not be practicable, because there was not enough toluene produced to supply the demand for indigo. So the more complicated naphthalene process was chosen in preference to the others in order to utilize this by-product.

The Badische Anilin und Soda Fabrik spent \$5,000,000 and 17 years in chemical research before they could make indigo, but they gained a monopoly—or, to be exact, 96 per cent—of the world's production. A hundred years ago indigo cost as much as \$4 a pound. In 1914 we were paying 15 cents a pound for it. Even the pauper labor of India could not compete with the German chemists at this price. At the beginning of the present century Germany was paying more than \$3,000,000 a year for indigo. Fourteen years later Germany was selling indigo to the amount of \$12,600,000. Besides its cheapness, artificial indigo is preferable because it is of uniform quality and greater purity. Vegetable indigo contains from 40 to 80 per cent of impurities, among them various other tinctorial substances. Artificial indigo is made pure and of any desired strength, so that dyers can depend on it.

Our independent ancestors got along so far as possible with what grew in the neighborhood. Sweetapple bark gave a fine saffron yellow. Ribbons were given the hue of the rose by pokeberry juice. The Confederates in their butternut-colored uniforms were almost as invisible as if in khaki or feldgrau. Madder was cultivated in the kitchen garden. Only logwood from Jamaica and indigo from India had to be imported.

That we are not so independent to-day is our own fault, for we waste enough coal tar to supply ourselves and other countries with all the new dyes needed. It is essentially a question of economy and organization. We have forgotten how to economize, but we have learned how to organize.

Before the war six English factories producing dyestuffs employed only 36 chemists altogether, while one German color works, the Hochster Farbwerke, employed 307 expert chemists and 74 technologists. This firm, united with the six other leading dye companies of Germany on January 1, 1916, to form a trust to last for 50 years. During this time they will maintain uniform prices and uniform wage scales and hours of labor, and exchange patents and secrets. They will divide the foreign business pro rata and share the profits. The German chemical works made big profits during the war, mostly from munitions and medicines, and will be, through this new combination, in a stronger position than ever before to push the export trade.

The United States, like England, had become dependent upon Germany for its dyestuffs. We imported nine-tenths of what we used, and most of those that were produced were made from imported intermediates. When the war broke out there were only seven firms and 528 persons employed in the manufacture of dyes in the United States. One of these, the Schoellkopf Aniline & Chemical Works, of Buffalo, deserves mention, for it had stuck it out ever since 1879, and in 1914 was making 106 dyes. In June, 1917, this firm, with the encouragement of the Government Bureau of Foreign and Domestic Commerce, joined with some of the other American producers to form a trade combination, the National Aniline & Chemical Co. The Du Pont Co. also entered the field on an extensive scale and soon there were 118 concerns engaged in it with great profit. During the war \$200,000,000 was invested in the domestic dyestuff industry. To protect this industry Congress put on a specific duty of 5 cents a pound and an ad valorem duty of 30 per cent on imported dye-

stuffs; but if, after five years, American manufacturers are not producing 60 per cent in value of the domestic consumption, the protection is to be removed. For some reason not clearly understood and therefore hotly discussed, Congress at the last moment struck off the specific duty from two of the most important of the dyestuffs, indigo and alizarin, as well as from all medicinals and flavors.

The manufacture of dyes is not a big business, but it is a strategic business. Helgoland is not a big island, but England would have been glad to buy it back during the war at a high price per square yard.

We have been importing more than \$12,000,000 worth of coal-tar products a year, but the cottonseed oil we exported in 1912 would alone suffice to pay that bill twice over. But, although the manufacture of dyes can not be called a big business, in comparison with some others, it is a paying business when well managed. We have the coal tar and we have the chemists, so there seems no good reason why we should not make our own dyes, at least enough of them so we will not be caught napping as we were in 1914. It was decidedly humiliating for our Government to have to beg Germany to sell us enough colors to print our stamps and greenbacks and then to beg Great Britain for permission to bring them over by Dutch ships.

The raw materials for the production of coal-tar products we have in abundance if we will only take the trouble to save it. In 1914 the crude light oil collected from the coke ovens would have produced only about 4,500,000 gallons of benzole and 1,500,000 gallons of toluol, but in 1917 this output was raised to 40,200,000 gallons of benzole and 10,200,000 gallons of toluol. The toluol was used mostly in the manufacture of trinitrotoluol for use in Europe. When the war broke out in 1914 it shut off our supply of phenol—carbolic acid—for which we were dependent upon foreign sources. This threatened not only to afflict us with headaches by depriving us of aspirin, but also to remove the consolation of music, for phenol is used in making phonograph records. Mr. Edison, with his accustomed energy, put up a factory within a few weeks for the manufacture of synthetic phenol. When we entered the war the need for phenol became yet more imperative, for it was needed to make picric acid for filling bombs. This demand was met, and in 1917 there were 15 new plants turning out 64,146,499 pounds of phenol, valued at \$23,719,805.

In this book is a chapter on "Nitrogen, preserver and destroyer of life."

One of the high explosives used in the war was known as T. N. T., which uses as its base toluol. It is one of the coal-tar products, an inflammable liquid, resembling benzine. When treated with nitric acid in the usual way it takes up like the other three nitro groups and so becomes tri-nitro-toluol. T. N. T. is the latest of high explosives and in some ways the best of them.

Picric acid has the bad habit of attacking the metals with which it rests in contact forming sensitive picrates that are easily set off, but T. N. T. is inert toward metals and keeps well. T. N. T. melts far below the boiling point of water, so can readily be liquified and poured into shells. It is insensitive to ordinary shocks. A rifle bullet can be fired through a case of it without setting it off, and if lighted with a match it burns quietly. The amazing thing about these modern explosives, the organic nitrates, is the way they will stand banging about and burning, yet the terrific violence with which they blow up when shaken by an explosive wave of a particular velocity, like that of a fulminating cap.

It is these high explosives that have revolutionized warfare. As soon as the first German shell packed with these nitrates burst inside the Gruson cupola at Liege and tore out its steel and concrete by the roots the world knew that the day of the fixed fortress was gone. The armies deserted their expensively prepared fortifications and took to the trenches. The British troops in France found their weapons futile and sent across the channel the cry of "Send us high explosives or we perish!" The home Government was slow to heed the appeal, but no progress was made against the Germans until the Allies had the means to blast them out of their entrenchments by shells loaded with 500 pounds of T. N. T.

I might go on and read the history of the wonderful advance in high explosives and chemistry. I want to read an extract from the introduction of this wonderful book written by Julius Stieglitz, professor of chemistry in the University of Chicago:

The recent war, as never before in the history of the world, brought to the nations of the earth a realization of the vital place which the science of chemistry holds in the development of the resources of a nation. Some of the most picturesque features of this awakening reached the great public through the press. Thus the adventurous trips of the *Deutschland* with its cargoes of concentrated aniline dyes,

valued at millions of dollars, emphasized as no other incident our former dependence upon Germany for these products of her chemical industries.

The public read, too, that her chemists saved Germany from an early disastrous defeat, both in the field of military operations and in the matter of economic supplies; unquestionably without the tremendous expansion of her plants for the production of nitrates and ammonia from the air by the processes of Haber, Ostwald, and others of her great chemists the war would have ended in 1915, or early in 1916, from exhaustion of Germany's supplies of nitrate explosives, if not indeed from exhaustion of her food supply as a consequence of the lack of nitrate and ammonia fertilizer for her fields. Inventions of substitutes for cotton, copper, rubber, wool, and many other basic needs have been reported.

These feats of chemistry, performed under the stress of dire necessity, have, no doubt, excited the wonder and interest of our public. It is far more important at this time, however, when both for war and for peace needs the resources of the country are strained to the utmost, that the public should awaken to a clear realization of what this science of chemistry really means for mankind, to the realization that its wizardry permeates the whole life of the Nation as a vitalizing, protective, and constructive agency very much in the same way as our blood, coursing through our veins and arteries, carries the constructive, defensive, and life-bringing materials to every organ in the body.

The whole Nation's welfare demands, indeed, that our public should be enlightened in the matter of the relation of chemistry to our national life. Thus, if our commerce and our industries are to survive the terrific competition that must follow during this reestablishment of peace, our public must insist that its representatives in Congress preserve that independence in chemical manufacturing which the war has forced upon us in the matter of dyes, of numberless invaluable remedies to cure and relieve suffering; in the matter, too, of hundreds of chemicals which our industries need for their successful existence.

Unless we are independent in these fields, how easily might an unscrupulous competing nation do us untold harm by the mere device, for instance, of delaying supplies, or by sending inferior materials to this country, or by underselling our chemical manufacturers and, after the destruction of our chemical independence, handicapping our industries, as they were in the first year or two of the war. This is not a mere possibility created by the imagination, for our economic history contains instance after instance of the purposeful undermining and destruction of our industries in finer chemicals, dyes, and drugs by foreign interests bent on preserving their monopoly. If one recalls that through control, for instance, of dyes by a competing nation, control is in fact also established over products valued in the hundreds of millions of dollars, in which dyes enter as an essential factor, one may realize, indeed, the tremendous industrial and commercial power which is controlled by the single lever—chemical dyes. Of even more vital moment is chemistry in the domain of health; the pitiful calls of our hospitals for local anesthetics to alleviate suffering on the operating table, the frantic appeals for the hypnotic that soothes the epileptic and staves off his seizure, the almost furious demand for the remedies that came in the early years of the war are still wringing the hearts of many of us. No wonder that our small army of chemists is grimly determined not to give up the independence in chemistry which the war has achieved for us. Only a widely enlightened people, however, can insure the permanence of what farseeing men have started to accomplish in developing the power of chemistry through research in every domain which chemistry touches.

The general public should realize that in the support of great chemical-research laboratories of universities and technical schools it will be sustaining important centers from which the science which improves products, abolishes waste, establishes new industries, and preserves life may reach out helpfully into all the activities of our great Nation that are dependent on the transformation of matter.

For the story of scientific achievements is the greatest epic the world has ever known, and, like the great national epics of bygone ages, should quicken the life of the Nation by a realization of its powers and a picture of its possibilities.

Germany's great success in her manufacturing enterprises was due, to a large extent, to her scientific research, and especially was this so in the organic chemical industry. There are many instances on record of her scientific discoveries reflecting directly industrial advancement and achievement. I will mention but one. Through her research, I am told, synthetic artificial rubber was discovered, the fact that aniline oil had a remarkable effect in reducing the time of vulcanizing from 4 to 8 hours down to 30 minutes, with the result that 4 to 8 hours were saved in time and wear and tear on the vulcanizing machinery.

Aniline oil is used by the large rubber-tire manufacturers. Tires are costly enough, but had it not been for this discovery, the price would be almost prohibitive.

Does any student of economics suppose that Germany will not now sacrifice millions in the endeavor to break down any tariff wall we may erect and, by underselling, seek to wipe out our competition? Should she succeed in destroying the American dye industry, then she will make up her losses by exacting enormous prices from those of our manufacturers—representing three and one-half billions of products—that rely solely on dye and coal-tar products for the continuance of their industries?

The dye manufacturers of the country on whom rests the responsibility of completing the full line of dyes which America needs must devote their whole thought and available resources to developing these new lines without having to stand the open competition, which it is admitted, will come from Germany if the products which they have already learned to manufacture must be subjected to such competition.

The purpose of the dye clauses in the peace treaty is not to provide the allied and associated powers with adequate dye sup-

plies, but is to prevent reprisals on the part of Germany against those countries which are trying to develop a self-sustaining dye industry, in case Germany should attempt to withhold from those countries certain needed dyestuffs not yet manufactured in the new plants.

As evidence of Germany's ability and determination to get back the markets of the world it is a well-known fact that within two months she has succeeded in landing in one day in Brazil approximately seven months' supplies of dyestuffs for that country.

The Brazilian agent of one of the largest members of the German cartel recently stated that at the termination of the war he got in touch with the German company to know whether he could continue his old agency and what prices of dyes would be, and requested shipments of certain colors. The company in question replied that they were sending what they figured would be a suitable supply for Brazil; that they knew nothing about the prices; that he was free to sell them at such figures as was necessary to obtain and to deduct 20 per cent for commission for himself and deposit the balance to their credit in a named bank.

Germany needs the markets of the United States and will stop at nothing to regain them.

Further evidence of the need of this legislation immediately lies in the fact that those who represent in this country to-day the German monopoly of dyestuffs are intensively and openly active in their efforts to defeat this legislation and thus regain their markets before the American industry can be rounded out.

The delay in this legislation is injurious to all dye manufacturers in America, but those manufacturers with the largest resources can best stand the losses due to this delay. It is the small manufacturer with limited resources who is already being severely strained by delay. The question of his continued operations is largely involved in the matter of prompt and definite assurance from the Congress that the American industry is to be thoroughly safeguarded. Perhaps the best answer to the fear of monopoly through this legislation, expressed by some of the Senators, is to be found in the fact that a bill along this line has been advocated by 40 of the manufacturers of dyes and intermediates making over 95 per cent of the total produced in this country.

Most of the companies have invested every dollar of profit in plant and apparatus, which will be practically valueless if proper legislation be not enacted to support this industry for a sufficient time to enable it to efficiently compete with Germany.

This is an industry where the plant cost is much higher than most other industries, and, as a matter of fact, the value of the annual production is less than the investment. For example, the total amount already invested in this country is approximately \$100,000,000; value of the total production of these plants in 1918 is given in the United States Tariff Commission Bulletin No. 11, 1918, \$62,026,390. Some of these plants had not then, and as a matter of fact have not yet, reached a stage of development where they show a profit. The total profits of all plants, 1918, amounted to a fraction less than 10 per cent on the entire investment. As against this, the dividends of the three largest German manufacturers for the 25 years preceding 1914 averaged 28 per cent.

Attention is called to page 80 of the dyestuffs hearings before the Senate Committee on Finance. I quote:

The American dyestuff industry has grown from nothing to a large industry in less than four years and has shown itself worthy of every aid and encouragement. Though hampered by lack of many supplies and the diversion of its personnel and facilities to war activities, the industry produced 45,977,246 pounds of dyes alone in 1917 and 56,464,446 pounds in 1918. The average selling price per pound for the production in 1917 was \$1.26 and for 1918, \$1.07. (See Tariff Commission Report, 1918, Dyestuffs and related coal-tar chemicals.) It is doubtful if any other industry can show a decrease in selling price during this period of ever-increasing cost of raw materials and labor, and it may be stated with certainty that this reduction was accomplished through chemical efficiencies and healthy domestic competition. Figures are not yet available for 1919, but there is every indication of still further progress in this respect.

Since this testimony was offered it has been ascertained that the average price of all American dyestuffs over the year 1919 was approximately 84 cents per pound. It is noteworthy that these successive reductions in price were made during a period when this new industry enjoyed what was in effect complete protection from foreign competition and at a time when practically without exception every manufacturing enterprise in the United States showed higher raw-material and labor costs.

The question was asked in previous debate how after-the-war prices had compared with war prices. The following statement,

taken from Dr. Matthew's report in the House hearings, is informative:

Substantial progress has been made in reducing costs in many intermediates, for example, beta naphthol, an important intermediate.

Prices.	
July to December, 1915, about	\$2.00
January to June, 1916, about	1.50
July to December, 1916, about	1.01
January to June, 1917, about	.751
July to December, 1917, about	.612
January to June, 1918, about	.624
July to December, 1918, about	.634
January to April, 1919, about	.514

The present price is about 40 cents per pound, which is equivalent to 27 cents per pound if based on the prewar price of raw materials, and on this product also yields are being continuously improved.

When we entered the war and the German dye patents became available to American manufacturers many people presumed that now the production of dyes was going to be an easy thing; we had the patents, and all we had to do was just go ahead and follow the recipe given. Nothing is more erroneous than this impression. The Chemical Foundation in acquiring these patents for American industries—the acquisition of the patents on these products—merely gave the right to make them; the ability to make them has to be developed by long research and investigation. Remember this was an entirely new enterprise to our chemists and our manufacturers; they were not as yet skilled in the art. Trying to make a dyestuff by following the instructions of a German patent would be very much the same as if one of you gentlemen was asked to make biscuits to-morrow morning and you got a cookbook and followed the required recipe.

You could follow that recipe word for word in everything it tells you, and you would make the biscuits; but unless you were an experienced cook and had made biscuits often before in order to become skilled in the art, I doubt if even your wife would be willing to eat the biscuits; yet biscuits have been made for centuries. Nor can you say that this is the fault of the American chemist—the German chemist had to learn how to do these things—it took him 40 or 50 years to learn how. Take the example of indigo; the German chemists—and the most brilliant ones they had—spent years in learning how to make this dye. After 17 years of laboratory work they spent 40 years in experimenting on a small-plant scale, and they scrapped one plant after another as they learned how to do it. One company alone spent several millions of dollars in this preliminary development work on indigo before they had this dye on the market for use. Mr. Dow, the chemical manufacturer of Midland, Mich., made up his mind that he wished to make indigo. When he started he knew nothing of dyestuffs, but in less than two years he had indigo on the market and for the past two years he has been turning out this dye, equal to anything the Germans produced, but not yet made nearly so cheaply.

The United States Census of Manufactures, 1914, shows industries directly and indirectly dependent on dyestuffs, showing a total of 67,585 establishments, 2,143,642 persons employed, \$4,366,213,000 capital invested, and \$5,700,636,000 value of products.

In the table embodying the digest of the dyestuff census Dr. Matthews showed a growth between 1917 and 1918.

In 1917 there were 190 firms reporting the manufacture of coal-tar chemicals, and in 1918, 215; in 1917 there 1,733 chemically trained men employed; in 1918, 2,233.

The amount spent on research work in 1917 was \$2,500,000, and in 1918 \$4,500,000.

The very remarkable growth in the development of intermediates and of dyes as well as certain specific colors and chemical products are set forth in the table.

The increase in the number of the intermediates was from 103 in 1917 to 175 in 1918, and in the number of dyes manufactured 178 in 1917 and 313 in 1918.

The junior Senator from Iowa [Mr. KENTON] touched upon the subject of a monopoly. In answer to his query, I call attention to the report of the United States Tariff Commission on dyes and related coal-tar chemical, 1918, at page 21.

Mr. President, I ask permission to insert as a part of my remarks the report of the United States Tariff Commission on dyes and related coal-tar chemicals, relating to the German Cartel, the corporation which has controlled the German dye industry. It is very short.

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

The report is as follows:

REPORT OF THE UNITED STATES TARIFF COMMISSION ON DYES AND RELATED COAL-TAR CHEMICALS, 1918.

When the American industry is viewed as a whole, its organization is seen to lack an important element of strength that adds greatly to the competitive power of foreign producers. We refer to the con-

centration of capital and centralization of control which is a marked feature of the industry abroad. Even before the war there were in Germany only six prominent and seven minor companies manufacturing dyes. At present all of these are consolidated into a single "cartel" for the avowed purpose of making a unified effort to regain the lost foreign market. In Switzerland the three leading firms have been united and are said to control one of the smaller concerns in England. Almost the entire English industry also has been brought together in a single powerful company. The American situation stands out in strong contrast. In 1918 there were in this country 127 companies making intermediates and 77 making finished dyes.

The advantages and the dangers of industrial combination have so long been a matter of public discussion that it seems hardly necessary to enumerate them here. It should be pointed out, however, that some such organization seems more requisite to success in the coal-tar chemical industry than in others, and that it has been effected abroad not only with the consent but under the direction of the Government. It is essential that there should be in each plant the perfect integration that is possible only in large-scale operations; an unusual amount of research and experimental work is imperative but it is singularly costly, and therefore duplication is peculiarly undesirable. The industry is unique in the degree to which it depends on men of scientific attainments so high as always to be relatively scarce, so that it is desirable that the scope of their activities should be extended as widely as possible; improvements and inventions have come and will continue to come in such quick succession that the industry as a whole should benefit by having them immediately available for all engaged in it, and that every plant should have the financial strength which will enable it to put in the new and scrap the old equipment and processes.

The Tariff Commission wishes to argue neither for nor against industrial combination, but it feels bound to point out that the numerous and mutually unrelated companies now producing coal tar chemicals in the United States are less prepared for international competition than the highly centralized organizations that have been formed in Europe.

Mr. FRELINGHUYSEN. Suggestion has been made that Germany is so crippled from lack of raw materials and labor conditions, deprived by a reparation commission of 50 per cent of her output—which I shall refer to later—that we need have no fear of German competition in the immediate future.

I am not convinced of the soundness of the argument of the statesmen who preach Germany's impotence and weakness at the present time; I am not convinced of Germany's inability to "come back." England, France, and the United States underestimated Germany's strength and her recuperative powers before the war, and as a result of this stupidity, neglect, and indifference there are 10,000,000 men in their graves and 20,000,000 wounded and crippled hobbling through the world.

I am suspicious of Germany yet, and whether I am right or wrong in that conclusion I believe it is a crime for us to take chances whether we have evidence or not of Germany's present ability for industrial recuperation.

What is Germany's policy and what is her present position? I present the meager evidence at hand.

The following report, dated November 5, 1918, has been received by the naval intelligence office from a reliable source in Denmark and is interesting in shedding some light on the present condition of the dyestuff industry in Germany:

During the war competing firms have arisen everywhere in the neutral and enemy countries. We shall meet competition which, with Government subsidy and protection, will endeavor to dispute the leadership in the world's markets which we have obtained after years of labor and efforts. We must be armed for this fight, and it seems to me that there is no better way of doing this than by an amalgamation of our home industry along the broadest lines.

In order to protect the improvements obtained through science and practice in chemicals, and above all in colors, one well-informed expert suggests that foreign countries should not be given the newest colors for their own use for a long time, but that the German dye manufacturers should work hand in hand with the German textile industry and produce finished colored products, the imitation of which, at least for a certain period, would be impossible abroad.

I also wish to read from a letter of one of my constituents, Mr. F. Herbert Chamberlain, now president of the Heydon Chemical Co., of Garfield, N. J., a former German concern, now Americanized, and Mr. Chamberlain having become president. He wrote me on September 20, 1919, following his return from a visit to Germany. I read this to counteract the impression that is being given out that Germany is not industrially prepared to compete with the United States and to show that she is prepared; that she has large stocks of dyes which will be released, large stocks even beyond those that will be turned over to the reparations commission. Mr. Chamberlain said:

During my vacation I availed myself of the privilege of visiting the chemical plants of the Farbenfabriken vorm. Frederick Bayer at Leverkusen, and Badische Anilin und Soda Fabrik at Ludwigshafen, and beg to assure you that I was astounded at the magnitude of the plants in question. One had heard so much in regard to the unsatisfactory labor conditions in Germany since the revolution; that damage had been done to these plants by the allied armies; and that these plants were under the control of the interallied council, that these three plants were carefully observed during my visit.

In regard to the Bayer plant, which covers between 600 and 650 acres, the management stated that they had 8,000 employees, 300 chemists, and a clerical force of 2,500 men. It seems to be quite evident that this statement was fictitious, especially after our talk with the officials representing the British Government. The indications are that they are employing double this number—approximately

the same number of men as the Badische Anilin plant referred to below.

The Badische Anilin und Soda Fabrik plant covers 750 to 800 acres. The management stated that they were employing 18,000 workmen, 250 chemists, and a clerical force of between 1,800 and 2,000 men. The prewar hourly rate for operative labor was M. O. 50, equivalent at a prewar rate to approximately 12 cents per hour, and the factory operated on 12-hour shifts. To-day the hourly rate is M. 2.50, which is equivalent at the present rate of exchange to approximately 9 cents per hour, and their hours have been reduced from 12 to 8 hour shifts.

In walking through the various sections of the two companies one is impressed with the apparent satisfaction of the workmen, their industrious intent, and one can not see any outside indications of dissatisfied conditions, and from what I saw the companies are manufacturing dyes and intermediates on three 8-hour shifts per day. Their stores are heavily loaded, and the only inference is that as England has barred the receipt of any of these dyes and intermediates for the next 10 years, the Germans are looking forward to dumping their products in this country. Outside of the fact that the British Army have one man stationed at the Bayer plant, whose main function is to supply data to the interallied council, there is no apparent control of what this company is manufacturing, with the result that the plant is working at full force and there is no sign of any destruction caused by the war.

At the Badische plant my observation extended over a longer period of time and their dye and intermediate sections are working at full force, and I understand from the French officials in charge that their warehouses are full of dyes, intermediates, and pharmaceuticals. At this plant I also noticed that they were putting up new buildings.

In talking with the business men of the occupied area—bankers, merchants, and laborers—I was greatly impressed with the general tone of satisfaction. The shops were well filled with goods, the people in fine physical condition, with the exception that in the poorer quarters the children looked somewhat anemic, and I came back fully convinced that unless our Government not only gives the chemical industry a proper tariff protection, but in addition some licensing method that will prevent the Germans from dumping their commodities in this country, that it will be death to the industry and mean that the last four years' effort, not only in time but investment, made by the chemical manufacturers and scientists of our country will have been of no avail.

We do not seem to realize that the chemical industry has to compete with the low rate of approximately 9 cents per hour per day as compared with our 40 cent to 50 cent rate, which you will appreciate is an enormous difference to overcome, and as near as I can ascertain from the French and British officials the feeling is most prevalent that the German chemical manufacturers themselves started this revolution with the main idea that while it would mean a small increase in wages which they would be compelled to give their laborers, this would be a mere bagatelle compared with what they hoped to gain by such a method, and that they could use these artificial disturbances in wrenching concessions from the council of five in Paris.

In June there occurred a meeting between the management of an important chemical manufacturing concern near Dusseldorf and a delegation of their laborers. The delegates asked for an increase of 50 pfennigs over the 2 marks which they are actually being paid. These figures were equivalent to 12½ cents at the rate of exchange prevailing at that time. It was interesting to note the attitude of those men, who were as deferential as they behaved before the war. They stated the reasons for their request, giving the price of food, and altogether made a very good case for themselves. Their management conceded half of what they asked for, whereupon the delegates expressed their profound gratitude to the management for having yielded to them and promised to increase their efforts so that the company would not be the losers but the gainers by their concession.

Wherever I had opportunities of interviewing either employers or employees I found a similar situation. The men are willing to work at any wage which provides them with the bare necessities of life, and I was greatly impressed with the energetic manner in which they were working throughout the various plants I visited. You will realize that the rate asked for by these men was only 12½ cents per hour, at the rate of exchange at the time. At to-day's rate of exchange the rate asked for would be equivalent to the rate of 8 cents per hour, and this is the situation the industry in this country has to face to-day.

Reviewing the situation, we find that England is prepared to manufacture not only practically all of the intermediates but also the bulk of the finished dyes and pharmaceuticals to cover both her industrial and surgical requirements, and, as you are aware, has put into practice legislation that will prevent the dumping of dyes, intermediates, and pharmaceuticals in the British domain. This protection is vested in a licensing committee, which has full power to grant or refuse licensing and fix charges on such licensing.

There are large stocks of dyes and pharmaceuticals ready to be shipped out of the country, with the United States as their destination, as appeared from a statement made by the United States consul general in Zurich, who pointed out the large number of agents making all necessary negotiations with the object of shipping to America such goods as soon as the requirements of the certificate of origin were removed, and that the consulate was flooded with applications for the proper certificates to cover such shipments. This situation, I assume, he has already reported to our Government.

Mr. President, at this point I ask leave to insert a petition signed by over 4,500 workmen of the Du Pont factory in Salem County, N. J., urging that legislation be enacted in order that the industry may be continued.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The petition referred to is as follows:

Resolution adopted by the works conference at the dye works November 28, 1919.

Whereas the 4,500 employees of E. I. du Pont de Nemours & Co., at its dye works in Salem County, N. J., have organized an employees' conference plan, which, briefly, is as follows: The employees of each department of said works elect representatives who meet with other representatives named by the management in a general works conference to discuss and promote matters of mutual interest and benefit to employee and employer; and

Whereas at a meeting of said works conference, held on November 19, 1919, an elected representative from the power department brought to the attention of the conference House bill No. 8078, now pending in the Senate of the United States, and being designed to protect and make possible the continued development of the dye industry in America; and

Whereas after a thorough investigation the members of such works conference are convinced that the passage of said bill is of the utmost importance to the American dye industry and of vital consequence to the welfare and livelihood of the employees of the aforesaid dye works; and

Whereas recent experience has emphasized the national importance in times of stress of the existence of such basic industries as the dye industry is destined to become under adequate protection:

Now, therefore, upon motion made, duly seconded and unanimously adopted, it was

Resolved by the works conference of the E. I. du Pont de Nemours & Co., at the dye works, Salem County, N. J., That this body, on behalf of the employees it represents, call to the attention of the New Jersey Representatives in Congress the vast importance of said House bill 8078 to the country and to the more than 4,000 dye workers in Salem County and their families, and to this end the secretary be, and he hereby is, authorized and directed to communicate with Senators EDGS and FRELINGHUYSEN, of New Jersey, urging that these Senators vote for this bill, and that they furthermore use their efforts and influence toward its enactment, and to forward copies of this resolution to each of the Members of the House of Representatives from New Jersey for their information.

E. A. TRACY,
Secretary of the Works Conference.

Mr. FRELINGHUYSEN. I also ask to have inserted a copy of a resolution adopted by the United States Chamber of Commerce urging Congress to enact legislation to protect the pivotal industries created during the recent war.

The PRESIDING OFFICER. It is so ordered, without objection.

The resolution referred to is as follows:

(Copy of declaration as prepared and recommended by the resolutions committee at the eighth annual convention of the Chamber of Commerce of the United States of America, April 29, 1920, and adopted by unanimous vote of all the delegates in attendance. The following was meant to apply to the industries which developed as the result of the war and without mentioning any particular division of manufacture, though the phraseology led as closely as possible to the chemical industry and its branches, more particularly organic chemistry.)

Resolution 10.

PIVOTAL INDUSTRIES.

Conditions brought upon us by the European war and our national necessities after we entered the war made it of the highest public importance that certain industries should at once be developed in the United States. Large investments of capital and skill have been placed in such industries. Some of them are of vital necessity to the national defense and the national welfare, and at the same time are capable of adding to our national resources. Such industries should be sustained. Since the armistice there has now been opportunity to survey industries developed during the war and to ascertain those which confer the national benefits mentioned. Congress is asked to proceed with legislation which will assure the continuance of these American industries.

Mr. FRELINGHUYSEN. Mr. President, I believe it is the manifest duty of Congress to establish at once a national policy to protect the dye and coal-tar products industry in the United States and to enable the manufacturers of this country to make their arrangements to procure and invest the necessary capital for experimentation and to retain the expert chemists and artisans necessary for continuing their war-time activities for America's markets.

The question is asked, "Why the need of an embargo, why this blockade of our ports against Germany and this industry?" Embargoes, I admit, are generally distasteful to those who believe in fair competition and impartial rivalry. Yet in no other line of business do the same conditions exist that prevail in this industry. The dye and coal-tar industry is one to which our manufacturers had not given their devoted attention prior to the war, while Germany, with 40 years of preparation, of research and scientific experimentation, had been in supreme control, and the remainder of the world had been absolutely subservient and submissive to that control. We are now fighting 40 years of German preparedness.

While we have, it is true, during the war, due to the temporary embargo, won a preliminary skirmish, our industrial troops are untrained, and we must entrench for an extended period if we are to go forth eventually and meet in open competition the industrial veterans of Germany. Time is the essential factor. Forty years of research and experimentation by German scientists and artisans can not be met in a few short months of preparation.

Capital has not a reputation for timidity in this country. American enterprise is courageous and is willing to take a chance, providing that chance is an even one; but it is not fair for us in this Congress to expect the American manufacturer to hazard millions of his capital and also expect him to fight in the dark without giving him the opportunity to make the necessary research, so that American chemists and scientists may study and experiment, in order to meet the competition growing out of Germany's 40 years of previous experience.

That is the reason industrial captains are anxious to have time to develop fully this industry in the United States, with a view to the Nation's protection and her prosperity as well. They do not ask 40 years' congressional support and protection. They did ask 15. We have given 3 in this bill. In my opinion, 3 years is too short. These manufacturers, these chemists, and these artisans should have at least 5 years in which to perfect their program for meeting and defeating the chemists and artisans of Germany who have been trained for nearly half a century. I shall offer an amendment extending the time to 5 years. After that period shall have elapsed these manufacturers can develop the American industry and increase American prosperity, and then will be willing, I am sure, to have the embargo lifted and the tariff abolished, facing Germany in open competition, confident that the result will be the "survival of the fittest," and the fittest will be the American industry.

If we believe in legislating to retain our commercial independence, if we believe that it is wise for Congress to pass measures for national defense, then the enactment of this law becomes a matter of patriotic duty.

My interest in this bill is, first, that the United States shall sustain and safeguard the industries that are essential to our industrial supremacy and necessary for the national defense, the safety of the country, and the prosperity of all of her citizens.

We would be derelict in our duty as Senators were we to allow a peace to be consummated and Germany permitted to regain on this continent the control and monopoly of dyes and coal-tar products which she formerly enjoyed, thus placing ourselves once more in her power and subservient to her will.

Some have hinted that we will create a monopoly and unfairly protect certain corporations in this country. This bill does not create a monopoly. But it does safeguard and preserve the knowledge and science, the genius and achievement, the energy and experience, gained during the war.

Have we forgotten the lessons of the war? Have we forgotten the sacrifice made by reason of our lack of preparedness? Have we forgotten the helpless condition with which we would have been confronted had not England and France held Germany back long enough to allow us to make the explosives and materials which she had formerly controlled and monopolized? Is the memory of this episode fading from view?

My secondary interest in this bill is due to the fact that in my State there are industries which manufactured large quantities of the dyes and coal-tar products consumed in this country during the war. Those industries mobilized for war, and now desire to mobilize for peace, and will be ever ready, should the peace and safety of the United States and civilization of the world again be menaced, to mobilize, and mobilize quickly, to assist in safeguarding the Nation and the world.

I am an insurance man, and am applying the knowledge of 30 years of experience. Thinking, perhaps, that I might qualify as an expert, I testify that this bill is an insurance for peace.

My added interest in this bill is to give the workmen of my State and other States where this industry is harbored continued employment, so that their toil may contribute to the prosperity not only of my State but of the country at large.

I think that my first duty is to my country, and it is my duty as a Senator in this body to legislate for those who must follow, to safeguard their interests and protect their future by learning and profiting by the lessons given through the horrible experience of the war.

I scout the sentiment expressed on this floor that this bill will establish a monopoly in America. I challenge anyone to show that any combination exists to control the American market at the expense of the consumer through the enactment of this bill.

Keen rivalry and business competition will exist here in America for the trade of the American consumer, but if even remotely such a monopolistic evil should creep in, we have ample laws on the statute books to protect the public against such abuses.

Again, my interest in this bill is because of the belief that it will retain an industry in this country that we have legitimately captured, not by force of arms but by our energy, our genius, and our ingenuity, and that it will foster, encourage, and promote such industry. I believe that the policy reflected in this legislation will inure to the benefit of all American citizens. I know it will not be for the benefit of citizens of Germany.

Let us not get confused, Senators, between the two schools of thought in this Chamber. This bill does not involve the question of free trade or protection; it does not involve the question of Democratic or Republican policies; it involves the great policy and issue of America first.

I am not afraid to proclaim from the housetops that I want the American manufacturer and business man to prosper and make reasonable profits. I do have such a desire, and I do not apologize for it. I am not suspicious of the American business man or the American manufacturer or of his honesty or integrity of purpose any more than I am suspicious of the cotton farmer of the South, the wheat farmer of the West, the miner of the Northwest, or the workingman of all sections of America. Let them all prosper and succeed.

But I am still suspicious of the resourcefulness, the selfishness, the cupidity, and intrigue of the scientist and manufacturer of Germany. I do not want to return to that humiliating period which existed before the war, when the color of the dresses of the women of America, the shades of their stockings, the color scheme of their shirt waists, when the leather in our chairs, the stripes in our clothing, the rubber in our automobile tires, the tint of the curtains at our windows, the paint on our houses, the color of our carpets, yes, even the red and blue in our Star-Spangled Banner, bore everlasting evidence that their ingredients were made in Germany.

Rely on Germany for all these articles? Never in my life, while I have the breath to vote against it! Some may wish this. Not I. Nor am I going to keep a pile of bricks under my desk to throw at the business men of this country.

This policy has been followed too long. It has destroyed our railroad system, driven our merchant marine from the seas, impaired our finances, slackened our spirit, limited our power, and dimmed our industrial prestige.

It is easy to be a demagogue, but it is hard to stand against public opinion when it is misguided and in error. While the voice of the demagogue has been heard in the land, we have been neglecting the interests of America. But England has been frowning on radicalism, frowning on distrust and suspicion of her business and manufacturing industries, working zealously to restore and rebuild her power in commerce and industry by leaps and bounds, and is capturing trade in every mart of the world—trade that is ours by all economic laws—while we have been sleeping at the helm.

Let us forget any sectional interests. I am for America's progress and her upbuilding in every corner of this broad land, in every one of her 48 States. I am for the supporting of our industries and our own resources, untinged by sectional selfishness or partisanship. There is time enough to talk politics on the stump, in the open where the air can cool our fevered brows and temper our fervid speech. Let us get down to business here in Congress and do business as Americans, loving one great country.

"No special privilege to Germany; equal rights to America" is my motto.

In concluding my remarks I wish to say that it is my sincere belief that the enactment of this bill will firmly establish the dye and coal-tar products industry in the land, and that we will go forward untrammelled in peace-time pursuits as we did in war time. Its result will be American products produced by American workmen in American factories, sold to American consumers, and then supplied to the other markets of the world unhampered by unfair legislative restriction.

Theodore Roosevelt once said:

There is no limit to the greatness of the future before America, before our beloved land. But we can realize it only if we are Americans, if we are nationalists, with all the fervor of our hearts and all the wisdom of our brains. We can serve the world at all only if we serve America first and best.

We must work along our own national lines in every field of achievement. We must feel in the very marrow of our being that our loyalty is due only to America, and that it is not diluted by loyalty for any other nation or all other nations on the face of the earth.

Only thus shall we fit ourselves really to serve other nations, to refuse ourselves to wrong them, and to refuse to let them do wrong or suffer wrong.

Thou thine own land be true, and it must follow as the night the day, thou canst not then be false to any land.

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

The PRESIDING OFFICER (Mr. NEW in the chair). The Secretary will call the roll.

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

Ashurst	Fall	Lodge	Smith, Ariz.
Ball	Fernald	McNary	Smith, Md.
Brandegee	Frelinghuysen	Moses	Smoot
Capper	Gerry	Nelson	Sterling
Chamberlain	Gronna	New	Sutherland
Curtis	Harris	Page	Thomas
Dial	Harrison	Phipps	Trammell
Dillingham	Jones, Wash.	Pomerene	Underwood
Edge	Kendrick	Ransdell	Watson
Elkins	King	Sheppard	

Mr. DIAL. My colleague [Mr. SMITH of South Carolina] is detained on official business.

The PRESIDING OFFICER. Thirty-nine Senators have answered to their names. There is not a quorum present.

Mr. WATSON. Mr. President, it is very evident that a quorum can not readily be obtained this afternoon; I move that the Senate adjourn.

The motion was agreed to; and (at 2 o'clock and 35 minutes p. m.) the Senate adjourned until Monday, May 3, 1920, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

SATURDAY, May 1, 1920.

The House met at 11 o'clock a. m.

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

Our Father in heaven, humbly and reverently we bow in Thy holy presence and would drink deeply from the fountain of life, be refreshed, purified, strengthened for the duties of the new month which dawns upon us; that we may think deeply, act wisely, patriotically; that good government may have its sway and stand the test of all opposition, to the glory and honor of Thy holy name. In the spirit of the Master. Amen.

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

SUNDRY CIVIL APPROPRIATION BILL.

Mr. GOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the sundry civil appropriation bill, H. R. 13807; and pending that I ask unanimous consent that the time for general debate be equally divided between the gentleman from Tennessee [Mr. BYRNS] and myself.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the time for general debate be equally divided, half to be controlled by himself and half by the gentleman from Tennessee [Mr. BYRNS]. Is there objection?

Mr. GARD. Reserving the right to object, has any time for general debate been fixed?

Mr. GOOD. There has been so much demand for general debate that in conversation with the gentleman from Tennessee [Mr. BYRNS] it appeared to be the best plan to let the general debate run to-day without limit, and then, when we go into Committee of the Whole on Monday or Tuesday, or whenever we next take up the bill, debate can be limited.

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

There was no objection.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13807) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1921, and for other purposes, with Mr. ANDERSON in the chair.

Mr. GOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. GOOD. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. ELLIOTT]. [Applause.]

Mr. ELLIOTT. Mr. Chairman, for some time past there has been a pernicious effort on the part of some publicity source to make the people of this country believe that the Congress has not been doing its full duty to the disabled discharged soldiers of the late war by way of furnishing them adequate hospital facilities necessary to restore them to health and to care for those who are destined at an early date to make the supreme sacrifice for their country. One article circulated by a news agency was to the effect that 72,000 soldiers who had become insane during their service in the late war had been neglected by Congress, and that none of these insane men had been provided with hospital treatment.

I do not know the name of the pernicious liar who started this report, but I do know that the report is not true. [Applause.] It is unfortunately true, however, that there are, according to the report of the Public Health Service made to the Committee on Public Buildings and Grounds February 7, 1920, 10,162 of what are termed neuro-psychiatric patients who will need hospital attention under the supervision of the Bureau of War Risk Insurance during the next two years.

These men are suffering from various kinds of mental troubles, from mild derangements to violent insanity, and, to use a term invented by the soldiers during the war, from "shell shock." Although many of these patients had little or no experience at the front, and may have been suffering from slight mental or nervous disorders at the time they enlisted, their troubles have been aggravated by exposure and by disease contracted while in the Army. Had they never been in the service they would have been classed as insane.

The Public Health Service further reports that it will need for tubercular patients within the next two years 12,183 beds, and for general and surgical cases 4,538 beds, making the total number of beds needed during that period 26,883, which number will be further reduced by 1,835 beds which are provided for in public act 326, making a total number of beds needed in public hospitals by the Public Health Service 25,048. (See hearing No. 19, Public Buildings and Grounds Committee, Feb. 7, 1920, p. 28.)

The discharged disabled soldiers of the late war who are entitled to hospital treatment are under the supervision of the Director of the Bureau of War Risk Insurance, who, under the law, can send such patients to the Public Health Service hospitals, to the National Soldiers' Homes, or to private hospitals for treatment, at his option.

The War Department has at its command more beds than it needs for the use of the Army at this time, but after a soldier is discharged he is no longer entitled, under the law, to be sent to an Army hospital. The Secretary of War, however, has turned over to the Public Health Service 21 hospitals which the Public Health Service is now using. These hospitals have space for 16,690 patients. (See hearing No. 21, Public Buildings and Grounds Committee. Evidence of the Hon. N. D. Baker, Secretary of War.) The Secretary of War further testified that he had no other hospitals which he could turn over to the Public Health Service, but on cross-examination he admitted that Fort Meade, in South Dakota, and Fort McKenzie, in Wyoming, two substantial Army posts, had been vacated for some years with the exception of having a very few soldiers stationed in them to act as caretakers.

The Secretary of War also said that owing to the fact that under the Army reorganization bill the Army might be increased there was a possibility the War Department would need these two posts, but that he was ready to give a revocable permit for their use to the Public Health Service for the care of neuropsychiatric cases. These posts could be arranged for approximately 2,000 patients and save the taxpayers many millions of dollars.

There are now 10 National Soldiers' Homes in this country, which were built to provide for the disabled and homeless veterans of our wars. These homes are in convenient and ideal locations throughout the country and they have a capacity for approximately 21,000 beds. They have at this time 10,000 vacant beds, which are available for the use of the soldiers and sailors of the late war. I am informed by Gen. George H. Wood, president of the board of governors for these homes, that the veterans of the Civil War who are now being cared for in these homes are quite old and many of them are very feeble and that 10 per cent of them died during the last fiscal year. He also said that the number of vacant beds in these homes was steadily increasing. He said that they have in all of these homes adequate and competent medical and surgical staffs and that the veterans have been cared for in a most satisfactory manner for over 50 years. Gen. Wood said that four of these National Soldiers' Homes are now used for the care of tubercular patients. He said that the locations of these institutions are ideal for the treatment of tuberculosis. Gen. Wood also said that each of these homes is provided with adequate heating, lighting, power, and water supply plants, so that additional buildings can be constructed, if necessary, and added to any one of the institutions, at a minimum cost per bed, for hospital purposes.

The Director of the Bureau of War Risk Insurance has examined some of the National Soldiers' Homes and has said that it would be a shame to not use them to their fullest capacity for the care of patients who could be satisfactorily treated in them.

It has been estimated by the Public Health Service that it will cost \$3,250 per bed to provide hospitals such as it desires to build. The 10,000 vacant beds in our National Soldiers' Homes should be used at once, for this would save the country more than \$30,000,000; and by providing additional buildings at these homes, where we have the land and the equipment, we would save many more millions of dollars in the construction of hospitals.

One of the grievous faults of the United States Government has been the duplication of services in the various departments. For instance, the Government has at this time ample hospital facilities to provide for all the cases which the Government is under obligation to care for if we could bring the control of all these institutions under one governing head. But, in the meantime, while awaiting the millennium in governmental affairs it is our duty to proceed to take care of the boys who gave up so much for their country in the late war, and we are going to do it. As I said before, the Director of the Bureau of War Risk Insurance is charged by law with the care of discharged disabled soldiers and sailors of the late war. He can utilize the National Soldiers' Homes; the Public Health Service hospitals and private hospitals for their treatment. Under the provisions of the sundry civil bill now under consideration the director has placed at his disposal the sum of \$46,000,000 with authority to use the same for enlarging National Soldiers' Homes and providing them with additional equipment; he has authority to build additional hospitals for the Public Health Service and to lease private hospitals. So by utilizing this appropriation and the 10,000 vacant beds now available and by taking over Fort Meade and Fort McKenzie he will be adequately prepared to discharge our obligations to these worthy men.

As soon as it can be done it is highly desirable that the various institutions of our Government be reorganized in such a manner that we can avoid duplication of service and division of authority, especially in the most important matter of discharging our obligations to our soldiers and sailors.

Mr. LAZARO. Will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Louisiana.

Mr. LAZARO. I quite agree with the gentleman that everything is being done that could possibly be done to relieve these men, those who are mentally deranged and those who have acquired disease; but does not the gentleman think that it is the duty of the Government to use every available bed, so that these men who are sick, whether mentally deranged or whether they have acquired disease, can be given treatment in the very beginning? A good many of these cases, if they are treated in the beginning, have a chance to get well, whereas if the treatment is delayed the trouble is likely to become permanent.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. ELLIOTT. I ask unanimous consent that my time be extended five minutes.

The CHAIRMAN. The gentleman from Indiana asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. ELLIOTT. In answer to the gentleman from Louisiana, I desire to say that I think it is the duty of the various departments of the Government charged with the care of these men to utilize every available resource that we have for their care, and where we lack any hospital or other facility to take care of these men Congress should, and I think will, readily provide it as fast as it is needed. I think that in addition to some of the hospitals that we now have we need some for tubercular patients, because they have to be segregated, to keep the infection away from patients of other classes. As nearly as I can find out, we need in this country another hospital for the insane, to take care of the violent insane from this war.

Mr. LAZARO. The gentleman realizes, too, that these cases must be treated in the very beginning—that is, the mentally deranged and the tubercular patients, in order to have a chance to get well.

Mr. ELLIOTT. Yes; and it is not going to be to their interest to wait two years to build fireproof hospitals before we begin their treatment. We ought to utilize at once everything that we now have. [Applause.]

Mr. GOOD. I yield five minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Chairman, the condition of my throat this morning will not permit me to elaborate on the proposition I have in mind, but a matter has been called to my attention that I thought should be called to the attention of the House. I think we are all in sympathy with the propaganda of the administration looking to economy on the part of the individual, to the utilization of those things that we have on hand, so far as possible, rather than the purchase of new material; the wearing of our old clothes, to contribute in some measure to the catching up with the great shortage in clothing that now exists, and other economies of similar nature. I had hoped, Mr. Chairman, that the administration in its conduct of the public business would harmonize its conduct with its propaganda,

On page 8133, serial 6, part 1, of the testimony taken in that subdivision of the investigation of the expenditures in the War Department that has within its jurisdiction ordnance supplies, the testimony of one Mr. Worley, whose testimony, I understand, is not disputed in the record, shows the purchase of 2,551,087 sets of harness.

The total purchases of horses and mules during the progress of the war was 395,000. These animals were purchased at different seasons, to repair the wastage and the losses by death and sickness, so that the estimate is made that there were never more than 300,000 horses and mules in the service at any one time. For these we purchased two and one-half million sets of harness. When the war was over Col. Goetz, who had charge of these purchases, testified, on page 1410 of serial 8, part 2, that in addition to these sets of harness we had on hand 1,800,000 pounds of black harness leather that had not yet been made up into harness, which was worth from 90 cents to \$1 a pound.

Mr. BLANTON. Will the distinguished gentleman yield there?

Mr. REAVIS. With pleasure.

Mr. BLANTON. Can the gentleman tell us in that connection about how many horses and mules our War Department owns at this time?

Mr. REAVIS. They never owned more than 395,000. Those were the total purchases, but they never owned at any one time, according to the best estimates, more than 300,000 horses and mules.

Mr. BLANTON. The papers in my State and district are heralding the fact now that the Government horse buyers are going from county to county to-day buying horses for the War Department, urgently pressing the people to bring their horses in to them in order that they may buy them.

May I ask the distinguished gentleman who is a part of the majority of this Congress which controls legislation and controls the purse strings of the Treasury, why it is necessary in peace time when we now have so many horses and mules as we do for Government agents to go through the country and buy additional horses and mules?

Mr. REAVIS. I would be delighted to answer the gentleman if I knew, but may I refer him to the Secretary of War, who has this matter in charge?

Mr. BLANTON. We furnish the money and they must get the money from Congress, and the gentleman's party holds the purse strings.

Mr. REAVIS. I will say that if I were in control of the Committee on Military Affairs of this House I would not only refuse to make the appropriation for such purchase, but I would incorporate in the bill a mandatory provision compelling them to sell the surplus harness, saddles, and leather they now have on hand.

Mr. HULL of Iowa. Will the gentleman yield?

Mr. REAVIS. Yes.

Mr. HULL of Iowa. The reason they give for buying horses and mules at this time is that last fall they considered it better policy to sell off all the horses they could possibly spare; that it would be cheaper than to keep them through the winter. Then they propose to buy new horses in the spring. I am telling you what they say about it. We have provided for an increase in the Army and they have to have the horses for the increased Army.

Mr. BLANTON. That does not appeal to the very enlightened and well-informed gentleman from Iowa, I take it.

Mr. REAVIS. My idea was that they were purchasing extra horses so as to have sufficient horses for the harness they have on hand. [Laughter.] Mr. Chairman, on page 1406, series 6, part 2, the testimony of Col. Goetz is that for 106,000 Cavalry horses they purchased 945,000 saddles, a little over 7 saddles for every riding horse we had in the Army.

The warehouses of this country are filled with harness and saddles and harness leather for which the farmers of this country are compelled to pay exorbitant prices because of the great shortage, and now the War Department has out a proposal that I hold in my hand for the purchase of more harness and more saddles.

Mr. BLAND of Missouri. Will the gentleman yield?

Mr. REAVIS. Yes.

Mr. BLAND of Missouri. My recollection is that in the military appropriation bill we appropriated recently a million and a half dollars for the purchase of horses. The gentleman from Texas [Mr. JONES] took the floor and opposed that appropriation. Why was the additional appropriation made?

Mr. REAVIS. I was very much in accord with the position of the gentleman from Texas [Mr. JONES]. I can not answer

the gentleman. I have my ideas about it, and the more I get into it the more firmly I become grounded in these ideas. Let me call your attention to the character of the saddle and harness for which the War Department is now seeking bids.

Mr. GARNER. Will the gentleman yield right there?

Mr. REAVIS. Yes.

Mr. GARNER. These advertisements for bids are to be paid for out of the appropriation for the next fiscal year. What attracts the attention of every Member of the House and the gentleman from Nebraska is that Congress, both Republicans and Democrats, but at least in control of the Republicans, have appropriated a million and a half dollars for additional horses, and I do not know how much in addition to that for other things, and if it was not for those appropriations these advertisements would not be in the paper.

Mr. REAVIS. I want to say that this came before the passage of the military appropriation bill. It is dated March 29, 1920, and has just been called to my attention, and that is the reason I call it to the attention of the House. The purchase is to be made on or before the 5th day of April. It is a past transaction that I am calling attention to.

Mr. BLANTON. Will the gentleman yield for one further question?

Mr. REAVIS. Yes.

Mr. BLANTON. In reply to what the distinguished gentleman said a moment ago regarding the situation, I want to say that I have seen a Government agent pay \$150 for a plug of a horse that could have been bought by an agent for \$65 lots of times. I have no doubt the gentleman from Nebraska has seen like cases.

Mr. REAVIS. Let me call attention to the character of the equipment they are seeking to purchase. In this proposal I am reading the description of the saddle, notwithstanding they have 945,000 on hand:

Saddles, 4-inch coupe, 1 $\frac{1}{2}$ -inch solid nickel English wire terret pedestal hook, with 1 $\frac{1}{2}$ -inch running bearer; $\frac{1}{2}$ -inch single-strap billets, patent leather skirts, and jockey enamel leather bottom, patent leather facing, full pad, hand lace saddle, jockey blocked up—

Now, that sounds like some saddle, and I have no doubt that these saddles are being purchased for the use of officers in the Army. I can picture in my mind a spirited and proud-stepping steed with one of these patent leather, jockey enamel leather saddles strapped upon him, that saddle occupied by the robust form of some Army officer, cantering along the shady lanes of the bridge paths in the parks of Washington, and it will be a delectable sight for the poor devil sitting on the bench wearing his old clothes for economy. [Laughter.]

Mr. GARNER. He ought to have the gentleman from California and a few gentlemen from the Military Affairs Committee to see the sight.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GOOD. I yield the gentleman two minutes more.

Mr. REAVIS. Mr. Chairman, I am calling the attention of the House to this not from any spirit of criticism, but I do not believe there is a man on either side of the aisle that approves of this reckless and criminal waste of the funds of this country, and it ought not to be permitted longer.

Mr. KING. Will the gentleman yield?

Mr. REAVIS. Yes.

Mr. KING. I understood the gentleman to say that the warehouses of the country were filled with supplies of leather.

Mr. REAVIS. They are.

Mr. KING. Has it occurred to the gentleman that the Federal banks are financing the gentlemen who are holding this leather? That they are putting up their notes and bills of exchange and having money issued against them, and that is the leather money that we are receiving in the country to-day?

Mr. REAVIS. Well, I did not know that, Mr. Chairman, but I have gotten to the point where I am a little like a dope fiend, and it takes a larger dose each time to get any reaction on my part. What I do want to say is, I am sincerely hopeful that some committee of this House having jurisdiction of this matter will not only refuse further appropriations to this department to be wasted in this way, but that it will return mandatory legislation to this body compelling this department to sell this surplus material and recover that money into the Treasury. The time has gone by when Congress can look with indifference upon a proposition of this kind.

The CHAIRMAN. The time of the gentleman has expired.

Mr. REAVIS. May I have one more minute?

Mr. GOOD. I yield the gentleman an additional minute.

Mr. GARNER. May I make a suggestion in the form of a question?

Mr. REAVIS. Yes.

Mr. GARNER. There is just one remedy I see for this situation here—I agree with the gentleman that every Member of the House will criticize and condemn it—and that is to get a committee of this House that will see that you do not make appropriations for it. And whenever you concentrate all the committees into one committee of this House the War Department will not have the influence it has now.

Mr. REAVIS. There is not any doubt about that, Mr. Chairman, but it is a very deplorable condition that one great department of this Government should have a system of that character and should keep on wasting the funds of this Government the way it has been doing the past year and a half. None of us are entirely absolved from the evil of it, and so far as I am concerned I am willing to support any legislation that will not only prevent additional waste of this kind but compel the Secretary of War to dispose of the surplus that is rotting and deteriorating in the warehouses of this country at this time.

Mr. Chairman, because of the condition of my throat and because I do not want to take the time to read this proposal, I ask unanimous consent that I may incorporate as a part of my remarks this proposal of the War Department seeking to purchase additional saddles and harness parts.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to incorporate in his remarks the matter indicated. Is there objection? [After a pause.] The Chair hears none.

Mr. BLAND of Missouri. Will the gentleman yield for a moment?

Mr. REAVIS. I will.

Mr. BLAND of Missouri. I call the attention of the gentleman to page 32 of H. R. 13587 as passed by the House, and under the title "Horses for Cavalry, Artillery, Engineers," and so forth, which provides for an appropriation of \$1,500,000 for that purpose.

Mr. REAVIS. Now, let me ask the gentleman a question. He is seeking to show a partisan responsibility, and I have no desire on my part to make partisan capital of this at all. There is nobody preventing these people from selling these horses. If the War Department went out, as stated by the gentleman from Texas and the gentleman from Iowa, and sold the horses they had on hand, as a matter of course a new appropriation would have to be made; but the condition was made necessary by the conduct of the War Department in selling those animals.

Mr. BLAND of Missouri. I am not indicating any partisan purpose whatever, but simply going to the bottom of these facts as outlined by the gentleman. I am in entire sympathy with his proposition. As a matter of fact, the evidence did not develop in the hearings upon the military appropriation bill that all horses had been sold, and the fact was disclosed they had a supply on hand, and serious objection was made that \$1,500,000 was not necessary for the purchase of additional horses.

Mr. REAVIS. Does the gentleman believe that legislation, if not demanded, is at least advisable to tell the War Department to dispose of its surplus material?

Mr. BLAND of Missouri. That cry and demand has been made—

Mr. REAVIS. But does not the gentleman approve of that contention?

Mr. BLAND of Missouri. I have not approved of the disposition of horses by sale and then a repurchase of horses, nor do I approve of the appropriation of \$1,500,000 for the purpose of purchase; and if you give no appropriation for that purpose the expenditure can not be made.

Mr. REAVIS. Let me ask the gentleman this question: Whether, if we have hundreds and thousands of sets of harness, saddles, and different equipment of that kind that has been declared surplus, would not the gentleman approve of legislation that would require the War Department to dispose of it?

Mr. BLAND of Missouri. Absolutely; if it is wise under the facts as they really exist.

Mr. REAVIS. What does the gentleman think of a department that requires legislation to compel them to perform a manifest duty?

Mr. BLAND of Missouri. I would enact legislation if I were in a responsible majority to prevent it and refuse to pass appropriations all of which would prevent it.

Mr. REAVIS. I am with the gentleman on that, on both propositions.

Mr. CANNON. If the gentleman will allow me, why did not you enact it 15 months ago?

Mr. BLAND of Missouri. Why, during the conduct of the war, if I may answer—

Mr. REAVIS. I have not yielded, Mr. Chairman.

Mr. EVANS of Nevada. Will the gentleman yield?

Mr. REAVIS. I do.

Mr. EVANS of Nevada. What is the number of these saddles which the gentleman stated; I did not hear it.

Mr. REAVIS. The total number they authorized and contracted for, according to the testimony of Col. Goetz, who is in charge of the purchase, was 945,000.

Mr. EVANS of Nevada. They propose to buy how many more?

Mr. REAVIS. This proposal only contains a proposal for 200 more, but they have hundreds of thousands of them in the warehouses now, so what is the use of buying any more?

Mr. EVANS of Nevada. I fully agree with the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CAMPBELL of Kansas having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed with amendments the bill (H. R. 13555) making appropriations for fortifications and other works of defense, for the armament thereof and for the procurement of heavy ordnance for trial and service for the fiscal year ending June 30, 1921, and for other purposes; in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had disagreed to the amendment of the House of Representatives to the bill (S. 1699) for the retirement of employees in the classified civil service and for other purposes, had asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. STERLING, Mr. CUMMINS, and Mr. MCKELLAR as the conferees on the part of the Senate.

SUNDRY CIVIL APPROPRIATION BILL.

The committee resumed its session.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. The gentleman from Texas asks leave to revise and extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Will the Chairman call my attention to the fact when I have used 10 minutes? Mr. Chairman, we met this morning to take up the great sundry civil appropriation bill, and by actual count there were on the floor only three of my Republican colleagues. Those three Republicans, headed by the distinguished gentleman from Massachusetts [Mr. WALSH], ought to be congratulated and ought to have their pictures framed for being loyal and being here to take up this bill.

Mr. REAVIS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. REAVIS. The gentleman realizes, of course, the hour at which we met this morning is an unusual hour?

Mr. BLANTON. Yes; but that hour was agreed upon unanimously yesterday evening, and the notice of it was in the CONGRESSIONAL RECORD, and it was in the printed calendar that was placed on our desks this morning at 7 o'clock in every office in the House Office Building. I know, because I was there when it came in the early morning mail.

Mr. Chairman, a most serious crisis has been reached in the affairs of our Nation. Anarchy is in our midst. Congress has been temporizing with it. It is even fostered and protected by a Cabinet officer. There are 25 anarchist publications in New York alone, constantly seeking to disrupt and overthrow our Government by force and violence. Nearly two score more of such anarchistic publications thrive in our country from New York to Seattle. The Department of Justice has ascertained that there are 60,000 anarchists now in the little State of Washington.

What is the subtle power and influence, Mr. Chairman, that prevents this Congress from doing its duty and taking the steps necessary to free our beloved land of this monster? What is the particular thing that stands in the way of this Congress cooperating with our Department of Justice and granting what it says it must have to wipe this dangerous menace from our midst? What is it that stops us when our conscience prompts us to act? What is it that deters us? What is it that has us bound hand and foot so that we can not function? What is it that even makes us whisper, when we would discuss this evil?

There is but one answer: Mr. Samuel Gompers and the American Federation of Labor. Card indexing, threats of political defeat, love of office, unwillingness to make sacrifice and take

our chances on losing position has made us pause, and rather than our whole Nation bear the ills it has than that we personally fly to others that we do know of, through personal and public communication from Mr. Gompers. Thus, not conscience, but fear of Gompers makes cowards of us all.

Let me quote from yesterday's Washington Star the headlines:

CLASHES BETWEEN DEPARTMENTS OF LABOR AND JUSTICE ARE DISCLOSED.

Attempts to break up completely the most damnable conspiracy against the Government in the Nation's history was frustrated by disagreements between the Department of Labor and the Department of Justice, Chairman JOHNSON, of the House Immigration Committee, testified to-day at the renewal of the investigation by the Rules Committee into the handling of deportation warrants by Louis F. Post, Assistant Secretary of Labor.

Arrests of 5,000 communists was followed by an "awful mix-up between the two departments," resulting in the release of the big majority of those held, JOHNSON said. The Department of Justice did its part, he added, but one obstacle appeared in Assistant Secretary Post.

Mr. JOHNSON told the committee that George Audreytchine, described as "A prince of the I. W. W.," was released by the Department of Labor after letters had been exchanged by radical leaders, saying "that if we can keep Secretary Wilson out making speeches Post will release Audreytchine."

The Immigration Committee, Representative JOHNSON said, had evidence that Emma Goldman, the radical leader, had sent a plea by telegram to Assistant Secretary Post in behalf of one arrested communist.

Mr. Post, Mr. JOHNSON declared, referred the plea to the office of the Secretary of Labor with the notation that "Miss Goldman's representations of fact be given full credence."

SECRETARY ALREADY IMPEACHED.

Representative JOHNSON told the committee he did not introduce a resolution looking to the impeachment of Mr. Post, because "the Secretary already has been impeached by nine-tenths of the people of the United States."

Jackson H. Ralston, attorney for Secretary Post, replying to Representative JOHNSON, declared that from beginning to end "the Department of Justice has attempted to inject itself in deportation proceedings without legal right."

Now, Mr. Chairman, let me quote the following from this morning's Washington Post:

ASSERTS THAT POST IS SHIELDING "REDS"—REPRESENTATIVE ALBERT JOHNSON, ARGUING FOR IMPEACHMENT, FILES NEW CHARGES—CITES EMMA GOLDMAN NOTE—HOUSE INVESTIGATORS CHALLENGE STATEMENTS OF UNITED STATES OFFICIAL'S ATTORNEY.

Assistant Secretary of Labor Post has succeeded in eliminating the Department of Justice from deportation proceedings, with the result that all the work of the Attorney General in rounding up radicals throughout the country has been brought to naught, Representative ALBERT JOHNSON, of Washington, charged before the House Rules Committee yesterday during hearings on the resolution providing for impeachment proceedings against the Labor Department official.

"The Department of Justice during the first week of this year rounded up nearly 5,000 communists and Russian workers," said Mr. JOHNSON. "It broke up a damnable conspiracy against the United States Government. Yet since then Mr. Post, with exclusive power over deportation, has sent out of the country only 22. It is time that Congress investigate such a situation.

"Everybody knows that Mr. Post sympathizes with many of these radicals. In 1916 he made a speech defamatory of the United States Army, and his writings show the type of man he is."

Mr. JOHNSON presented to the committee a telegram from Emma Goldman to Mr. Post in which she urged the release of an alien, George Audreytchine, claiming that if he were sent back to Macedonia he would be placed in the army or killed. Across the telegram Mr. Post wrote:

"Referred to the Acting Secretary with the suggestion that Miss Goldman's recommendations of fact be given full credence."

Mr. JOHNSON cited the Audreytchine case as one in which Mr. Post had violated the law.

CHALLENGE LAWYER'S STATEMENT.

Jackson H. Ralston, Mr. Post's attorney, made his defense in the form of an attack on the Department of Justice and Attorney General Palmer. He made several charges against the department that were promptly challenged by both Republicans and Democrats.

One of Mr. Ralston's charges was that the Department of Justice is "organizing and creating branches of the communist party," presumably in order to have somebody to arrest. Most of the committee-men laughed at the charge. Another was that Attorney General Palmer sought to have many suspected radical aliens deported without a hearing. Representative POE, of North Carolina, demanded that Mr. Ralston prove this statement. Mr. Ralston then said that all he could do was to produce two or three witnesses who would say the same thing.

The third assertion was that "the administration of justice in this country has sunk to a lower level than in Russia during the régime of the Czar."

"I can not let that statement pass unchallenged," Chairman CAMPBELL of Kansas said. "Everybody knows it is ridiculous to make such a charge."

Is it so very strange that we find Assistant Secretary of Labor Louis F. Post the dependable friend of anarchists and the confidential correspondent of Emma Goldman, whose deportation was finally forced by the Department of Justice and public sentiment? Is it so very strange that anarchists should find protection in the Department of Labor? Is it so very strange that Louis F. Post should now be defended by Jackson H. Ralston, the renowned attorney for anarchists in the United States, and who has before appeared before the Rules Committee in this Congress to stop the passage of laws that would hamper anarchists in their hellish practices? Why, less than a year ago our Secretary of Labor, William B. Wilson, in the annual con-

vention of the American Federation of Labor, sat on the platform with Samuel Gompers and Mrs. Rene Mooney, the then indicted wife of the convicted bomb-throwing anarchist, Thomas Mooney, and asserted that his Department of Labor was still at work in its efforts to free this anarchist, and then refused to answer the resolution passed by the House of Representatives and tell it exactly what his department had done and was doing, and how much money it had spent in behalf of such anarchist, and the House has never yet forced him to answer. Do not the records on file in this House show that Secretary of Labor Wilson sent John B. Densmore, with a bunch of thugs, to San Francisco in behalf of Mooney, where they committed burglary and other felonies by installing a dictograph in the office of the district attorney, for the purpose not of enforcing laws but to thwart laws, in an attempt to free this anarchist, Mooney? Did not Samuel Gompers, whom Jackson H. Ralston also represents, collect a tremendous slush fund and go to every extreme imaginable to free the McNamaras, anarchists, and also to free the anarchist, Mooney? Did not Samuel Gompers, knowing William Z. Foster to be an anarchist, place him in charge of the great steel strike not long ago?

But, Mr. Chairman, let me quote again from yesterday evening's Washington Star:

PRECAUTION TAKEN AGAINST "REDS" IN MAY DAY THREAT—DEPARTMENT OF JUSTICE WARNS MEN LISTED AS PROBABLE VICTIMS OF ATTACK.

Every precaution was taken to-day by the Department of Justice to protect the lives and property of a score or more high State and Federal officials who, according to Attorney General Palmer, are marked for assassination to-morrow in a nation-wide "May Day celebration" of the "reds."

Mr. Palmer gave an official public warning of the alleged plot last night. All persons listed as probable victims of the radicals were to-day given warning by the Department of Justice.

POSTMASTER WARNED.

City Postmaster Chance to-day instructed Clarence Schooley, superintendent of mails, and other officials of the office, to be on the watch for suspicious-looking parcels coming into the Washington city post office by parcel post.

And, Mr. Chairman, the following excerpts are from this morning's Washington Post:

WATCH KEPT ON REDS—MAY DAY VIOLENCE THWARTED, FEDERAL OFFICIALS INSIST—SPORADIC STRIKES FORESEEN—MEN MARKED FOR DEATH AMPLY PROTECTED, GARVAN SAYS—DEPARTMENT OF JUSTICE WILL ALLOW RADICALS TO HOLD MEETINGS TO-DAY AND PERMIT THEM "TO TALK THEMSELVES BLUE," BUT AGENTS WILL SEE THAT THEY KEEP WITHIN BOUNDS—PROPAGANDA TERMED "AMAZING."

EXPECT SPORADIC VIOLENCE.

Assistant Attorney General Garvan, who directed raids on Communist and Communist Labor Party organizations in January, declared, as he went home for the night, that late reports indicated that whatever violence might occur would be sporadic.

It was disclosed by Mr. Garvan that several Members of Congress, three Federal judges, and an attorney recently active in investigating radical disturbances had been marked for assassination. With the early discovery of the plots, however, Mr. Garvan believed the officials, against whose lives the plots were directed, now are amply protected.

Mr. Garvan called attention to the apparent unlimited amount of money employed by the Communist Labor Party in fomenting disorders, declaring that at no time in history had a radical movement been so plentifully financed. He traced the source of these funds to Amsterdam and thence to Russia.

PROPAGANDA IS "AMAZING."

The amount of radical literature circulated within the last week was described by Mr. Garvan as "amazing" as he pointed to scores of different periodicals, pamphlets, and circulars, together with special editions of radical newspapers piled in his office, all appealing for a "May day show of power." Exponents of direct action, he contended, were taking advantage of a psychological opportunity while the Nation awaited developments "to lay their incendiarism on the people's doorsteps."

Mr. Garvan declared that Tom Milouska, arrested on a deportation warrant, which was later canceled by Assistant Secretary of Labor Post, had been found in Chicago distributing the May day proclamation of the Communist Party. Milouska, Mr. Garvan said, was freed by Mr. Post because he said he did not know the nature of the communist creed.

Right here I want to commend this Committee on Immigration, and especially this able, fearless, painstaking, patriotic chairman, the gentleman from Washington [Mr. JOHNSON], for the efficient work done and the courage exhibited in the attempt made to clean up this Department of Labor. This distinguished chairman has personally experienced what anarchy means to his State of Washington and realizes full well what a menace it is to the Government of the United States. He is going to make some disclosures within a short time that will astonish even the Members of Congress. It will simply astound the people of this Nation.

Ask our distinguished colleague from New York [Mr. SIEGEL] and my able and efficient colleague from Texas [Mr. BOX] what they have learned through this Immigration Committee investigation with regard to Assistant Secretary Louis F. Post being the willing tool of anarchists, dependable to do their will. Ask whether they have found anything "rotten in Denmark." Read the statements of these gentlemen before the Rules Committee.

You will then learn how this Assistant Secretary of Labor, Louis F. Post, has been harboring dangerous anarchists in our midst and has been turning them loose by the thousands. Read the 158 pages of hearings had April 21 to 24, 1920, before Chairman JOHNSON, which has just been printed, and remember the fact that for three years communists have been pouring into the United States by the thousands and have been obtaining thousands of new recruits here in the United States, and not until January 24, 1920, did Secretary Wilson hold that communists were deportable, and then he did it under the whip and spur of public criticisms made by the Department of Justice, myself, and others who were not afraid to speak. No distinction whatever can be made between an anarchist and a communist, in that each wants government destroyed by force and violence. Yet the Secretary of Labor is now trying to draw a distinction so as to save members of the Communist Labor Party, an anarchist organization.

And while he hesitates, this morning's Washington Post heralds the news that the Department of Justice has evidence of plots by members of this very organization to assassinate on this May day several Members of Congress, three Federal judges, and a Government attorney. Must the officers of this Government continue to live in fear of assassination by cowardly thugs? Mr. Chairman, there is no fear of death that can keep me from raising my voice in behalf of the Government of the United States and the principles for which that flag stands.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. Please do not consider me discourteous, but I have some matters that I desire to lay before this Congress. How long are we going to let this last? It is just a simple question.

Mr. LAYTON. And that is what I want to ask.

Mr. BLANTON. It is just the simple question, Do you love your office more than you do your Government? Mr. Gompers has sent you word that if you do not do as he wants you to do he has you card indexed and that he is going to put you out of office when the time comes. He keeps his representative in this gallery to watch you, and let me show you how far it goes.

Yesterday we had before us the bill to pension all of the civilian employees of this Government. These Government employees in 168 different union locals are affiliated with the American Federation of Labor. These Government employees are also card-indexing us, watching our actions, official and private, and have threatened to act in concert with the American Federation of Labor in defeating us, if we do not do their bidding. Let me read you an excerpt from a communication signed by the Chief of the United States Bureau of Efficiency placed in the RECORD by me on April 10, 1920:

UNITED STATES BUREAU OF EFFICIENCY,
Washington, D. C., March 3, 1920.

HON. THOMAS L. BLANTON,
House of Representatives, Washington, D. C.

MY DEAR MR. BLANTON: I have just received your letter of March 2, in which you make certain inquiries concerning personnel conditions in the executive departments in Washington. I will quote your questions and undertake to answer them in the order in which they appear in your letter:

"(2) May we expect efficient service generally from our employees as long as they are affiliated with the American Federation of Labor?"

I believe that the affiliation of Government employees with labor organizations must, of necessity, result in a reduction of efficiency in the departments. I am of the opinion that such affiliation has an unfortunate effect on the morale of the service. The employee comes to feel that his success depends not so much on his individual effort as on the political strength of the organization to which he belongs.

"(3) Is there not fully as much reason for separating our Government employees from strike organizations as there was for separating the police and firemen from such organizations?"

Yes; quite as much reason, and even more. In the event of police strikes or strikes involving a fire department it will always be possible, because of the relatively small number of people involved, for residents of the community to assume the burdens laid down by the striking policemen or firemen, and while it is true that inexperienced persons would not be able to safeguard the public interests to the same extent as could regular policemen or firemen, yet the danger to the community could be kept within reasonable bounds and situations of this sort could be taken care of with a relatively small loss to the public. In the case of a strike of Government workers, which might involve not merely a few employees, but practically the entire force in the Government service, the damage to the public interest would be far greater. Such a strike would practically result in the suspension of all the functions of the Federal Government. It would affect not merely a few people, or a few thousand people, but, practically speaking, the entire population of the country.

"(4) I call your attention to the attack made upon you in the Federal Employee, the official magazine of the National Federation of Federal Employees, for February 28, 1920, page 3 thereof, suggesting your demise, by reason of your late activities for efficiency. Is this veiled threat of the official organ of Government employees going to stop your activities and cause you to 'lay down'?"

My answer to this inquiry is, "No." I shall continue to work for economy and efficiency in the Government service without regard to threats that may be made by any person or organization.

Very sincerely, yours,

HERBERT D. BROWN,
Chief Bureau of Efficiency.

Now, Mr. Chairman, note that this chief of our United States Bureau of Efficiency states emphatically that we shall not have efficiency from our Government employees as long as we permit them to affiliate with the American Federation of Labor, and that such affiliation destroys the morale and causes Government employees to depend not upon their effort, but upon the strength of the American Federation of Labor. And note that he asserts that there is much more reason for requiring our Government employees to separate from the American Federation of Labor than there was for so causing the policemen and firemen of the District of Columbia.

After the fearful police strike in Boston, where in one night over \$300,000 worth of property was destroyed, and women were attacked, and thugs reigned supreme, this Congress finally awoke to its duty and gathered courage enough to pass laws compelling the police and firemen here to separate from the American Federation of Labor and all other strike organizations. And remember, Mr. Samuel Gompers defended the Boston police strike and criticized us for passing such laws over his command.

So, following the judgment and suggestion of Herbert D. Brown, Chief of the United States Bureau of Efficiency, I made a motion yesterday to require our Government employees to separate from the American Federation of Labor, and I forced a roll call vote on it, and only six Members would stand hitched. Let me quote the Record:

Mr. BLANTON. Mr. Speaker, I have a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BLANTON. I am.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

"Mr. BLANTON moves to recommit the bill to the Committee on Reform in the Civil Service with instructions to report the same back to the House forthwith with the following amendment, to wit: 'Page 3, line 9, after the figures "1919," strike out the period, insert a colon, and add the following proviso: "Provided, That none of the provisions of this act shall apply to and none of its benefits shall be received or enjoyed by any person who is a member of any association, society, organization, or union of Government employees which is affiliated with, subject to, or a member or component part of, or acknowledges the authority of, any higher or superior body or institution of organized labor; and, subject to the approval of the Secretary of the Interior, the Commissioner of Pensions shall make and enforce rules for the enforcement of this section and governing the method and character of proof required in order that employees may receive the benefits of this act."'"

Mr. LEHLBACH. Mr. Speaker, I make the point of order against the motion to recommit.

The SPEAKER. The gentleman will state his point of order.

Mr. LEHLBACH. That the motion to recommit is not germane. This bill provides that Government employees who reach a certain age and who have been in the Government service for a certain length of years shall come under the provisions of the retirement provided in the bill, if they fall within certain classes, and those classes in every instance are confined to the character of employment. The motion to recommit seeks to exclude from the provisions of the bill a class not based on the character of employment, but on some membership by the individual in some outside association or in some activity that is dissociated from the employment. If this were to include another class or to exclude another class, based on the character of employment, it would be germane, that being the only character or class considered in the bill. The provisions include those in the classified service and also those in the service of the Panama Canal, in the Botanic Gardens, and so forth, in every instance based on the character of service. This introduces a different classification and therefore is not germane.

The SPEAKER. The Chair understands that this same point of order was raised when this was offered as an amendment in Committee of the Whole, and that the point of order was overruled. The Chair, of course, is always disposed, if possible, to have the ruling in the House the same as in Committee of the Whole. It seems to the Chair in the present instance that this motion is in substance the same as if to say that the provisions of the act shall extend to all persons who were in the service of the Government, except certain persons. The Chair overrules the point of order.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 4, noes 157.

Mr. BLANTON. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-five Members present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll. The question is on the motion to recommit.

The question was taken; and there were—ayes 6, noes 318, answered "present" 2, not voting 100, as follows:

Blanton, French, Garner, Garrett, Mansfield, Rayburn—ayes 6.

Mr. Chairman, I will not give the negative vote, because I do not want to embarrass my colleagues. I deeply sympathize with them on these votes. Some of them are in close districts. The union vote is absolutely decisive. They know that if they vote against improper union demands, or for proper restrictions of unions, they will be defeated, as the unorganized vote never goes to any trouble to reelect, while the offended union vote spends time and money to defeat any Congressman who displeases them. Thus, such a motion requiring separation of Government employees from the American Federation of Labor could get only six votes in the House. It got only three votes in the Senate, so our brothers over there are feeling the effect of card indexing too. But what are you going to do when the

people wake up and begin card indexing their Congressmen? I must, however, get back to my subject and anarchy and Louis F. Post.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Oh, I can not refuse to yield.

Mr. LAYTON. I simply wanted to ask the gentleman this question: Instead of berating Congress for the sins of commission or omission of the Assistant Secretary of Labor, Mr. Post, does the gentleman not think that the blame should rest primarily upon the administration for not discharging him?

Mr. BLANTON. Oh, it rests upon this Congress. We could put him out of there in 40 minutes if your majority on this side who control legislation, who have it in the hollow of their hands, wanted to do it. You have been putting this truckling off on the Democratic Party long enough. You are in power now, and the people of the United States, when there is truckling going on, are going to hold you Republicans responsible for it.

Mr. LAYTON. Who put Mr. Post in?

Mr. BLANTON. Oh, I do not care who put him in—we are the ones who ought to put him out, and you know it as well as I do. What I have been preaching to you for a year and a half is true, and that is that this whole Department of Labor down there is full of it. Do you think that Secretary Post could be turning anarchists loose every day; that he could carry on private correspondence by telegram with such anarchists as Emma Goldman, and place such correspondence on the Secretary's desk, without the Secretary of Labor knowing about it and approving it? Did not the Secretary of Labor in the last convention of the American Federation of Labor at Atlantic City sit on the same platform with an anarchist—with Mrs. Rene Mooney, then indicted for anarchy, the wife of a convicted bomb thrower; and did he not tell you at that time he was doing everything that the Department of Labor could do to free Mooney?

The CHAIRMAN. The Chair will state that the gentleman from Texas has consumed 15 minutes.

Mr. BLANTON. Mr. Chairman, here is a great report that I want to commend the Immigration Committee for making. It took some courage to bring that out. Are we going to let it drop? Are we going to do nothing?

When the Attorney General asked us for a law last November, and had a bill prepared by him introduced here by the Representative from Ohio [Mr. DAVEY], your great Committee on the Judiciary approved it, and with some alterations introduced it, but when it went before your Committee on Rules the newspapers reported that Samuel Gompers would stop it. When Samuel Gompers and his attorney, this same Mr. Jackson Ralston, of Washington, who is known as the anarchist attorney throughout this land, appeared before your Rules Committee they killed the sedition bill as dead as Hector, and we have never been able to get it up again. And Jackson Ralston is now representing Louis F. Post before that committee, and he is going to kill this proposal to clean up the Department of Labor as dead as Hector. Or are we to wake up and begin to function?

Mr. CARSS. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Just a moment; I want to show you what I have to contend with, because I am making this fight. No wonder Louis F. Post has his private secretary, Hugh Reid, drawing \$2,340 from this Government, now engaged editing his Knot Hole against me. One of my colleagues from the Republican side yesterday told me that an employee of this Government told him night before last that they were going to put me out of this Congress if they had to spend a million dollars. One of my Republican colleagues told me that. Of course, such an assertion is ridiculous. But you will find many who have asserted here that I am to be defeated, regardless of cost, even to expending \$100,000 by the unions. Here is a letter that I received in the mail this morning from a banker in my district, and I want you to listen to it:

THE GUARANTY STATE BANK OF EASTLAND, TEX.,
Eastland, Tex., April 27, 1920.

HON. THOMAS L. BLANTON, M. C.,
Washington, D. C.

DEAR SIR:—Don H. Biggers, of Eastland, Tex., has this day deposited with me in trust the sum of \$250, to be paid to you upon the following conditions:

That you shall, on or before the 15th day of June, 1920, present to me, by mail, in person, or through any authentic source, the following affidavit, subscribed and sworn to by not less than 44 Members of Congress, or by Hon. CHAMP CLARK, Hon. CLAUDE KITCHIN, Hon. CHARLES R. CRISP, Hon. WARREN GARD, Hon. HENRY D. FLOOD, Hon. JAMES W. GOOD, Hon. JOSEPH WALSH, Hon. JOHN TILSON, Hon. JOSEPH G. CANNON:

"Affidavit: We, the undersigned Members of Congress, knowing and having been associated with THOMAS L. BLANTON, Congressman from the seventeenth congressional district of Texas, take pleasure in making affidavit to the fact that we regard said THOMAS L. BLANTON as a

truthful, honorable gentleman; a man absolutely honest and fair in his parliamentary tactics; and that he has been a valuable and efficient Member of Congress; and that his work has been valuable to the country."

The conditions governing the trust herein created are more fully set forth in a copy of letter from Don. H. Biggers to myself, herewith inclosed.

I have no interest or concern whatever in this matter, except that of following instructions this day given to me by Don. H. Biggers.

Very respectfully,

P. S. WOLFE, *Cashier.*

I have the respect, confidence, and friendship of every Member of this House whose respect, confidence, and friendship I deem worth while. I have made some hard, determined fights in this House and have made a few enemies, because I have fought against some of their plans and purposes. The nine Congressmen mentioned in this letter are nine of the ablest, most honorable, dependable Members of this House. I have such high respect for them and such confidence in them that I am going to propose to Mr. Samuel Gompers and his little tool the only chance they have to beat me and get me out of Congress is, if they can get these nine Congressmen named in this letter to make affidavit expressing negation to the statements required in said letter I will agree to resign my position. And each of these nine Congressmen have been faithful friends of organized labor and have voted for every reasonable and just demand made by organized labor; yet I am not afraid of their adverse report.

Go to all of the numerous employees of this House, to the clerical help, the reading clerks, the tally clerks, the Sergeant at Arms' department, the doorkeepers, the police, the pages, and messengers in and around this Capitol, and they are all my personal friends. Go to all of the employees in the House Office Building, and they are my personal friends. I believe that I have the respect, confidence, and friendship of every reporter on this floor who takes down our debates. But do you know why Don H. Biggers—and his silent partners—offer me \$250 to get affidavits from Congressmen? Do you know the reason they send me that letter?

Mr. CARSS. Have you received any affidavits yet?

Mr. BLANTON. I would not expect one from the gentleman from Minnesota, although I have been fighting not him, but I have been fighting his radical leaders, like Mr. Gompers, who puts in charge of the steel strike an anarchist, a man whom he knew to be an anarchist, like William Z. Foster. I am not fighting the gentleman from Ohio [Mr. COOPER]. God bless him! He is an honorable man, a high-principled, moral man, one of the best in this country. I am not fighting him. I am fighting anarchistic leaders. When they send me a letter like this, they know, in the first place, that I would not embarrass a Member of Congress by asking him to make any kind of an affidavit.

In the second place, they know that if a colleague of mine would sign a statement like that, Samuel Gompers and his bunch of radical leaders would turn loose upon them and do everything in their power to defeat them in their districts. This fellow Don H. Biggers edits a little newspaper called the Olden Advance, and reproduces in it attacks made here against me in Secretary Post's private secretary's Knot Hole, and he also uses several whole columns each week in vilifying me. And he puts this \$250 in the bank, sends me this letter, and then will go over the country and say, "BLANTON can not furnish a statement of good standing in the House of Representatives." This fellow Biggers is a splendid writer and a competent newspaper man, but has never used his talents for any good cause. I have nothing but compassion for him, however, as his boys are splendid, loyal, patriotic young men, who during the war served their country well and deserve every praise and commendation for it.

Mr. SABATH. Is this from a labor organization?

Mr. BLANTON. It is from a fellow by the name of Biggers. There are Members here who served in the Texas Legislature with him, and if they were put on the witness stand they would have to admit that Biggers "boozed" most of his time away and did nothing worthy of note, and finally resigned. He may, however, have stopped drinking now and may accomplish something in the next legislature.

That is not all I have to stand. I wish you could see some of the packages I have gotten through the mail lately, some of the 5-pound boxes of "candy" that have come from New York and other large cities addressed, "For the Blanton children, care of Congressman BLANTON, Washington, D. C."

A MEMBER. What kind?

Mr. BLANTON. Five-pound boxes of candy, but my children did not eat it. I have here a late package received through the mail. I will show you. This is such a novelty, an innovation,

it really makes a fellow feel good to get a package like this [indicating]. I had an inspector at the post office to open it for me. [Laughter.] I want to show it to you. When it was first opened the inspector and I thought it was dynamite. I did not blame him, as it looked like it by the way it was wrapped with the brown edges showing. What you see there is a brown-looking thing. It was all tied with strings, and from the way it looked the supposition was, when you opened one of those strings, it touched off a cap. Fortunately, he discovered it was harmless. Let me show you what it is. [Exhibiting a very large horseshoe.] It makes a fellow feel good when you get a horseshoe like that, and where on a nice card it is written in green ink, "The luck of the Irish to Congressman BLANTON." I do not mind getting anything of that kind.

Mr. SABATH. You do not get many of them, do you?

Mr. BLANTON. I do not get many of them from those men who are trying to repeal the Volstead Prohibition Act. [Applause.] I get commendation from the stalwart citizens of this country, those who have the interest of the young manhood at heart and who have placed upon our fundamental law a provision that whisky shall never be sold or manufactured in this country any more.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. May I have five minutes more?

Mr. BYRNS of Tennessee. I yield five minutes more to the gentleman.

Mr. BLANTON. Does anybody else want to ask a question?

Mr. SABATH. May I inquire again from whom this letter the gentleman read was received? Is he a labor man or associated with any labor organization?

Mr. BLANTON. He may belong to a typographical union, though I do not know that. He has been spending, I imagine, some of Mr. Gompers's slush fund, that he says he is going to defeat me with in my district. I imagine that. Because, otherwise, I do not see how he could afford to devote from a third to a half of his paper each week to such vicious attacks against me. Getting back to the question, what are you Congressmen going to do on this issue of anarchy? The country looks to you. It is depending on you Republicans now for action, because you are in power. Are you going to lie down? Do you think more of your office than you do of the people and that flag? Are you not going to make this country a safe place for people to live in?

Let me read to you again what the morning paper says:

It is disclosed by Mr. Garvan that several Members of Congress, three Federal judges, and an attorney recently active in investigating radical disturbances have been marked for assassination to-day.

Is the Congress of the United States going to be so weak-kneed that it is going to let this condition of fear on the part of public officials exist in this Nation? It is up to you. You can stop it inside of this week if you want to do so.

You can bring in a law here that will transfer the Immigration Bureau to the Secretary of State's Department and stop this monkey business, this anarchy, this "boring from within," this disruption of the Government of the United States, which ought to withstand this kind of anarchy. It is up to you. Are you going to let this matter die in the Committee on Rules, as the sedition bill died? Are you going to let Jackson H. Ralston, this anarchist attorney, stop it?

There is just one thing, let me repeat—there is just one thing that stands in our way and obstructs our passing a proper law and getting rid of this anarchy once for all; that is the American Federation of Labor. That is the only thing that makes us weak-kneed. It is the fear of the primary and the general elections and the loss of our position that makes us sit back and cringe, shall I say, like cowards? Oh, no!

Now, gentlemen, take it from me, the people of this country are not going to continue to charge it to the Democratic Party alone; they are going to charge both of us with it. They are going to charge Republicans and Democrats alike with it. They are going to hold us individually responsible in our districts. If we let this condition prevail long, some of these days you are going to hear from them. [Applause.]

The CHAIRMAN. The gentleman's time has expired. The gentleman from Iowa is recognized.

Mr. GOOD. Mr. Chairman, I yield two minutes to the gentleman from Kansas [Mr. LITTLE].

The CHAIRMAN. The gentleman from Kansas is recognized for two minutes.

Mr. LITTLE. Mr. Chairman, I beg the indulgence of the House for two minutes in order to call the attention of the Members to a bill to codify and consolidate the laws of the United States that has been laid before you this morning; and I hope

that Members will keep it, although it is asking a good deal, perhaps. But one-third of the laws of the United States are in that book, and two-thirds of them are to follow. We shall hope to have the approval of the House for it in December. There are lawyers who would be glad to pay \$5 for this calendar print, and I hope you will preserve it and make up your minds as to its correctness.

Mr. MADDEN. Where is it?

Mr. LITTLE. On your desks right now. The purpose now is to give it to you months in advance, so you can study it and find out if it is right or not; so that you can find out if it is the law reproduced as it was before in 1874. I would like to have you ascertain for yourselves. Each section shows the origin, in footnotes, and you can ascertain if it is the law.

I call your attention to this now so that you may not throw the document into the wastebasket, as I do with respect to most of the stray printed stuff that comes to me. [Laughter.]

Mr. McKEOWN. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. McKEOWN. Is this a codification or attempt to set out any repeal, or simply an attempt to give the law as it is now, and where the laws conflict to make them conform?

Mr. LITTLE. That is it exactly.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. MOORE of Virginia. I happen to be a member of the gentleman's committee, and I am glad to serve under such an able and energetic chairman. For the information of the House I suggest that the gentleman state what proportion of the laws we have already codified.

Mr. LITTLE. Yes; about one-third.

Mr. MOORE of Virginia. One-third?

Mr. LITTLE. Yes; fully.

Mr. MOORE of Virginia. And there is every prospect that in a few months we shall have thrown all the statute law into a single volume?

Mr. LITTLE. Yes. I hope by that time it will be done. I hope by that time our committee will have it ready for the House.

Mr. MOORE of Virginia. And that volume will be accessible at a very low price to the entire public?

Mr. LITTLE. I should think from what the printer tells me that we could sell it for \$5, all the laws.

Mr. MOORE of Virginia. And at the present time, as I understand, you can not buy a compilation of that sort for less than \$10, and the price ranges from that up to \$100?

Mr. LITTLE. That is what I understand.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. LITTLE. I ask unanimous consent for one minute more.

Mr. GOOD. I yield one minute more to the gentleman.

The CHAIRMAN. The gentleman is recognized for one minute more.

Mr. LITTLE. I just want to add this: The gentleman from Virginia suggests that it costs from \$10 to \$100 for a similar work, but you can not get this work. The private works of which the gentleman speaks are not equal to the official publications. They can not be introduced in evidence. The gentleman himself understands that, but I thought I would say a word in order that others might not be misled. There is no other book that can be introduced in evidence. If this book is issued it will be the law and can be used in evidence. At present you would have to introduce 36 volumes to prove all the law. The private publications are excellent and admirable, but they are not quite sufficient.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. RAKER. You take one section and you show the origin of that section, and if any part of it is repealed you indicate where it is repealed, and any addition that may have been made, and then the section as presented shows the law as it is to-day?

Mr. LITTLE. Yes, exactly; and such commentary as is made goes right to the foot of it, the history of the section, in fact.

Mr. RAKER. That is very desirable, and the gentleman and his committee ought to be complimented on that work.

Mr. LITTLE. I thank the gentleman.

A SAVING OF APPROXIMATELY \$600,000,000 IN THIS BILL.

Mr. GOOD. Mr. Chairman, the sundry civil appropriation bill is the last of the great supply bills to engage the attention of the House.

This bill, like all appropriation bills, is constructed on the estimates submitted by the various executive departments, as

provided by law. The estimates for this bill represent approximately one-fifth of the entire appropriations which the administration has requested for 1921. The total estimates for every branch of the Government service, including indefinite and permanent annual appropriations and other recognized charges not formally submitted, are roughly estimated at \$5,350,000,000.

The total of the estimates for the sundry civil bill is \$1,036,486,130.60.

The bill carries appropriations aggregating \$428,216,944.02. It carries \$608,269,185.68 less than the amount estimated by the executive departments. It carries \$320,462,436.43 less than the amount appropriated for the current year for the services or purposes usually appropriated for in the sundry civil act.

The savings effected by this bill alone amount to the grand total of \$608,269,185.68. Had this Congress adopted the course suggested by the administration's estimates on this bill, it would then be necessary for the Government to raise by taxation or otherwise approximately \$600,000,000 which the House has eliminated from these estimates.

The sundry civil bill, as its name implies, touches all of the civil branches of the Government service. The services that are provided with funds through this bill are so numerous and are subdivided into so many different activities that it will be impossible to give more than a general idea with regard to them in this discussion. When the bill is read for amendment each item will then be open for general discussion and debate. In that manner alone will the House be able to understand clearly and fully the extent to which this bill makes provision for governmental activities.

In the preparation of this bill the committee has been guided by certain fundamental principles. It recognizes that a reduction in taxation must precede a reduction in the high cost of living. To bring about normal living costs, therefore, it is necessary to commence with a reduction in national expenditures. Or, stated conversely, there can be no substantial reduction in the high living costs without a reduction in taxation, and there can be no substantial reduction in taxation without a substantial reduction in expenditures. Actuated only by a desire to bring about a more healthy condition in living costs and to meet a demand that is nation wide, the committee has examined the estimates with great care and has reduced them wherever a reduction could be made without injury to the service.

I have prepared a statement showing (a) the total estimates required for each of the 13 supply bills, (b) the amount originally estimated, (c) the supplemental estimates, (d) the total estimates for each bill, and (e) the amount carried in each bill as it passed the House.

I have assumed that the amount the sundry civil bill carries as reported to the House will be substantially the final judgment of the House. Doubtless there will be minor changes. But I hope that as the result of the deliberations of the House the amount carried in the bill will not be materially increased.

A SAVING OF APPROXIMATELY \$1,500,000,000 ON THE SUPPLY BILLS.

This statement does not, of course, deal at all with the permanent and indefinite appropriations, including the large expenditures of more than a billion of dollars in interest charges alone. It includes only those services estimated for in the annual supply bills. The total amount estimated for these 13 supply bills is \$3,591,292,027.17. The aggregate amount carried in these same bills as they passed the House is \$2,110,953,058. In other words, the House by its action on the 13 supply bills, assuming that the sundry civil bill will not be increased, has effected a saving over the estimates made by the executive departments of \$1,480,338,434.59.

It would be difficult to conjecture what would follow the acceptance of the estimates made by the executive departments of the Government and the appropriation of all the money that was asked for. Had this Congress adopted such a course it would then be confronted with the task of raising through taxation or otherwise an additional sum of approximately \$1,500,000,000.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. GOOD. Yes.

Mr. HARDY of Texas. Has the gentleman stated the total estimates as the total carried in the bill?

Mr. GOOD. Yes. Mr. Chairman, I ask unanimous consent to print the table I have referred to in full.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GOOD. The total estimates, exclusive of the permanent and indefinite appropriations, which include the interest on the Government debt, which is considerable more than a billion

dollars, were \$3,591,292,027.17. The total carried in the 13 supply bills as they passed the House, assuming that this bill passes in practically the amount that it carries, would be

\$2,110,953,592.58, a reduction in the estimates of \$1,480,338,434.49. The statement is as follows:

THE THIRTEEN REGULAR ANNUAL APPROPRIATION BILLS FOR 1921.

Statement showing the amount of the regular and supplemental estimates for each bill, the amount of each bill as passed by the House, and the increase or decrease in the estimates effected by each bill as it passed the House.

[April 29, 1920.]

Name of bill.	Regular estimates.	Supplemental estimates.	Total of estimates.	Bills as passed by House.	Increase (+) decrease (-) bills as passed the House compared with regular and supplemental estimates.
Agriculture.....	\$37,528,102.00	\$10,169,755.00	\$47,697,857.00	\$30,270,354.00	-\$17,427,503.00
Army.....	982,800,020.00	322,100.00	983,122,120.00	376,765,824.00	-606,356,296.00
Diplomatic and Consular.....	11,243,250.91		11,243,250.91	8,828,037.91	-2,415,213.00
District of Columbia.....	19,179,716.03	1,152,612.84	20,332,328.87	18,305,484.87	-2,026,844.00
Fortifications.....	117,793,330.00	134,000.00	117,927,330.00	18,833,442.00	-99,093,888.00
Indian.....	12,994,494.27		12,994,494.27	9,986,979.07	-3,007,515.20
Legislative, executive, and judicial.....	122,291,395.52	201,990.00	122,493,385.52	104,308,671.11	-18,124,714.41
Military Academy.....	6,778,637.20		6,778,637.20	2,139,912.70	-4,638,724.50
Navy.....	573,131,254.80	9,500,000.00	582,631,254.80	425,289,574.00	-157,341,680.80
Pension.....	215,030,000.00		215,030,000.00	214,020,000.00	-1,010,000.00
Post Office.....	391,713,673.00		\$391,713,673.00	461,528,368.00	+69,814,695.00
River and harbor.....	42,841,565.00		42,841,565.00	12,400,000.00	-30,441,565.00
Sundry civil.....	\$906,576,840.60	129,909,290.00	1,036,486,130.60	\$428,216,944.92	-608,269,185.68
Total.....	\$3,439,902,279.33	151,389,747.84	3,591,292,027.17	2,110,953,592.58	-1,480,338,434.59

¹ Includes \$8,000,000 for fiscal years subsequent to the fiscal year ending June 30, 1921.
² Estimate did not include provision for continuing temporary increases in compensation of postal employees provided in last annual appropriation bill and H. J. Res. 151, which have been continued for next year and for which the bill as reported carried \$75,783,900. Had these temporary increases been included in the estimates the bill as reported would have shown a decrease under the estimates of \$5,969,295.
³ Excludes \$100,000, which has been handled as a deficiency item.
⁴ Bill as reported to the House.
⁵ This sum includes only the estimates for 1921 for the thirteen annual supply bills and is exclusive of estimates for permanent appropriations (\$1,425,407,752.2) and miscellaneous items carried in special acts, and also exclusive of deficiency estimates for the fiscal year 1920.

Mr. GOOD. These savings are, indeed, large. The reductions have been sweeping, but they have all been necessary to bring our expenditures within the anticipated revenue. In making these reductions the several appropriation committees of Congress have not been unmindful of the needs of the various branches of the Government service. The reductions will not prevent the healthful and vigorous functioning of every needed governmental activity.

The savings, however, will involve retrenchment. It will necessarily mean the halting to some extent of a building program. It will mean the cutting out of certain war activities that ought to have been eliminated long ago. It may mean, too—at least the committee reporting the bill hope it may mean—the elimination of duplications and of overlapping in governmental activities. And, finally, the result will be greater economy and efficiency in every branch of the Government service.

THE NEED FOR BUDGETARY CONTROL OVER REVENUE AND EXPENDITURES.

The examination of the estimates submitted for the sundry civil expenses of the Government has furnished additional proof of the necessity for a budget system. It is, indeed, to be deplored that the greatest business enterprise in all the world, the Government of the United States, is conducted without a business or fiscal program and without due recognition of the simple business principles which men of affairs everywhere find necessary in the successful conduct of their business.

The House more than six months ago passed a bill providing for a budget system. At the time of the reporting of this bill no action had been taken by the Senate other than to hold hearings and report out a bill. In order to assure budgetary legislation at this session of Congress it was the judgment of the committee that the budget bill passed by the House should be carried as a provision in the pending measure. That provision has been made.

COMPARISON OF SUNDRY CIVIL BILLS, 1921 AND 1916.

I have prepared a further statement comparing this bill with the sundry civil act for the fiscal year 1916. That analysis shows the increases and decreases in the various items carried in this bill as compared with like items carried in the bill for 1916.

In this connection I feel that intelligent analysis of appropriations for 1921 for the several civil activities of the Federal Government should start with the prewar or 1916 expenditures. New elements of cost have intruded, of course. But prewar conditions—rather than the postwar conditions of 1918, 1919, or 1920—furnish the objective of our efforts to retrench and put the Government again on an economical and normal peace basis.

The comparison of the fiscal years 1916 and 1921 is as follows:

Comparative statement of the sundry civil appropriation act for the fiscal year ending June 30, 1916, with the sundry civil bill for the fiscal year ending June 30, 1921, as reported to the House of Representatives on Apr. 30, 1920.

Department or purpose.	Appropriated fiscal year 1916.	Recommended in this bill, fiscal year 1921.	Increase (+) decrease (-) amounts recommended in this bill compared with appropriation for 1916.
Treasury Department:			
Public buildings.....	\$19,428,737.50	\$12,442,078.50	-\$6,986,659.00
Coast Guard.....	5,652,900.00	9,499,940.00	+ 3,847,040.00
Engraving and Printing.....	3,812,500.00	5,884,000.00	+ 2,071,500.00
Bureau of War Risk Insurance.....		171,000,000.00	+171,000,000.00
Miscellaneous objects.....	1,027,700.00	1,186,970.00	+ 159,270.00
Customs Service.....	10,180,000.00	10,457,000.00	+ 277,000.00
Public Health Service.....	2,868,106.00	8,582,000.00	+ 5,713,894.00
Total, Treasury Department.....	42,969,943.50	219,031,988.50	+176,062,045.00
District of Columbia: Columbia Hospital for Women and Lying-in Asylum.....	75,725.00	20,000.00	- 55,725.00
Smithsonian Institution.....	589,500.00	654,620.00	+ 65,120.00
Interstate Commerce Commission.....	4,765,000.00	4,693,100.00	- 71,900.00
U. S. Board of Mediation and Conciliation.....	50,000.00	35,000.00	- 15,000.00
Commission on Industrial Relations.....	100,000.00		- 100,000.00
Federal Trade Commission.....	355,000.00	955,000.00	+ 600,000.00
Allen Property Custodian.....		455,000.00	+ 455,000.00
American Printing House for the Blind.....	40,000.00		+ 40,000.00
Fine Arts Commission.....	10,500.00		+ 10,500.00
Council of National Defense.....		75,000.00	+ 75,000.00
Employees Compensation Commission.....		2,654,940.00	+ 2,654,940.00
Federal Board for Vocational Education.....		90,000,000.00	+ 90,000,000.00
Interdepartmental Social Hygiene Board.....		1,015,000.00	+ 1,015,000.00
National Advisory Committee for Aeronautics.....	\$5,000.00	200,000.00	+ 200,000.00
Shipping Board.....		442,500.00	+ 442,500.00
Tariff Commission.....		300,000.00	+ 300,000.00
Rock Creek and Potomac Parkway Commission.....		200,000.00	+ 200,000.00
War Department:			
Armories and arsenals.....	633,600.00	2,233,800.00	+ 1,580,200.00
Quartermaster Corps.....	875,494.99	22,028,186.67	+ 21,152,691.68
National military parks.....	162,060.00	179,635.00	+ 17,575.00
Engineer Department.....	5,805,250.00	8,499,150.00	+ 2,693,900.00
Medical Department.....	137,500.00	151,500.00	+ 14,000.00

¹ Carried in naval appropriation act.

Comparative statement of the sundry civil appropriation act for the fiscal year ending June 30, 1916, etc.—Continued.

Department or purpose.	Appropriated fiscal year 1916.	Recommended in this bill, fiscal year 1921.	Increase (+) decrease (-) amounts recommended in this bill compared with appropriation for 1916.
War Department—Continued.			
National Home for Disabled Volunteer Soldiers	\$4,931,000.50	\$5,753,800.00	+ \$822,799.50
Back pay and bounty	55,000.00	1,500.00	- 53,500.00
Total, War Department	12,619,914.49	38,847,571.67	+ 26,227,657.18
Interior Department:			
Public buildings	223,000.00	111,950.00	- 111,050.00
Public Land Service	1,451,000.00	1,370,000.00	- 81,000.00
Surveying public lands	710,000.00	700,000.00	- 10,000.00
Geological Survey	1,355,520.00	1,655,700.00	+ 300,180.00
Bureau of Mines	757,300.00	1,277,642.00	+ 520,342.00
Reclamation Service	13,530,000.00	7,909,000.00	- 5,621,000.00
Protection of lands and property, Imperial Valley, Calif.	100,000.00		- 100,000.00
Testimony disbarment proceedings	500.00	300.00	- 200.00
Expenses in Alaska	2,335,000.00	7,526,400.00	+ 5,191,400.00
National parks	242,550.00	903,850.00	+ 661,310.00
Government Hospital for Insane	345,250.00	1,130,000.00	+ 784,750.00
Columbia Institution for the Deaf	76,000.00	103,500.00	+ 27,500.00
Howard University	101,000.00	158,000.00	+ 57,000.00
Freedmen's Hospital	60,640.00	94,520.00	+ 33,880.00
Total Interior Department	21,287,760.00	22,940,872.00	+ 1,653,112.00
Department of Justice:			
Public buildings	180,000.00	100,000.00	- 80,000.00
Miscellaneous objects	997,052.50	2,332,300.55	+ 1,335,248.05
Total Department of Justice	1,177,052.50	2,432,300.55	+ 1,255,248.05
Judicial:			
Payment to widow of late Justice H. H. Lurton	14,500.00		- 14,500.00
U. S. courts	7,239,096.00	10,393,556.00	+ 3,154,460.00
Total Judicial	7,253,596.00	10,393,556.00	+ 3,139,960.00
Department of Commerce:			
Lighthouse Service	5,100,000.00	7,770,000.00	+ 2,670,000.00
Coast and Geodetic Survey	1,365,620.00	1,842,570.00	+ 476,950.00
Bureau of Fisheries	1,095,340.00	1,209,310.00	+ 113,970.00
Bureau of Standards	90,000.00	87,272.00	- 2,728.00
Total Department of Commerce	7,650,960.00	10,909,152.00	+ 3,258,192.00
Department of Labor:			
Immigration Service	2,451,000.00	3,065,700.00	+ 614,700.00
Naturalization Service	275,000.00	525,000.00	+ 250,000.00
Employment Service		225,000.00	+ 225,000.00
United States Housing Corporation		1,065,000.00	+ 1,065,000.00
Women in industry		75,000.00	+ 75,000.00
Negro economics		15,000.00	+ 15,000.00
Total Department of Labor	2,726,000.00	4,970,700.00	+ 2,244,700.00
Legislative:			
Government Printing Office	306,136.00	422,000.00	+ 115,864.00
	5,417,115.00	7,236,293.20	+ 1,819,178.20
Panama Canal:			
Construction, maintenance, operation, etc.	16,940,000.00	9,281,851.00	- 7,658,149.00
Fortifications	2,639,048.30		- 2,639,048.30
Total Panama Canal	19,579,048.30	9,281,851.00	- 10,297,197.30
Grand total	126,922,750.79	428,216,944.92	+ 301,294,194.13

It will be observed that while this bill carries \$428,216,944.92 the sundry civil act for 1916 carried \$126,922,750.79. It must be borne in mind, however, that this bill carries very large items for which it was unnecessary to appropriate money in 1916. For example, it carries \$125,000,000 as compensation to the soldiers of the late war, it carries \$46,000,000 for hospital treatment of such soldiers, it carries \$90,000,000 for vocational education for the soldiers of that war, and it also carries \$21,500,000 for bringing back the bodies of our deceased soldiers who are buried on the other side. These four items aggregate \$282,500,000. They are chargeable entirely to the war.

EXCLUSIVE OF PROVISION FOR SOLDIERS AND SAILORS, INCREASE OVER 1916 IS BUT \$18,000,000.

The appropriations carried by this bill aggregate \$145,667,944.92 after the foregoing appropriation items growing out of the war have been eliminated from consideration. This is more by eighteen millions than the amount carried in the appropriation bill in 1916. Every dollar herein appropriated, however,

goes to pay for a necessary service or to purchase of essential materials and supplies. Then, too, service and material will be purchased at existing market prices, which are much higher than the market prices of labor and materials in 1916. Consequently it was necessary to appropriate more money to secure them. Furthermore, a moderate increase over 1916 has been found necessary to provide for a normal increase in the demands upon the public service since 1916.

Mr. BLAND of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOOD. Yes.

Mr. BLAND of Missouri. Is the amount appropriated for the return of the bodies of dead soldiers from France thought to be a sufficient amount for that purpose?

Mr. GOOD. It is thought by the committee that the War Department will not be able to expend anything like the amount carried in this bill during the next year. My opinion is that we could have cut that item by five or six million dollars and not have delayed for a single day the bringing back of a single body from France.

Mr. BLAND of Missouri. And would have brought all of them back that the parents and wives desire brought back?

Mr. GOOD. No. I do not believe that the work can all be done during the next year. It is proposed to bring back 50,000 bodies and to prepare for reburial in the cemeteries of France, as I recall, about 25,000 additional bodies. That work can not all be done during the next year. If England and the other countries should also require that the bodies of their soldiers be taken from France, you can see the congestion that would result, and you might bring on epidemic in that portion of France if attempt should be made to do this work all at once.

The work must be carried on with some degree of common sense and good judgment, but it was the opinion of the committee that inasmuch as Congress had already taken action in the matter, and inasmuch as France had now given consent to the return of the bodies of our dead, we should grant the appropriation asked. There has been a disposition on the part of some people in the Government service to pass the buck that the committee felt that inasmuch as it would require \$21,500,000 to bring back the bodies of our dead soldiers that it would be best to grant the appropriation at this time, even to the cent that was asked for by the department, so that the bereaved mothers and fathers and families of boys who lost their lives on the other side could not under any circumstances receive word from the War Department that the bodies of their dear ones were not returned because Congress had refused to grant the appropriation, and that is likely what would have happened if we had reduced the appropriation.

UNEXPENDED APPROPRIATIONS WHICH WERE MADE AVAILABLE TO REDUCE THE HIGH COST OF LIVING.

Complaint has been made of the failure of Congress to make appropriations to reduce the high cost of living. Executive officials have openly charged that the failure of the administration to bring down the cost of living was due solely to the refusal of Congress to make appropriation therefor. Appropriations have, however, been made by this Congress to reduce the high cost of living. In some instances, notably the appropriation to the Federal Trade Commission of \$150,000, remains unexpended. That commission recognized the fact that to have expended the money appropriated to reduce the high cost of living, although asked for by the Executive, would have been a flash in the pan, a total waste of the people's money. Therefore it refused to expend the appropriation. Other appropriations made to bring about a reduction in the cost of living have resulted in no appreciable decrease in price. But during the time this money was being expended the price of many of the necessities of life has materially advanced, sugar having advanced to double the price at which it was selling when the appropriations to reduce the high cost of living were granted.

No doubt it will again be charged that we have reduced some of the estimates where it was intended by the executive departments to spend the money to reduce the high cost of living. We have made some reductions where funds might be expended along that line. I submit that the action of the committee is entirely justifiable, when we remember that out of all the appropriations made for this purpose no substantial benefit in the way of reduction in the cost of living has come as the result of any investigation made by the Government into living costs. I am not surprised at the results, for when the appropriations were granted for this purpose it was recognized that the investigations proposed could have but little beneficial effect; but the failure to produce results certainly justifies the committee in refusing to waste additional funds in this way.

While it is impossible to discuss in general debate the two thousand or more items carried in this bill, there are a few items to

which I feel the attention of the committee should be called before the bill is read for amendment that will explain the theory upon which the bill was drawn. First and foremost are the provisions carried for the care and treatment of the sick and disabled soldiers in the World War.

Under the existing laws such soldiers are the beneficiaries of the Bureau of War Risk Insurance. Persons entitled to hospital treatment under the provisions of that act are placed by the director either in charge of the Public Health Service, in State institutions, or in privately owned hospitals. On February 6 there were 3,805 nervous and mental patients in hospitals, mostly in State institutions. At the end of the month of February there were 10,960 additional war-risk patients being treated by the Public Health Service either in the United States marine hospitals, the United States Public Health Service hospitals, original stations, or in private or State hospitals under

contract with the Public Health Service. Of said 10,960 war-risk insurance cases, 903 were being treated in marine hospitals, 4,578 in the United States Public Health Service hospitals, 363 in the 118 original stations, and 5,260 were being treated in other hospitals under contract with the Public Health Service.

At the close of the Civil War the Government entered upon a policy of providing homes wherein treatment could be given the disabled soldiers, sailors, and marines of that war, and at the close of the Spanish-American War these homes were thrown open to the sick and disabled soldiers of that war. There are 10 branches of the National Home for Disabled Volunteer Soldiers. The following table will give the location of these branches; the bed capacity, both for barracks and hospitals; the present membership; the vacant space on March 31, 1920; the gain and the loss in membership; and the vacant space therein on April 26, 1920:

Capacity and membership, National Home for Disabled Volunteer Soldiers.

[Actual on Mar. 31. Approximate on Apr. 26, 1920.]

Branches.	Bed capacity.		Total.	Members present Mar. 31, 1920.	Vacant space Mar. 31, 1920.	Membership changes since.		Vacant space Apr. 26, 1920. ¹
	Barracks.	Hospital.				Gain.	Loss.	
Central (Dayton).....	2,708	567	3,275	2,312	963	.....	256	1,219
Northwestern (Milwaukee).....	1,294	322	1,616	881	735	.....	20	755
Eastern (Togus, Me.).....	1,200	455	1,655	831	824	.....	30	854
Southern (Hampton, Va.).....	.....	.....	2,547	.....	2,547	802	.....	1,745
Western (Leavenworth, Kans.).....	1,966	391	2,357	1,597	760	.....	25	785
Pacific (Los Angeles).....	2,300	472	2,772	2,385	387	.....	10	397
Marion, Ind.	1,504	278	1,782	982	800	.....	25	825
Danville, Ill.	2,150	294	2,444	1,194	1,250	.....	35	1,285
Mountain (Johnson City).....	1,816	400	2,216	1,308	908	.....	235	1,143
Battle Mountain Sanitarium.....	.....	400	400	315	85	.....	.....	85
				11,805	9,259	802	636	9,093

¹ Approximate, no post return being received since Mar. 31, 1920, but accurate enough for practical purposes.

These homes are operated in connection with the farms upon which the buildings are located. In practically every one of the homes there is maintained a dairy herd, large enough to supply fresh and wholesome milk for all the members. The farming operations, as a general rule, are sufficient in extent to provide fresh vegetables and supplies. This arrangement has been found not only economical but very satisfactory in furnishing the membership of the homes with wholesome food and attractive surroundings, and attractive employment for those members who are able and desire to work.

It is the unanimous opinion of the committee, which went very thoroughly into the question of the management of these homes, that the Government is to be congratulated upon the economical and businesslike management of this institution. No agency in the Government is more efficiently operated or more economically conducted than the National Home for Disabled Volunteer Soldiers.

This table shows that on April 26, 1920, there were 9,093 vacant beds in these homes. In building these institutions it was recognized that a person who needs hospital treatment ought not to be turned out of the institution as soon as an operation has been performed, or as soon as he is able to leave the hospital where he has been treated for some disease. It has been found necessary, therefore, to provide the homes with both hospitals and barracks, so a member can be cared for in the barracks after intense treatment in the hospital. It may be necessary to provide additional hospital facilities in some of the barracks, and this can be done at a minimum of expense, out of the funds appropriated.

The Public Health Service has submitted an estimate for building new hospitals to provide hospitalization for the soldiers of the late war amounting to \$84,000,000. It has been pointed out by this service that their hospital facilities are inadequate. It is the judgment of the committee that the 9,093 beds in our soldiers' homes should be made available for the soldiers of the late war, and to bring this about it has been necessary to remove certain obstacles that now prevent a more generous use of these homes by these soldiers.

The law provides that certain soldiers are entitled to be admitted to the homes "who are disabled by disease, wounds, or otherwise, and have no adequate means of support." The pending bill makes certain that the homes shall be opened to the soldiers of this war, and eliminates the objectionable feature now on the statute books, which makes it necessary that a person be indigent before he can be admitted to one of the homes.

The evidence before the committee was to the effect that the cost for this year for hospital treatment for the soldiers

of the late war was on the basis of \$28,000,000, not including the amount expended by the Director of the Bureau of War Risk Insurance for the care and treatment of the nervous and mental patients in State and other institutions. It was estimated that the amount necessary to care for the mental cases would aggregate something like \$10,000,000 for the next year, although the amount actually expended for this year is much less than that sum.

The actual cost for care, provisions, clothing, and treatment for all members in the soldiers' homes during the past year was 97 cents per man per day. The actual cost for such treatment, not including clothing, for the persons under the care of the Public Health Service, was roughly estimated at something over \$4 per day. Under the law, the Director of the Bureau of War Risk Insurance has the power to place its patients in the institutions he may designate. The committee felt, therefore, that the appropriation for the care of these patients should also be made to the Director of the Bureau of War Risk Insurance, with power of allotment to the institution to which he might assign such patient, whether it be the Public Health Service or the National Home for Disabled Volunteer Soldiers, State hospitals, or private institutions.

By utilizing the soldiers' homes to their full capacity, unquestionably the situation will be relieved in a threefold aspect. First and foremost, the ex-service men who are in need of treatment and entitled to it under the law can be given the treatment immediately, and will not be compelled to wait until hospitals are built. Second. It will mean a large saving by the utilization of buildings already constructed, to take care of the soldiers of former wars, for the treatment of the disabled soldiers of this war. Third. The proposed utilization of these homes which have been so successfully conducted will result in a saving of at least \$10,000,000 annually.

Mr. CANNON. Will the gentleman yield?

Mr. GOOD. Certainly.

Mr. CANNON. At these homes the Government owns the land?

Mr. GOOD. Yes.

Mr. CANNON. They have farms, and they could double or treble their capacity in buildings if necessary?

Mr. GOOD. Yes.

Mr. CANNON. I do not believe it will be necessary to any very great extent. They have central heating plants and laundry plants and all that kind of thing, so that if additional accommodations have to be provided to care for the soldiers of this war, instead of requiring \$3,000 a bed, to acquire land and build the hospitals from the ground up, it could be done for a much less amount, as I have indicated, at these homes,

where the Government has not only room and farms and heating plants and all that kind of thing, but it could be done with much better administration, with the organization that the soldiers homes have, than we could hope for during the lifetime perhaps of almost any existing Member of Congress.

Mr. GOOD. The gentleman from Illinois [Mr. CANNON] is entirely correct. All of these homes are surrounded by fine farms. These farms are run by the board of managers. At the Los Angeles Home last year they put up 57,000 quarts of preserves, and what they did not use there was sent to the other homes. The homes are run in a businesslike way. This year in the month of February you had about 10,000 soldiers in the care of the Public Health Service, and by this legislation and this appropriation we make available practically immediately a bed capacity almost equal to that which is now used by the Public Health Service for the care of the soldiers of this war.

An examination of the bill will disclose that it is practically a maintenance bill, so far as it relates to construction. Reductions in estimates for building construction and development work are large. In the more important items we have made the reductions as follows:

Public buildings.....	\$11,010,525
Armories and arsenals.....	6,353,559
Military barracks, Hawaii.....	2,968,000
Military barracks, Panama.....	11,242,125
Buildings and grounds, Washington, D. C.....	596,000
Reclamation Service.....	12,695,000
National parks.....	1,452,007
Howard University.....	\$1,545,937
Lighthouses, beacons, etc.....	6,759,900
Panama Canal.....	8,963,540

A total reduction of..... 63,584,593

Other reductions in minor items for building and construction were made on the same theory. Obviously such construction ought not to be carried on at a time when prices are so abnormally high. It is apparent that there is a shortage of material as well as labor. With this condition confronting us the Government ought not to enter into competition in the matter of buildings and improvements, and thereby complicate the situation. It would in the first place make living costs higher to those who are compelled to build homes and make improvements. In the second place, the Government would make abnormal expenditures owing to the prevailing conditions. It was the opinion of the committee that this building program could wait without injury to the Government service. All told, the building program which has been eliminated is approximately \$70,000,000. When this building program can be taken up and completed will depend altogether upon conditions. Certainly that program ought not to be carried on at a time when the work would necessitate the levying of new taxes and when it would retard private enterprise and development. The committee realizes that when these conditions improve it will be necessary to build additional facilities for the Lighthouse Service, to build additional public buildings for Government activities, to improve the highways in the national parks, and to make other needed construction outlays.

THE RECLAMATION SERVICE.

The reduction of over \$12,000,000 in the estimates for the Reclamation Service was made, however, for quite a different reason. The necessity of bringing additional lands under production as soon as possible was obvious, and the bill carries appropriations aggregating \$7,909,000 for that purpose. That sum will exhaust all of the funds in the Treasury available for reclamation service. The Director of the Reclamation Service believes that additional funds arising out of the operation of the oil-leasing act would be available during the year. The committee found, however, that all of the money derived through the operation of that act has been paid under protest. The extent to which such funds may be available for reclamation service is necessarily problematical. The committee therefore decided it would be unwise financing to count upon any portion of those payments for reclamation projects for the next fiscal year, and for that reason it eliminated estimates aggregating \$12,695,000.

WAR-RISK INSURANCE.

In the judgment of the committee the amount estimated for the payment of military and naval compensation was in excess of the anticipated requirements. During the present fiscal year there has been expended up to March 31, in the payment of such compensation, \$83,000,000. The present monthly rate of expenditure for such purposes is approximately \$7,400,000. Assuming that this rate of expenditure will increase somewhat for the months of April, May, and June, the total amount paid out for military and naval compensation will aggregate approximately \$113,000,000. There was available for this purpose for the present fiscal year \$135,000,000.

Unquestionably the rate of expenditure for the next fiscal year will exceed that of the present fiscal year. The appropriation, however, makes allowance for this. If the rate of expenditure reached the sum of \$12,000,000 per month, as against an average of about \$7,400,000 per month for the present fiscal year, the bill would make ample provision. It carries a total of \$147,000,000, as follows:

An unexpended balance of this appropriation at the end of this fiscal year, approximating \$22,000,000, is anticipated. The bill reappropriates the unexpended balance, and also carries an additional appropriation of \$125,000,000, thus making available for the next fiscal year the sum of \$147,000,000 for the payment of military and naval compensation to the soldiers of the late war.

THE SHIPPING BOARD.

By far the largest reduction was made in the estimate for the emergency shipping fund. The Shipping Board requested an appropriation of \$446,270,652. No direct appropriation is carried in the bill for the completion of the ship-construction program or for the payment of claims on canceled contracts.

It developed in the hearings that the Shipping Board would have on hand on July 1 approximately \$60,000,000. There is due the United States Shipping Board Emergency Fleet Corporation from the Army on account of transportation approximately \$130,000,000, and the board believes that it will receive from that source approximately \$70,000,000. The board also estimates that it will receive on account of ships sold prior to the taking effect of this act \$15,000,000; that it will receive during the next fiscal year approximately \$25,000,000 from the sale of surplus materials and plants. It also estimates that it will receive approximately \$30,000,000 on account of ships that will be sold during the next fiscal year. The income from the operation of the ships is problematical.

Mr. Gillen, special assistant to the chairman of the Shipping Board, made the following statement before the committee:

This being a liquidating job, we should be told that there were not any appropriations for us, and that we should see to it that out of our own liquidations we get sufficient funds to take care of our needs.

The board estimated that its requirements will be as follows:

Contract claims.....	\$125,000,000
Repairs to ex-German ships.....	44,000,000
Completion of contracts.....	84,000,000
Administration.....	24,000,000
Capital fund for operation.....	29,000,000
Total.....	306,000,000

Unquestionably some of these estimates are excessive, and the total estimate can be very materially reduced. Assuming that the estimates of its available resources are correct, and that there will be on hand \$60,000,000 of cash on July 1, that it will receive \$70,000,000 from the Army, and that it will receive \$15,000,000 from the sale of ships heretofore made, \$25,000,000 from the sale of surplus materials, and \$30,000,000 from the sale of cargo ships which are to be sold, the Shipping Board would have \$200,000,000 to carry on its work for the fiscal year 1921, especially if the estimated requirements for the reconditioning of the German ships were eliminated. The bill therefore carries no direct appropriation for the emergency shipping fund but makes available all unexpended balances on hand July 1 next, as well as funds that may be received because of operations and in addition thereto \$70,000,000 from the sale of ships and surplus materials. It is believed that these funds will prove ample.

The committee are not a unit with regard to this item. The bill does not carry any appropriation at all, but simply makes available these funds, which, with the operating income, whatever that may be, will be enough to do the work that the Emergency Fleet Corporation ought to do. Now it is proposed to spend \$44,000,000 to recondition 22 ex-German ships. You will recall having read in the newspapers with regard to the injunction issued to restrain the sale of those ships.

We took over during the war 95 German ships, and we have sold quite a number of them. It was proposed by the Shipping Board to sell these 22 passenger ships, and I think a great deal of misapprehension prevails throughout the country, and even in Congress, with regard to those ships. Inasmuch as the committee have not allowed the \$44,000,000 estimated to recondition these ships, I think that the House at this time should understand just what is involved.

When we took over these ships it was after an attempt had been made by the Germans to destroy them. The delicate machinery was injured to such an extent that it was necessary to make extensive repairs, but the repairs were hurriedly made. The ships were then practically dismantled. The expensive interiors were removed. The wiring was taken out. Practically nothing was left of the ships except the hulls. Some im-

provements were made to make transports out of them, and they were put into the transport service, and they are in that condition now.

Now, these ships must be practically rebuilt if they are to become passenger ships and serve the purpose for which they were constructed. At least all the interior must be replaced if they are to be put in the passenger service. Those ships are 16 years old, on the average. That is, on an average they have been in the water 16 years. The average life of a ship of this character, so the committee were advised, is around 22 years. Certainly the Shipping Board proceeded in a businesslike way in making the investigation looking to a sale of the ships. They employed a firm of expert appraisers, and this firm appraised every one of these ships, and then the board offered them for sale. I have seen the appraisal. It was not thought best to put the appraisements in the Record, but one ship on the list which, I remember, for example, was appraised at \$800,000, and the bid received was, as I recall, about \$1,200,000, or about \$400,000 more than the appraisal. Now, this House has passed a bill, almost unanimously, directing the sale of the ships we have acquired. It is proposed here by this estimate to place more than \$2,000,000, on an average, on each one of these old hulls to recondition them and then offer them for sale.

Suppose we do that, and you are a buyer? You go before the Shipping Board and you say, "Admiral Benson, what is the price of this ship?" Let us suppose that he will say, "\$3,500,000." You would say, "Oh, that is too much." Admiral Benson would reply, "We have just spent \$2,000,000 in reconditioning that ship." You answer, "Yes; you wasted \$2,000,000 on that ship. I would not have reconditioned that ship in that way. You have spent money uselessly and needlessly."

The committee felt that if these ships are to be sold they ought to be sold now, and that the taxpayers should not be required to dig down into their pockets and raise \$44,000,000 to recondition these ships that will be reconditioned for somebody else, but rather that the shipping interests that buy them should recondition them themselves. [Applause.]

That may be a mistaken policy. We shall never get back to normal conditions if we keep on taking this war activity and that war activity and carrying it on and on to the extent of improving all the property that came to us through the war. Our part ought to be to sell the property as soon as we can get a fair value for it and let the man who buys it improve it as he would have it.

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. GOOD. Certainly.

Mr. MOORE of Virginia. As I understand from the gentleman's statement, as soon as the bill to which he refers becomes a law it will be possible for the Shipping Board to effect the sale of these vessels?

Mr. GOOD. Yes. I think there is a contention on the part of the Shipping Board that they now have the right, but that has been disputed in the courts.

Mr. MOORE of Virginia. That contention is in issue?

Mr. GOOD. Yes.

Mr. MOORE of Virginia. And, as I understand, the policy that was pursued by Judge Payne, the head of the Shipping Board, was in line with this legislation which we are seeking to enact.

Mr. GOOD. I think so.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. GOOD. Yes.

Mr. HARDY of Texas. Judge Payne said before our committee that he had consulted good lawyers who thought there was no authority under existing law. I forget whether he was of the opinion that he did have the authority or not; but, at any rate, there were lawyers who said he had not, and he thought it was his duty, in that doubtful situation, to ask Congress for direct and specific authority.

And therefore he did through our committee generally ask for that authority, and we undertook in the presentation of the bill to give him that authority. While I am on my feet I wish to say that the whole matter out of which that injunction grew was presented by Judge Payne before our committee, and we found, I think I may say for both the Members on the Republican and Democratic sides of that committee, that he was apparently doing everything he could to realize a fair price for the Government in case there should be any sale, and, furthermore, that in offering those vessels for sale he expressly reserved the right to reject any and all bids; and he gave one or two instances, such as the gentleman has mentioned, where he thought the price offered might be more than the Government would ultimately realize should it first improve or refit these ships, and it is, as the gentleman says, a great problem whether it is wiser for the Government to refit these ships now or to

sell them now, because, as the gentleman has well said, after we have expended our money and refitted them we may not be able to get back the amount we have expended.

Mr. GOOD. Now, it has been stated that Congress ought to avoid that issue, that the Shipping Board is passing the buck to Congress, and that by refusing to grant the \$44,000,000 asked for we then accept the problem that has been passed, whereas we ought to pay no attention to it, except make the appropriation asked for. It seems to me that we are just in the position where we can not escape our duty. If, on the other hand, we appropriate the money we will have accepted the buck and will have indorsed a program contrary to the action of the House heretofore taken, contrary to, I believe, the sentiment of 90 per cent of the people of America; that is, of improving all of these things that have come to us as a result of the war and which we expect to sell.

Mr. OLIVER. Will the gentleman yield?

Mr. GOOD. I do.

Mr. OLIVER. To what extent did the resolution passed by the Senate interfere with the immediate sale of these ships?

Mr. GOOD. I do not know as to that; I was not aware that the resolution had actually passed. I knew it had been introduced.

Mr. OLIVER. My understanding is that the resolution has passed the Senate, and that it was not a joint resolution. May I ask if the inquiry by the committee developed the expense incident to the retention of these ships by the Shipping Board in their present condition?

Mr. GOOD. I do not know that I catch the gentleman's thought.

Mr. OLIVER. I remember noticing that it was claimed by the Shipping Board that a very large expense was incidental to the further retention of those ships, and I was anxious to know whether the inquiry of the gentleman's committee disclosed what that expense was to the Government?

Mr. GOOD. The investigation that the committee made of the matter did not extend to the question of the actual maintenance and upkeep outside the reconditioning of the ships. The committee felt that inasmuch as this matter was in Congress and would be disposed of by this Congress in some way, authority given one way or the other, that this nominal charge for maintenance would be paid. Some of those ships have not yet been returned to the Shipping Board from the War Department, unless returned recently. The Shipping Board has in mind the leasing of these ships if they are not sold or reconditioned, and if they do the maintenance will be taken care of by the lessee.

Mr. HARDY of Texas. Will the gentleman permit me to answer there? The Committee on the Merchant Marine and Fisheries did have considerable hearings involving evidence from the chairman of the Shipping Board, showing what the cost to the Government of the upkeep and maintenance of those ships in their present condition was at this time, so that perhaps the gentleman from Pennsylvania [Mr. EDMONDS], who is a great rememberer of details, might give at this point some very definite recollection of that.

Mr. EDMONDS. If the gentleman will permit, I would like to say I do not remember exactly. Of course, a great many of these German ships are in operation, and have been in operation. Some have been tied up, and of course when tied up if it is going to cost considerable money for wharfage, watchmen, and men necessarily on board. I do not remember the exact sum, but on some ships it will be considerable.

Mr. HARDY of Texas. I was simply stating I thought it was a considerable sum and I thought that my colleague from Pennsylvania might perhaps remember.

Mr. EDMONDS. It is a considerable sum.

Mr. GOOD. Of course, it is not comparable to what is being asked to recondition them?

Mr. EDMONDS. Not at all.

Mr. GOOD. A very small item.

Mr. EDMONDS. If the gentleman will yield, the disclosures in the committee showed the depreciation of these ships is about 3 per cent on their age, and it shows that Government reconditioning, at the price the Shipping Board says it would cost, would involve a loss of over \$6,000,000, taking into consideration the price in the bids the last time bids were opened for those particular ships. And I would like to say, further, I fully agree with the suggestion of the chairman of the Committee on Appropriations in regard to these ships. They ought to be sold before, not after, being repaired and reconditioned.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. GOOD. I will.

Mr. HARDY of Texas. The bill that we were preparing and did prepare left the discretion in the head of the department to sell or not to sell. It simply left it with him as a proposition

to be acted upon in his best judgment, which I think is the best course to take.

Mr. GOOD. It seems to me that that is practically all that can be done. It is an administrative function pure and simple, one that Congress can not deal with except to grant the power.

The committee have been impressed with the fact that the Shipping Board has been miserably and poorly managed. It has had at the head of it some very eminent men, and in making the statement that it has been poorly managed I do not wish to reflect upon the business judgment or executive ability of any of the very able gentlemen who at different times were placed at the head of the Shipping Board. I am led to make that observation because of a policy that ought not to have been followed at all; a policy that has resulted in confusion and extravagance. In the first place, Gen. Goethals and Mr. Denman were placed there. Why Gen. Goethals was tied up with a man who did not want to go no one even knew. Following them was Mr. Hurley, and then came Judge Payne, and then Admiral Benson. This enterprise, involving a property valued at more than \$3,000,000,000, ought to have had at its head one of these men from the beginning to the end, so that there might have been a national policy, a continuous policy, and a program of economy all the way through. One man simply got his chair warmed when he went out, and another came in, and so on, and as a result to-day the Emergency Fleet Corporation do not know where they stand financially; they do not know how much money they have; how much they owe; and do not seem to have a decent set of books. It is a national disgrace.

It is deplorable that an arm of the Government handling so much of the people's money and producing so much in the way of ships has not been conducted in a businesslike way from the start to the finish, and the difficulty is not with the ability of the men at the head, but with the unbusinesslike policy of changing them with almost every change of the moon.

Mr. HARDY of Texas. Will the gentleman yield right there?

Mr. GOOD. Yes.

Mr. HARDY of Texas. When this Shipping Board was first created, Mr. Denman, of California, was placed in charge of it, and there grew up such a controversy between him and Gen. Goethals that both Gen. Goethals and Mr. Denman resigned. After that Mr. Hurley was placed in charge, but it was in the hurly-burly of war, and what the gentleman says by way of criticism during his administration was largely and unavoidably correct. But as soon as Mr. Payne took charge of the administration, I want to say that, having made some investigation, he exercised most remarkable capacity in bringing order out of chaos.

Mr. GOOD. I agree with the gentleman entirely. He ought to have been left there. He ought to have been kept there. That is what I am complaining about. It is this thing of moving men from one place to another, that is so prevalent in many of the departments to-day, that is a crime and a waste of public money. They can not do good work in that way.

Mr. HARDY of Texas. Just one suggestion in connection with that. I think the gentleman is probably right—that we have never had any better administrator than Mr. Payne. He brought about a systematic organization of bureaus, an organization of the different departments, and so when he retired he transmitted to Admiral Benson a very perfect system.

Mr. GOOD. I have but the kindest words for each of these men. I would not lay anything at their doors. Each one was able to do the work and do it well, but about the time he was able to do his best work he was ousted; some one else came in and had to learn the business.

Mr. HARDY of Texas. One thing further. Admiral Benson had been connected with the shipping interests considerably, and my recollection is that Mr. Payne stayed for quite a while in the office in order to induct Admiral Benson into all the knowledge he had of the matter.

Mr. GOOD. Of course Admiral Benson has a great knowledge of shipping. He is a man of great executive ability, but who knows when he will be out and some new man put on the job? No matter how efficient the man you can not get the best out of him until he learns his job, and when he learns it he should be retained; drafted, if need be.

SUPERPOWER PROJECT.

The superpower item of this bill is unique, perhaps. It is, I believe, a vitally important one.

Government can not stand still. It must advance. It must provide for a healthy growth of every useful governmental activity. Throughout the bill will be found numerous items making adequate provision for a normal and healthy growth. This policy can be best illustrated by the provision found in the bill providing for a survey of power production and de-

velopment in the United States. The bill carries \$125,000 for that purpose.

The Director of the Geological Survey and the Director of the Bureau of Mines called attention to an alarming condition with regard to the supply of fuel oil in the United States. The Director of the Geological Survey estimated that the present rate of consumption would exhaust the total supply of fuel oil in the United States within 20 years. The Director of the Bureau of Mines estimated that the supply, based on present consumption, would be exhausted within 10 years.

This statement in itself was sufficient. The committee investigated the subject thoroughly for the purpose of ascertaining whether some substitute for fuel oil could not be found. The bill provides for a Government survey of the entire power situation covering the territory stretching between Boston and Washington. This survey will be made by scientific experts employed by the Government to ascertain the feasibility of utilizing coal at the mouth of the mine and at tidewater and the surplus of power made by large manufacturing and power plants within the territory.

The survey is a practical undertaking. Its results can be seen and roughly appraised in advance. The survey, moreover, is not new. A few years ago the New York, New Haven & Hartford Railroad Co. made a survey touching the matter of power used on its lines. The result was the electrification of their entire system. Prior to that time when the system was electrified, 8 pounds of coal produced 1 horsepower. After electrification it required but 4 pounds of coal to produce 1 horsepower.

The saving to be effected by manufacturing in the utility plants in the small territory where it is proposed to make the survey will exceed, according to reliable estimates, \$30,000,000 per year.

The survey provided by this bill is essential. Without it, it would be difficult, if not impossible, to interest the capital necessary to develop the superpower project.

The survey represents Government initiative and cooperation, which will result in savings to the country of hundreds of millions of dollars annually. It will result in a great saving in the direct cost of fuel. It will furnish a reserve source of power for transportation and utility companies, which will be of large value in times of labor disputes and other emergencies. The principle can be applied broadly. Its benefits will accrue to towns and villages and to the farms of the country.

Mr. Chairman, I want at this time to express my very hearty appreciation of the splendid service and cooperation of every member of the Committee on Appropriations.

The work of that committee has been unusual. During the war we made appropriations often without question. The mere suggestion that money was necessary to carry on the war and a request for it brought forth the appropriation. Now, however, that the war is over, and with these heavy overhanging war expenditures, with the expenditures running along with, if not exceeding, the revenues, it becomes more and more necessary for the committee to examine the estimates in detail, to study them carefully, and to arrive at sound conclusions in regard to the appropriations. In this great task the Committee on Appropriations has done what I believe to be real teamwork. I am very happy to say that, so far as members of the subcommittees that prepared this bill are concerned, for more than two months they have given unsparingly of their time and strength to the preparation of this measure. Their work was without bias or partisan tinge of any kind.

I can not too strongly express my very high appreciation of such splendid service. With no motive actuating them except to perform a real Government service, these associates in a very large measure are entitled to the credit for the reductions made in the estimates and for the policy adopted by the committee. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, before I proceed to discuss one or two provisions in the pending bill I desire to refer very briefly to a statement that was issued by the majority leader, the gentleman from Wyoming [Mr. MONDELL], on Thursday in anticipation of the introduction of this bill and to which my attention has been called.

The statement issued by the gentleman was to the effect that this was the last of the great supply bills to be reported to the House for the next fiscal year, and that the reduction in the estimates for all of the various appropriations required for the fiscal year amounted to \$1,500,000,000 in round numbers. He referred to that as a saving which had been made by this Congress to the Treasury of the United States.

I have heard some gentlemen on the majority side of this House refer to some of these reductions as a saving, in the course of political speeches made on the floor, but I confess

I was very much surprised when the gentleman from Wyoming, who has had such a long and splendid career in this House, broadly claimed a reduction of estimates submitted by the departments to be a saving on the part of Congress or a positive proof of its economy. I was equally surprised when the gentleman from Iowa, the distinguished chairman of the committee [Mr. Good], in the course of his remarks this morning referred to the various reductions made in the estimates on appropriation bills as a saving to the Treasury.

In the sense that Congress fails to appropriate the amount of money estimated for, it is a saving, provided we are willing to assume that the administrative departments would wrongfully expend all the money that was appropriated for their benefit, even though it might not be needed during the next fiscal year for the ordinary and necessary activities of the Government. But if, on the other hand, it be intended to have the inference drawn that this Congress by reducing the estimates in the amount named has acted differently from preceding Congresses, then I take issue, because there is no well-informed man who does not know that it has been the uniform custom of all Congresses, whether Democratic or Republican, to largely reduce the estimates which come to Congress from the various departments.

As the gentleman from Iowa stated, the estimates have been reduced for the next fiscal year by about one billion and a half dollars. If that is to be called a saving to the Treasury then I want to call your attention to the fact that for the fiscal year 1918, when both branches were Democratic, the estimates were reduced in the sum of \$5,554,161,598.31. [Applause on the Democratic side.]

If you measure the reduction during 1918 by the same yardstick with which the gentleman from Wyoming and the gentleman from Iowa seek to measure the reduction of the estimates for the next fiscal year, I submit the record for saving made by a Democratic Congress for 1918.

I took pains, gentlemen, to examine the records of a number of preceding Congresses to see just what the action of those Congresses were on the estimates submitted by the departments. I find that in the past 12 years, with only three exceptions, every Congress, whether Republican or Democratic, has largely reduced the estimates submitted by the departments. One of those exceptions occurred in 1917, when both branches of Congress were Democratic, and there was an excess of appropriations of something like \$79,000,000 over and above the estimates. You gentlemen who were in Congress at that time will recollect that that was due to the fact that after the estimates had been submitted by the Navy Department Congress decided to adopt a preparedness program—a new shipbuilding program for the Navy. On that account a greater sum was appropriated than was originally estimated for, but the estimates for all other purposes were largely reduced.

The other two exceptions were for the fiscal years 1911 and 1912, when there was an increase over the estimates submitted by the departments. That was the Sixty-first Congress, and at that time it had a Republican majority in both branches. With those three exceptions, I repeat, there has not been, within the last 12 years, a session of Congress which has not largely reduced the expenditures below the estimates submitted by the departments, and I dare say if you go back further you will find the same to be true.

Let me call attention to some of the reductions that were made for the year 1916 and prior years when the majority in Congress was Democratic, and when appropriations were being made for normal activities of the Government in something less than a billion dollars to carry on the expenses of the Government. Congress reduced the estimates more than \$20,000,000 in 1916. For the fiscal year 1915 the estimates were reduced more than \$30,000,000. For the fiscal year 1914 they were reduced more than \$38,000,000. For the fiscal year 1913 they were reduced more than \$10,000,000.

I have already referred to the fiscal years 1911 and 1912. For the fiscal year 1910 they were reduced more than \$38,000,000, and more than \$49,000,000 for the fiscal year 1909.

I cite these figures simply to show the absurdity of the claim put forth that merely because this Congress has reduced the estimates submitted by the departments six or eight months ago it has made a saving to the Treasury, and that the mere fact of reduction shows economy on the part of Congress. The only way you can learn whether Congress has been economical is to compare the appropriations for the next fiscal year, two years after the war has come to a close, with appropriations made for similar activities for the prewar period. I lay it down as a fact that can not be disputed, that all supply bills for the next fiscal year, carrying appropriations for the same activities that were provided for before the war, will show a

greater sum for those particular activities than was appropriated by a Democratic Congress before the war began.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. DAVIS of Tennessee. I will ask the gentleman if that is not the fact even with respect to activities that do not pretend in any manner to relate to the Army or naval activities?

Mr. BYRNS of Tennessee. The gentleman is entirely correct. It was stated by the gentleman from Iowa [Mr. Good] that for the fiscal year 1916 the sundry civil appropriation bill carried \$125,000,000, while this bill carries \$428,000,000; but, as the gentleman from Iowa clearly said, there should be deducted from the \$428,000,000 something like \$282,000,000 for activities growing out of the war. However, when the appropriations for those particular activities are deducted, it will be seen that the pending sundry civil appropriation bill carries something like \$145,000,000, as compared with \$125,000,000 for the fiscal year 1916. It may be said, as the gentleman from Iowa has well said, that that is merely a normal increase, and I am not disposed to quarrel with him upon that proposition. Perhaps it is, but I wish to repeat that if you will compare the bills for the next fiscal year with the appropriation bills which were passed before the war, you will find that there has been no reduction and in many cases there has been a substantial increase over the amount appropriated before the war started.

Mr. HULL of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. HULL of Tennessee. I was interested in the figures the gentleman cited to the effect that all Congresses make smaller amounts of appropriations in the aggregate than the estimates sent by the departments. I notice that the gentleman from Wyoming [Mr. MONDELL] gives out weekly and semiweekly statements to the press respecting the economies effected in this Congress. The question I desire to ask is whether, according to the standard of economy on which he bases these figures and claims a saving of a billion and a half dollars, by the same standard previous Democratic Congresses under this administration have not saved from five to six billion dollars?

Mr. BYRNS of Tennessee. The gentleman is entirely correct.

Mr. HULL of Tennessee. But the whole thing is really a piece of sophistry which can only fool the people.

Mr. BYRNS of Tennessee. But it does not deceive anyone in Congress, nor do I think it will deceive any well-informed man in the country. I may say, as further showing the absurdity to which my colleague from Tennessee has called attention, in respect to these statements of the gentleman from Wyoming, that I had occasion to run back over the appropriations recommended by the Committee on Appropriations for the past eight years and during Democratic control of Congress. I excluded the appropriations made during the last session of the Sixty-fifth Congress, which was Democratic, because, as you know, most of the appropriation bills failed on account of a Republican filibuster in the Senate. During the eight years that the Democrats were in the majority on the Committee on Appropriations, in the supply bills over which that committee has jurisdiction, consisting of the sundry civil, the fortifications, the legislative, the District of Columbia, the pensions, and the deficiency appropriation bill, there was an actual reduction of estimates made by that committee in its recommendations to Congress during those years of \$9,275,684,891.55. [Applause on the Democratic side.]

I insist that if the gentleman from Wyoming, who, as my colleague states, issues weekly and semiweekly statements to the press and has them scattered throughout the country, takes the position that merely because this Congress has reduced the estimates for the next fiscal year one billion and a half it has established a record for economy, he should be fair enough to give previous Democratic Congresses and Democratic committees credit for these sums, amounting to more than five billion and a half for one fiscal year alone. But, as I have stated, everyone knows, or should know, that the mere fact that reductions are made in the estimates submitted by some department head or perhaps some bureau chief is no evidence that Congress has practiced economy in making appropriations. That is clearly a false basis of computation and comparison, for real legislative economy or retrenchment consists in cutting down the amount of fixed or normal expenditures as made during previous years. If you apply this standard, the present Congress has made no decrease in appropriations. On the contrary, it has made an actual increase.

The uniform reduction of estimates by Congress emphasizes the very great importance, particularly at this time, of the passage of some sort of budget legislation. Estimates are submitted without the semblance of businesslike procedure. Before

the war, when our expenses were small compared to what they are to-day, there was not such great demand for budget legislation, because it was a comparatively easy thing to raise the amount of revenue necessary to meet the expenses of the Government; but now that our expenses have mounted, until they are four and five times greater than they were before the war, there is all the more reason why we should have some sort of budget legislation.

Since the war came to a close the President of the United States has urged Congress to adopt budget legislation. The last session of the Sixty-fifth Congress placed in the deficiency appropriation bill a provision which would have brought about the appointment of a committee to prepare and present to Congress budget legislation, but that bill failed in the Senate on account of the filibuster to which I have referred. This House last October passed a budget bill, but it has been in the Senate since that time, and only yesterday was taken up for consideration. Even if the Senate acts promptly upon the bill it will be impossible to afford any real or effective relief for the next fiscal year. We have lost a year, so to speak, by the dilatory action of the body at the other end of the Capitol in disposing of the budget bill, which passed the House six or eight months ago. The reason for that is that under the law estimates must be prepared by October 15 and they are sent to Congress upon the first Monday in December. Hence I repeat that if that bill were to become a law within the next few days there would not be sufficient time to establish the machinery and to effect the organization provided for in the bill, so that it could get to work in the departments and render any real and effective service in so far as the next estimates are concerned.

Mr. CAMPBELL of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. CAMPBELL of Kansas. I am happy to inform the gentleman from Tennessee that the Senate has just passed the budget bill.

Mr. BYRNS of Tennessee. I am delighted to hear it, but I repeat that it is very unfortunate that it took the Senate something like six or seven months to act on that bill, which was promptly passed by this House at the last session of Congress. It has yet to go through conference, and there is no guaranty that it will become a law at this session of Congress. I have said that the very fact that these estimates are always submitted in large amounts and always greatly reduced by Congress is an evidence of the necessity for budget legislation. It is not strange to one who thinks about it that these estimates are always submitted in amounts much larger than Congress feels should be provided for the actual expenses of the Government.

There is no one vested with authority or the necessary machinery and facilities for the purpose of revising and reducing these estimates before they are transmitted to Congress. They are forwarded, it is true, through the Secretary of the Treasury, but they come from the Secretary of the Treasury just as they leave the various departments of the Government, and the department heads are in the habit of accepting them just as they come from the various bureau chiefs. It is perfectly natural that a bureau chief or even a department head, being required under the law to prepare these estimates in October before they are to go into effect the following July, should be careful that he does not make a mistake in not asking for enough, feeling that when Congress takes them up during the months of January, February, March, and April, within three months of the ensuing fiscal year, their necessity will be fully investigated in the light of the conditions and exigencies existing at such time. Hence it is that under present methods of procedure the estimates are always submitted in amounts greater than it is expected will be allowed. This is a practice which should be corrected, and Congress will prove derelict in its duty if it does not speedily pass a budget bill.

Reverting to the statement of the gentleman from Wyoming, it should be said that it is not altogether fair to the departments to say that their estimates have been pared to the extent of a billion and a half. Take the pending sundry civil bill. The estimates amounted to more than a billion dollars. If you will read the hearings, you will find that the voluntary withdrawals upon the part of many who were asking for appropriations in this bill will amount to more than \$225,000,000, thus reducing the estimates by that amount, but for which the gentleman from Wyoming gives no credit. The Navy Department, after sending its estimates to the Committee on Naval Affairs, voluntarily withdrew from those estimates \$85,000,000. The War Department voluntarily withdrew \$51,000,000 from its estimates for fortifications, and I have no doubt but what in the case of the

Committee on Military Affairs and other committees of this House there have been like voluntary reductions.

Mr. DOUGHTON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will yield to the gentleman.

Mr. DOUGHTON. If such large savings have been brought about in the appropriations by a Republican Congress, why have they not been accompanied by some reduction in taxes?

Mr. BYRNS of Tennessee. I can not tell the gentleman, for that would necessarily follow if their claim was true. On the contrary, I suspect if these appropriations continue to mount up, that rather than decreasing taxes it will be necessary to increase them hereafter.

Mr. HULL of Tennessee. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. HULL of Tennessee. On this question of what constitutes legislative economy in making appropriations, the gentleman from Wyoming [Mr. MONDELL] in his weekly and semi-weekly statements, which some of the newspapers always carry and publish in full, fixes the standard of legislative economy as the difference between the appropriations made by the Congress and the estimates sent over by the departments. Now, I have the impression that legislative economy means the reduction of fixed current expenditures, not merely the wiping out of even a temporary war bureau or division that has been manifestly created for temporary purposes, but a reduction in what is at least apparently a fixed current expenditure of the Government. Now, if that is not the purpose of real legislative economy, I do not see, to say the least of it, any force in the other theory.

Mr. BYRNS of Tennessee. I agree entirely with the gentleman. As I stated a few moments ago, the only way we can determine as to whether this Congress has proved more economical than preceding Congresses is to take the bills which were passed by those Congresses for particular activities of the Government and compare them with the appropriations made for the next fiscal year for similar activities. [Applause on the Democratic side.] I wish to repeat the statement I then made, that if you will make a close analysis of the supply bills for the next fiscal year you will find, just as in the case of this pending sundry civil bill, that in every particular the appropriations made for the same activities which were carried on before the war have been increased by this Congress for the next fiscal year in varying amounts.

Now, Mr. Chairman, just a few words in regard to the pending bill. This bill makes considerable reductions in the estimates, and I want to concur in what the gentleman from Iowa has said that there has been no partisan spirit shown in the consideration and preparation of this bill. The committee has sat daily since February 3 in conducting hearings, which amount to nearly 3,000 pages, upon the various items contained in this bill.

Every member of the committee, regardless of party affiliations, has been influenced by only one desire, and that is to eliminate as far as possible all needless and unnecessary expenses, and in that spirit the Democratic minority, I am sure the gentleman from Iowa will agree, has cooperated fully and freely with the Republican majority. I want to here say that in anything I may have said I have not intended to reflect upon any Member of the House, and particularly not upon the gentleman from Iowa, who is chairman of the Committee on Appropriations. I wish to say that he is a real economist. The gentleman has far vision, he has the courage to act upon these matters as they come before him, and he has been actuated in the preparation of this bill, and in all bills coming before that committee, with the sincerest motives of economy. This bill makes reductions in some particulars which if I had my way I might possibly not have made, because I believe in some particular cases, which it is unnecessary to enumerate, it invites deficiencies during the next session of Congress, which never promotes either economy or efficiency. But that will be after the election, and that may have afforded very good reason to our friends upon the other side for reducing some of these estimates. But in the end it means the reverse of real actual economy.

This bill carries some considerable appropriations, on the other hand, which I would not have been willing to recommend if I had had my way; but, taking it all in all, with the exception of one or two provisions, I give my hearty assent to this bill, and if in some particulars too little has been appropriated, they can be taken care of in deficiency bills later on. But there are two provisions in this bill to which I can not give my assent. One is the item relating to the Shipping Board, the other to the Department of Justice. The Shipping Board, when they submitted their estimates last fall, asked for over

\$446,000,000 for the next fiscal year. When they came before the committee they stated that if the committee would appropriate their unexpended balance—that is, the balance which would be unexpended on July 1—they would be able to get along with \$251,000,000, or, in other words, they withdrew practically \$195,000,000 of their original estimate.

It was stated that upon July 1 they would have a balance of something over \$61,000,000. They had a building program requiring \$225,000,000 to complete at the time these hearings were held, and it was stated that by July 1 they would have expended on that building program \$127,453,500, leaving a balance of \$97,546,500 to be provided for in this bill. They have now about 400 ships on the ways nearing completion, and it is expected to have very nearly all of those ships completed during the month of October. It was stated that one or two of them might not be completed until next June, but all of them will be completed during the next fiscal year. Therefore it is important, of course, that the Shipping Board should be provided with all the money necessary to complete the building program now under way. In addition to that, it was stated that in the operations of ships they needed \$29,000,000 or \$30,000,000 by way of a fund to be used as working capital in such operations.

They say they can not operate the ships unless they have some such capital fund upon which to draw. In addition to this, there have been claims filed against the Shipping Board. The unsettled claims at the time of the hearings amounted to \$125,000,000. Those claims grew out of cancellations of contracts existing at the time of the signing of the armistice. Those claims were being settled at the rate of about \$4,000,000 a month. Certainly if those claims are to be taken up and disposed of, as they should be, they will need from \$50,000,000 to \$60,000,000 during the next fiscal year for their settlement. As a matter of fact, we may assume that those claims will be adjudicated, as they ought to be, much more quickly during the next fiscal year than heretofore.

Then they need \$24,000,000, so they say, for administration. The cost of administration at the present time is at the rate of \$28,000,000 to \$30,000,000. I am frank to say to you that I think that is a very large sum for administration purposes. So far as I am concerned, I would be entirely willing to give them \$15,000,000 or \$16,000,000 for administrative purposes, and see how they get along with it.

In addition to that, they need, if they are to recondition the German ships, \$44,000,000 after July 1. Now, as the gentleman from Iowa [Mr. Good] has stated, it is estimated it will take \$50,000,000 to recondition those German ships, amounting to about 22 or 23 in number. They figure they will have expended by July 1 for that particular purpose \$6,000,000 out of funds now on hand, making it necessary to have \$44,000,000 to recondition those ships during the next fiscal year.

The gentleman from Iowa says he is opposed to reconditioning those ships, and he practically tells you that if this bill passes as it has been reported to the House there will be no money for that purpose. Now, I do not say, gentlemen, that those ships ought to be reconditioned, but I say that I am not in a position, with the information I have, nor do I believe this House is in a position, with the information it has at this time, to say here and now that we will not recondition any of the German ships. With my necessarily limited knowledge of the matter, I am not willing to assume any such responsibility. I am in favor of leaving that responsibility to the Shipping Board, which has all the facts before it, and permit them, if they see fit and think it is to the best interests of this Government, to recondition them and give them the money necessary for that purpose. If they do not think it is necessary to recondition them, if they do not think it is good business to recondition them, then they do not have to spend the money. It will lie in the Treasury. This bill does not impose any obligation on them to spend the money merely because it has been appropriated.

Mr. WALSH. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. WALSH. How much longer should we wait for the Shipping Board to change its attitude upon that question? Every time there is a change of personnel there is a change of policy.

Mr. BYRNS of Tennessee. I do not think the Shipping Board has changed its attitude, although I do not speak for the Shipping Board. I am under the impression that some of the present Shipping Board do not believe they ought to be reconditioned. But if Congress is to act upon the proposition, I feel that action ought to be taken after the proper legislative committees of this House and of the Senate have thoroughly investigated the matter and reported a bill on the subject, and that we ought not upon an appropriation bill to undertake indi-

rectly, by denying an appropriation, to legislate upon whether or not the Shipping Board shall pursue the policy of reconditioning the ships.

Mr. BRITTEN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. BRITTEN. Does the gentleman really feel that these great ships should be left idle pending action by the House as to whether or not they should be reconditioned?

Mr. BYRNS of Tennessee. I do not. I do not think they should be kept idle any longer than is absolutely necessary, of course.

Mr. BRITTEN. That is what would occur, however, if the gentleman's idea should prevail.

Mr. BYRNS of Tennessee. But there is no reason, if this Congress wants to take action, why the Committee on the Merchant Marine and Fisheries in this House should not proceed to have its hearings and report legislation very promptly to the House upon the subject.

Mr. BRITTEN. The gentleman, I believe, will agree with me that something ought to be done with those ships. We either ought to recondition them or we ought to sell them.

Mr. BYRNS of Tennessee. I agree with the gentleman thoroughly on that. So far as I am personally concerned, I want to see the United States Government sell all these ships as soon as it possibly can, but I do not want to see those ships sold at a sacrifice, nor do I want to see them sold on such terms that foreign Governments and rival commercial nations will be flying their flags over those ships. These ships have been built at great expense to the people as an incident to the war, and I want to see them maintained as a great American merchant marine, flying the American flag, and carrying our produce and manufactured products to every port and every market of the world.

Mr. BRITTEN. The gentleman understands that any sale that was made by the Shipping Board will not carry with it a change of the flag. The sale will be made conditioned upon the registry of the ship under the American flag at all times.

Mr. BYRNS of Tennessee. I understand that to be the policy of the board, and I hope it will continue to be.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. DAVIS of Tennessee. In that connection I wish to call attention to the fact that the Shipping Board has been enjoined by Judge Bailey, of the Supreme Court here in the District, from selling those German ships. That case was appealed, it is true, to the Supreme Court, and pending a decision the Shipping Board can not sell them. And, of course, it can not go ahead and recondition them without an appropriation. Consequently, in the absence of a final decision and in the absence of authoritative legislation on the part of Congress, the Shipping Board is necessarily at a standstill on that proposition.

Mr. BRITTEN. I thank you for that information, but is that quite correct, I will ask the gentleman? My impression is, if the Shipping Board has a large amount of money on hand it can rehabilitate these ships right now if it wants to do so. I do not think it is necessary for the Shipping Board to come to Congress for an appropriation.

Mr. BYRNS of Tennessee. I think it is, because they have not the funds on hand with which to recondition them. There is no legal reason why the Shipping Board may not recondition the ships, provided they have the money with which to do it.

Mr. GOOD. I will state to the gentleman that the Shipping Board is now spending about \$2,000,000 in reconditioning those ships and expects to spend that amount within the next few weeks.

Mr. BYRNS of Tennessee. My recollection of their statement is that they expect to spend as much as \$6,000,000 by July 1.

Mr. GOOD. That is what they wanted to do, but I think they have modified their plans.

Mr. BYRNS of Tennessee. Well, I think if this bill goes through the House they will not expend any, because they realize that they will not have the money available for the work of reconditioning these ships.

Mr. DAVIS of Tennessee. The fact which I wanted to call attention to was this, that the Shipping Board had under consideration what action should be taken in regard to these German ships, and there was a considerable difference of opinion on the board itself as to whether the ships should be sold or reconditioned. The Committee on the Merchant Marine and Fisheries called before them and heard Judge Payne, who represented one view, and Mr. Scott, another member of the board, who represented an opposite view, and it was during the time

that they were discussing the policy and during the time in which they had called for bids to see what could be done that they were enjoined, as I before stated.

Mr. BYRNS of Tennessee. Enjoined from making a sale of these ships.

Mr. DAVIS of Tennessee. Yes.

Mr. BYRNS of Tennessee. I understand the injunction went to the sale.

Mr. DAVIS of Tennessee. Yes.

Mr. EDMONDS. It is possible that the Shipping Board are not doing anything with these ships that were enjoined in that suit, but they are reconditioning some ships. I could give the names of them if I had a letter here which I have mislaid somewhere.

Mr. BYRNS of Tennessee. Yes. I think the gentleman is correct that they are spending some money in reconditioning ships.

Mr. EDMONDS. It was Mr. Stevens who spoke of that.

Mr. DAVIS of Tennessee. Yes. In that connection Mr. Stevens and Judge Payne both said they had reconditioned one of these ships.

Mr. EDMONDS. That was one. The rest of them had not been reconditioned, and the other German ships were not included in the bidding.

Mr. DAVIS of Tennessee. Yes. I understand the determination of the general policy of the board was brought to an abrupt conclusion by that litigation and by the proceedings and inquiries in the Senate as to what should be done.

Mr. EDMONDS. I think, so far as the German ships are concerned, that is so; but I do not think there is anything in the injunction to prevent their reconditioning the ships. I think they could go ahead and do it if they thought best.

Mr. BRIGGS. Is it not true that the Shipping Board has only been waiting until the policy of Congress could be determined, and has not the Senate been holding hearings with respect to this very policy, so that the Shipping Board later could determine what action should be taken with respect to the German ships?

Mr. BYRNS of Tennessee. I think that is true since the injunction suit was brought; but it is also true, as the gentleman from Pennsylvania [Mr. EDMONDS] has said, that the Shipping Board was proceeding on a policy of reconditioning some of these ships, and last fall requested that a sufficient amount be appropriated for reconditioning all of these ships.

Now, I want to say this, gentlemen, because I do not want to be misunderstood as to my position in this matter: I do not say that these ships should be reconditioned, nor do I think that Congress ought to take that position on an appropriation bill. I do not think Congress should settle a grave, serious question of that sort until after the proper legislative committees of this House and the Senate have given it thorough consideration and determined upon what they think to be the best policy, and then come before the House and the Senate and ask for action upon the policy recommended by them. But here we had a hearing primarily on the question as to what amount should be allowed to the Shipping Board, and, incidentally, of course, when it appeared that they wanted \$44,000,000 to recondition those ships, the question came up as to why they should be reconditioned, and all the various questions connected with it. But the primary purpose of this hearing was to determine what money they should have.

I believe that the thing we should do is to appropriate the money and say to the Shipping Board: "There is the money. We have made it possible for you to recondition those ships if it is your best judgment that it should be done; but if you fail to do so and you are hereafter subjected to just criticism on account of such failure, we are not going to permit you to avoid your solemn responsibility by saying that Congress did not give you the money. We are going to give you the money and let you act on your own responsibility as to whether or not the ships should be reconditioned, unless in the meantime Congress, through its legislative committees, shall by legislation prevent your action in the matter."

That is the reason why I think we ought to have carried \$44,000,000 for the next fiscal year in this bill.

Mr. EDMONDS. There is nothing in this bill that allows or prevents the Shipping Board from using the money to recondition the ships. The bill allows them to use the money as they please, does it not?

Mr. BYRNS of Tennessee. The gentleman from Iowa [Mr. Good] stated—and I do not think it can be questioned—that if this bill goes through the House as it is presented there will not be any money with which to recondition the ships.

Mr. EDMONDS. Could not the operation of the Shipping Board become so very profitable that they could find lots of money for that purpose?

Mr. BYRNS of Tennessee. Yes; but I do not think the hearings show any possibility of such highly profitable operations during the next fiscal year.

Mr. FAIRFIELD. Does the gentleman mean to indicate that the ships will become a liability instead of an asset?

Mr. BYRNS of Tennessee. No; I do not mean to indicate that, but I will tell the gentleman what the hearings disclose on that subject. During the months of January, February, and March the Shipping Board received the net sum of \$8,000,000 on account of operations. I am using round figures now. Mr. Gillen, who spoke for the board, said that the major portion of that \$8,000,000 was received in the month of January, and that there had been a considerable falling off in February and in March. I asked Mr. Gillen the question whether or not the fact that \$8,000,000 was made in the first three months of this year might be taken as a fair gauge as to what would be made during the next fiscal year by reason of the operation of the ships, and he said no; that in his opinion there would be a falling off in rates. He did not say it would be a losing proposition, nor did he say that we would not make money at the rate of \$8,000,000 in three months; but I submit that it is not reasonable to expect that they will make so much out of operations next year that they will be able to spend the amount required to recondition the ships.

Mr. FAIRFIELD. If that be true, the gentleman still thinks it would be wise, before proper legislative investigation has been made, to appropriate this money, and then, if it ought not to be spent, to let Congress intervene subsequently and interfere with its expenditure?

Mr. BYRNS of Tennessee. Of course, this particular appropriation does not apply to the ships that are now in operation, the cargo ships. These particular ships are now lying idle in port, and nothing can be done with them, and they will necessarily remain idle until they are sold or somebody puts them in proper condition to be utilized either for cargo or for passenger purposes.

Mr. FAIRFIELD. I understand that up to date the Shipping Board have not been unanimous by any means on the question of the wisdom of reconditioning these ships.

Mr. BYRNS of Tennessee. I think that is true.

Mr. FAIRFIELD. And without our having thus studied it, the gentleman still thinks that we ought to hold the Shipping Board responsible for what its ultimate decision may be, and make all the funds available that they ask for, to the end that the ships may be reconditioned?

Mr. BYRNS of Tennessee. I think so, until after the matter has been given a full and thorough consideration by the proper committee of this House and of the Senate having jurisdiction of the matter. In other words, I do not think we ought in an indirect way on an appropriation bill to legislate so as to prevent these ships being reconditioned and take away from the Shipping Board that responsibility of decision which is theirs at the present time and permit them, so to speak, to pass the buck to Congress. Now, if Congress desires to take action, then Congress should do so; but, in my judgment, this should not be done until after the proper legislative committees having jurisdiction of the subject have given it thorough consideration and reported to this House.

Mr. FAIRFIELD. Just one more question.

Mr. BYRNS of Tennessee. Yes.

Mr. FAIRFIELD. Would it not be possible to make the appropriation bills coincident with the final legislative report, which would indicate that they ought or ought not to be reconditioned, so that Congress would not necessarily be to blame if after having made an investigation and determined that they should be reconditioned it should then appropriate the money to that end? As I understand it now, even the gentleman himself is not convinced that it ought to be done. The board are divided, and it would perhaps be unwise to make that additional appropriation now.

Mr. BYRNS of Tennessee. This is the bill in which the money will have to be carried for the next fiscal year for the Shipping Board. Now, if Congress should later on decide that the ships should not be reconditioned, or if the Shipping Board should decide that it was poor policy to recondition those ships, the money would not be spent, and the people and the Treasury would lose nothing by the appropriation made in this bill.

Mr. FAIRFIELD. Well, of course, we are a little chary in Congress on the question whether money that has been appropriated will be spent or not. I am not so sure but that it would be wiser to keep control of it until Congress had itself

determined that the reconditioning should be made, and then let Congress make the proper appropriation.

Mr. BYRNS of Tennessee. If Congress wishes to take some action, it can do so of course; but as was suggested by the gentleman from Illinois a while ago, certainly something should be done to these ships. They should either be sold and the money covered into the Treasury or they should be reconditioned and put into operation, because while they are lying idle in harbor they are costing a great deal of money.

Mr. FAIRFIELD. I understand that, but this investigation to which I refer would, of course, determine that fact. But so long as that fact is not determined, it does look to me as though it is just a little unwise to make these additional appropriations on the faith that the Shipping Board will refrain from using the money.

Mr. BYRNS of Tennessee. Here is the situation. There is this difference between the gentleman and myself in the final analysis: The gentleman proposes to take the responsibility here and now of saying that these ships shall not be reconditioned, because his attitude is that the appropriation should not be made. Now, I prefer to take the other horn of the dilemma, to appropriate the money and say to the Shipping Board that "this appropriation does not carry any obligation upon your part to recondition those ships, but here is the money." I propose to say to them: "If the best interests of the United States demand that that money be expended to recondition those ships, then you, under your obligation as shipping commissioners, should spend this money economically and properly; but if the interests of the Government do not demand it, then the money should stay in the Treasury." Now, in the position that the gentleman takes, Congress puts itself in the attitude here and now, without that investigation which I think ought to be first conducted, of saying in so many words to the Shipping Board, "You shall not recondition these ships." In the other case Congress leaves that responsibility to the Shipping Board unless it takes action later on through one of its legislative committees.

Mr. CANNON. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman.

Mr. CANNON. Congress is not ready now to say that it is going to have these ships reconditioned. How would it do to apply that principle all along the line, and appropriate a lump sum for the general service before we get estimates and recommendations?

Mr. BYRNS of Tennessee. Here is the position of the Shipping Board: It has asked for this money to recondition these ships. The Shipping Board has acted upon its responsibility and is before Congress to-day requesting that \$44,000,000 be appropriated for that purpose. The estimate for this purpose is now before us and the Shipping Board has not withdrawn it or requested that it be not allowed.

Mr. HICKS. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield to the gentleman from New York.

Mr. HICKS. I was not here when this colloquy began, and my question may have been answered, but I should like to ask the gentleman this question: I assume, of course, that after these repairs have been made to these ships, the selling price of the ships will be considerably in excess of the amount of money to be expended upon them. Has the gentleman any idea what the increase in value would be of these ships over and above the repairs?

Mr. BYRNS of Tennessee. I have not; that is one reason I am not in a position on my responsibility as one Member to say that these ships ought or ought not to be reconditioned.

Mr. HICKS. Unless the value is increased by a considerable amount it would not be a wise thing to go ahead and spend the money on making the repairs.

Mr. BYRNS of Tennessee. I do not think, if the gentleman will take the hearings on this part of the bill and study them, the gentleman would be able to satisfy himself on that point. That emphasizes the position I take that we ought not here in this indirect way to direct the Shipping Board or deprive them of the responsibility that is theirs as to the reconditioning of the ships without further investigation, especially when they are before us asking that the funds be granted for that purpose.

Mr. HICKS. One more question: The gentleman's theory, then, is that all the discretionary power as to whether or not the ships should be rehabilitated should be placed in the hands of the Shipping Board?

Mr. BYRNS of Tennessee. No; I do not go that far. That is where it is now, but I would not deny to Congress the power to dictate the policy of the Shipping Board, although I do not think

Congress is in any position to dictate the policy without investigation by the two legislative committees that have jurisdiction.

Mr. FAIRFIELD. Will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. FAIRFIELD. As I understand, the Shipping Board asks for the money to recondition the ships. Is that true?

Mr. BYRNS of Tennessee. Yes.

Mr. FAIRFIELD. Will not the fact that we grant this money be prima facie evidence that Congress intends that the ships shall be reconditioned?

Mr. BYRNS of Tennessee. If the Shipping Board thinks it is wise to do so.

Mr. FAIRFIELD. Will not the presumption be that Congress is of that opinion?

Mr. BYRNS of Tennessee. No; I do not think the Shipping Board would recondition the ships, if in their judgment they ought not to be, merely because they had the money with which to do it.

Mr. EDMONDS. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. EDMONDS. Where in this appropriation bill are they deprived of the right to recondition the ships if they have the money?

Mr. BYRNS of Tennessee. They are not. There is nothing in this bill to deprive them of the right; but if the gentleman will examine the bill he will find that the total appropriations carried in the bill for expenses of the Emergency Fleet Corporation amount to \$131,000,000 plus whatever is made by the operation of the ships.

Mr. EDMONDS. And that would amount to \$50,000,000 or \$60,000,000.

Mr. BYRNS of Tennessee. Not from past experience. Because during the first three months of this year the operating net income was only \$8,000,000. Assuming that the operating income will continue during the next fiscal year at that rate, that would only amount to \$32,000,000. If you add that to the \$131,000,000, you will have for the Emergency Fleet Corporation in this bill \$163,000,000. They say that they require \$97,000,000 to complete the building program. They also require \$30,000,000 as a capital fund to operate the ships, and they require \$24,000,000 for administrative purposes. They have claims amounting to \$125,000,000, which they are settling at the rate of \$4,000,000 a month. So the gentleman can see that the amount carried in the bill is not enough.

Mr. EDMONDS. How about the money that they will collect from the War Department?

Mr. BYRNS of Tennessee. This bill does not permit them to use it. There is \$60,000,000 or \$70,000,000 which they will probably collect from the War Department, but they can not use it under the terms of this bill, because it limits the fund that can be used to the particular items set forth in the bill, and the sum due from the War Department is not made available.

Mr. BRITTEN. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will yield to the gentleman.

Mr. BRITTEN. I would like to ascertain the gentleman's idea about \$44,000,000 expenditure. Is he in favor of appropriating that amount now for the Shipping Board?

Mr. BYRNS of Tennessee. Yes.

Mr. BRITTEN. I take it then that the gentleman intends to offer an amendment at the proper time for that appropriation.

Mr. BYRNS of Tennessee. That is my purpose.

Mr. BRITTEN. Suppose the amendment should be defeated and Congress not make the appropriation. What disposition is the Shipping Board going to make of these ships? They ought to be put on the high seas, where they are so urgently needed to-day.

Mr. BYRNS of Tennessee. I do not know. If the ruling made by Judge Bailey, of the District Supreme Court, is confirmed by the appellate court, where it is now pending, they will have no authority to sell the ships without action by Congress, and they will have no money to recondition them.

Mr. BRITTEN. They can rent the ships and get them on the high seas; they could do that within a week.

Mr. BYRNS of Tennessee. I am glad the gentleman stated that. Admiral Benson stated that he was endeavoring to make some arrangements with the shipping interests whereby they would be willing to recondition the ships at their own expense, and operate them upon proper and satisfactory terms with the Government.

Mr. BRITTEN. These ships should be put on the high seas carrying American products and American people to Europe. The gentleman knows as well as I do that the demand is tremendous for passage to Europe. People will go over in bunkers and sleep in hammocks, not only going over but coming back,

and these ships ought to be on the high seas in the interest of the American people.

Mr. BYRNS of Tennessee. I agree with the gentleman, that if the Shipping Board can make arrangements so that the ships can be reconditioned by private interests under satisfactory terms to the Government, it ought to be done, rather than have them remain idle. But as the chairman of the Shipping Board stated before the committee, if it can not be done, I think we ought to appropriate the money so that if they are not permitted to sell them they can recondition them.

Mr. BRITTON. They ought to be on the high seas, and even in their present condition without rehabilitation they would pay a tremendous profit.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BYRNS of Tennessee. Certainly.

Mr. CHINDBLOM. Am I correct in understanding that Admiral Benson stated in the hearings before your committee that the Shipping Board has done nothing to ascertain whether the ships can be leased and on what terms they can be leased?

Mr. BYRNS of Tennessee. I did not say that he had done nothing. He stated that it was the hope of the board to be able to do something and every effort was being made in that direction.

Mr. CHINDBLOM. It is some two or three months since Judge Payne appeared before the Committee on Merchant Marine and Fisheries, and since the agitation in this matter began, when the injunction was issued preventing the sale. Has no progress been made since that time?

Mr. BYRNS of Tennessee. I do not know what progress has been made, but Admiral Benson stated that the Shipping Board was endeavoring to effect such an arrangement. The matter was not gone into fully by the committee along that particular line because we were investigating the estimates submitted for appropriation.

There is another objection that I have to this particular form of appropriation. I have just stated to you that this bill will authorize the use of \$163,000,000 for the Emergency Fleet Corporation purposes.

I can realize why the majority of the committee prefer to make those funds available rather than to make a direct appropriation out of the Treasury and have the receipts covered into the Treasury as miscellaneous receipts, because, while the bill will authorize the expenditure of \$163,000,000, it does not appear upon the face of the bill, and credit can, therefore, be taken for a reduction of estimates in the sum of \$163,000,000 which really should not be taken when you take into consideration that the bill authorizes such expenditure. But I say that it is not good business to permit the Shipping Board to have access to this reservoir with one hand and then with the other hand to another reservoir in order to get money with which to carry on its operations. Here are four or five or six different reservoirs provided in this bill from which the Emergency Fleet Corporation can draw in order to get the amount of money that it is proposed to let it expend.

I say that if we were making this appropriation along business lines and according to proper business policy, we would say to the Emergency Fleet Corporation, you shall have so much money for the next fiscal year, and if it is thought that \$163,000,000 is sufficient, then we will make an appropriation of \$163,000,000, and carry a provision in the bill covering into the Treasury all of the money they get by way of operations and sales of ships, and surplus and supplies, and collection upon accounts, and so forth. If we were administering our own private funds that is what we would do. Why should it not be done in this case? If we did that, then we would have a clear bookkeeping account with the Shipping Board. Upon one side of the ledger we would have the amount of money that we appropriated, and on the other side of the ledger we would have the amount collected, which has been put into the Treasury.

After all, it comes out of the Treasury of the people, whether we permit them to draw from these various reservoirs and retain this money to themselves or make the direct appropriation out of the Treasury. I shall offer an amendment seeking to make a direct appropriation in behalf of the Shipping Board, and also providing that the money received by them from these various sources shall be covered into the Treasury as part of its miscellaneous receipts.

There is one other provision in this bill to which I make serious objection.

Mr. EDMONDS. Mr. Chairman, will the gentleman yield?

Mr. BYRNS of Tennessee. Yes.

Mr. EDMONDS. Is it the gentleman's intention to have in that lump sum the amount that is to be used for operations?

Mr. BYRNS of Tennessee. The gentleman means the capital fund?

Mr. EDMONDS. The capital fund, if you want to call it that. Mr. BYRNS of Tennessee. Yes. They stated that they must have a capital fund of twenty-nine to thirty million dollars, and I think, of course, the Congress should provide that fund.

Mr. EDMONDS. That would be a revolving fund, of course.

Mr. BYRNS of Tennessee. Yes.

Mr. EDMONDS. You would not expect the operating receipts to be turned into the Treasury?

Mr. BYRNS of Tennessee. Oh, yes.

Mr. EDMONDS. Only the net receipts.

Mr. BYRNS of Tennessee. If they had \$30,000,000 appropriated as a revolving fund, of course the net receipts would be all that would be turned into the Treasury, not the entire gross receipts.

Mr. EDMONDS. I was going to say that if you did that, you would so hamper operations that they would not be able to operate.

Mr. BYRNS of Tennessee. Here is the proposition in a nutshell: This bill reappropriates the amount which will be on hand July 1 and it appropriates the amount received during the year 1921 from the operation of ships. I contend that what we ought to do is to require the net income from the operation of ships to be covered into the Treasury. The bill appropriates not to exceed \$15,000,000 from deferred payments on ships sold prior to the approval of this act. It seems to me that the proper and businesslike policy to pursue would be to require whatever amount of money they collect from deferred payment on ships to be covered into the Treasury of the United States. The bill appropriates not to exceed \$25,000,000 from the sale of plants and surplus materials. That money, I contend, ought to be turned into the Treasury of the United States, as well as the \$30,000,000 from ships sold during the fiscal year 1921, which is authorized to be expended. What is the difference in turning that money into the Treasury of the United States and carrying a direct appropriation, appropriating it out of the Treasury? You will thus be able to know definitely just how much money they are expending, and I dare say that if there had not been such a great desire to make a showing in reduction of estimates just that policy would have been pursued.

This was the policy pursued in the case of the fortifications bill passed at the last Congress. We found reservoirs containing hundreds of millions of dollars which came over from the war. That bill carried a provision, to which the gentleman from Iowa gave his assent, for he was a member of the subcommittee, covering into the Treasury upon June 30 of this year every dollar that the Ordnance Department had in those various reservoirs, in order that, beginning with next July 1, direct appropriations should be made for whatever might be needed.

Mr. EDMONDS. The gentleman's idea was contained in the Greene bill, which passed the House here, that all money should be turned into the Treasury and all money spent should be subject to direct appropriation.

Mr. BYRNS of Tennessee. Exactly.

Mr. EDMONDS. That is in the Greene bill which passed the House.

Mr. BYRNS of Tennessee. I am heartily in favor of that sort of provision. It seems to me to be good common sense and a sound business policy.

Mr. BRIGGS. Will the gentleman yield?

Mr. BYRNS of Tennessee. I will.

Mr. BRIGGS. What are the estimates of this amount on hand July 1, 1920, and the amount to be received during the fiscal year 1921 from the operation of ships. Is there any reasonable, fair, and accurate estimate of what this amount will be?

Mr. BYRNS of Tennessee. The Shipping Board stated they would have on hand July 1 fifty-five millions and five hundred and some thousand dollars; that between now and July 1 they will have expended \$6,000,000 toward reconditioning those ships. If they do not spend this sum, they will have over \$61,500,000 on July 1. Now, so far as operations is concerned, you can, of course, only determine what the net income from operations next year will be by comparison with what they have been in the past.

It is stated by the Shipping Board that during the first three months of this year the net income was \$8,000,000. Now, while Mr. Gillan stated that was not a fair gauge of what might be made during the next fiscal year, because rates are falling, nevertheless if you assume that they will make as much money during the next fiscal year as they made during the first three months of this calendar year their income from operations next year will be \$32,000,000.

Now, gentlemen, briefly to another point, because I have taken more time than I intended. There is one other provision

in this bill to which I make very serious objection, and that is the appropriation made for the Department of Justice for the detection and the prosecution of crimes. For the current year the Department of Justice has had for this purpose \$2,600,000. The estimate submitted last fall was \$3,500,000, but the Attorney General stated when he came before the committee that he had always had a record for economy, and he appreciated the importance of the very strictest economy and voluntarily reduced the estimate \$1,000,000. He stated that he felt if he was given \$2,500,000 for the prosecution of crime that he would be able to get along during the next fiscal year.

Now, the committee has recommended to the House that that estimate be further reduced and only \$2,000,000 be appropriated. Now, I think that is a mistake. I believe we should allow the amount of \$2,500,000, which, in itself, is a reduction of \$1,000,000 from the current year. This money is used by the Attorney General in the prosecution of his campaign against anarchists and the radical agitators over the country. It is also used in the prosecution of profiteers and in the effort to reduce the high cost of living. It is also used for the detection and prosecution of all the other crimes upon the criminal statutes of the United States Government. Now, it seems to me right at this time, when this country is being beset from within by aliens who owe no allegiance to our Government and who are seeking to do all they possibly can to break down and destroy our Government that Congress ought not to adopt a policy which would indicate to them that we propose not to be quite so vigilant or so vigorous during the next fiscal year as we have been during the current year. We can not have domestic peace in this country until our Government has brought about the deportation of these radical agitators and aliens who are now engaged in efforts to break down and destroy our form of government. And so I believe that we ought to appropriate the full amount of \$2,500,000 which was asked for by the Attorney General.

We are appropriating for the next fiscal year more than three times as much as we appropriated for the Army in 1916. We are appropriating more than four times as much as we appropriated for the Navy in 1916. We are appropriating something like \$450,000,000 for the Navy and over \$300,000,000 for the Army, and it is proposed in this bill, in the name of economy, to deny to the Attorney General \$500,000, which he proposes to use in his prosecutions against these aliens who have come to this country and who are boldly flying the red flag with the purpose of breaking down and destroying our form of government. When this item is reached in the bill, I propose to offer an amendment restoring the appropriation, not to the amount asked for last fall but to the amount asked for now, which is two and a half millions, and which, as I said, is \$100,000 less than was carried for the current year.

Mr. KNUTSON. If I understand the gentleman, he proposes to offer an amendment appropriating two and a half million dollars to deal with the dangerous aliens in this country?

Mr. BYRNS of Tennessee. No. The bill carries \$2,000,000, and I propose to offer an amendment to increase it to \$2,500,000.

Mr. KNUTSON. Is the gentleman aware of the fact that two departments of this Government, having to do with the prosecution and deportation of dangerous aliens, are working at cross purposes, and it is very doubtful, indeed, if this money could be utilized wisely, in view of that fact?

Mr. BYRNS of Tennessee. I have noticed what has been said in the newspapers, but I do not know just how far they are acting at cross purposes.

Mr. KNUTSON. If I may say to the gentleman, as a member of the Committee on Immigration and Naturalization, I have been looking into the matter, and it seems to me that the two branches of the Government should coordinate before we go to work and lavish any more money for this particular purpose.

Mr. DAVIS of Tennessee. Will the gentleman yield?

Mr. BYRNS of Tennessee. I yield.

Mr. DAVIS of Tennessee. I want to ask the gentleman from Minnesota, in line of those inquiries, if he does not approve the position taken by the Department of Justice in that controversy?

Mr. KNUTSON. I rather think we all do.

Mr. BYRNS of Tennessee. It is for the Department of Justice that I think this appropriation should be made, so that its activities along that line will not be curtailed. There has been no complaint, as I understand it, upon the part of anybody against the Department of Justice for not being vigorous and active in its efforts to run down the anarchists and the alien agitators. I noticed in the paper this morning a statement made before the Committee on Rules by the distinguished chair-

man of the Committee on Immigration and Naturalization, the gentleman from Washington [Mr. JOHNSON], in which he took occasion to say, or, at least, he was reported in the paper as having said, that the Department of Justice, in his judgment, had done its full duty.

Now, as to whether or not the other department, or any officer in that department, has failed to do his duty, I do not know, but the Department of Justice is not charged with the responsibility of finally passing upon these cases, but it has the responsibility of ferreting out these particular individuals. When we deny the \$500,000, just to that extent we handicap the Attorney General in his efforts to put these agitators up to the Department of Labor, and have the Labor Department pass upon the question as to whether or not they ought to be returned to their own country.

Mr. KNUTSON. Does not the gentleman think that the Department of Justice has probably magnified the danger of the "reds" in this country in order to take the minds of the people off of the high cost of living and the administration's failure to deal with the problem?

Mr. BYRNS of Tennessee. I do not for a moment, and, if the gentleman will pardon me, I do not believe he does.

Mr. KNUTSON. I think they are using it as a red herring to drag over the trail.

Mr. BYRNS of Tennessee. I can not believe that the gentleman entertains those views. The gentleman knows that the Department of Justice issued 6,500 warrants for arrests, and 3,500 of those warrants were served. Those men were arrested. More than 500 cases have been passed upon by the Department of Labor, and 249 have actually been deported. The Attorney General deserves the thanks of the country for his able, fearless, and tireless prosecution of these insidious enemies of our country.

Mr. KNUTSON. If the gentleman will permit, my interest in the matter is purely economic and not political.

Mr. BYRNS of Tennessee. And as a result of the work of the Department of Justice, 249 anarchists, including Emma Goldman and Alexander Berkman, were sent to Russia, and if we had not sent more than those two, I think this Government would have been well warranted in spending the sum of \$2,500,000. [Applause.] I hope that this House, when the time comes, will vote to give the Attorney General the full amount which he says is necessary in order to enable him to conduct this campaign.

Mr. KNUTSON. Is there anything in this bill to give the Attorney General money with which to prosecute profiteers in sugar and other necessities of life?

Mr. BYRNS of Tennessee. This fund is available for that as well as for the other purpose.

Mr. KNUTSON. I am very glad to hear the gentleman say that.

Mr. BYRNS of Tennessee. Mr. Chairman and gentlemen, I have already consumed far more time than I intended, and I thank you for your very kind and patient attention. [Applause.]

Mr. GOOD. Mr. Chairman, I yield 45 minutes to the gentleman from South Dakota [Mr. JOHNSON].

Mr. JOHNSON of South Dakota. Mr. Chairman, in the few moments that are allotted to me I propose to discuss the adjusted compensation law for ex-service men and women and the methods of taxation that should be used to raise the necessary funds to carry into effect that statute, if it is enacted. In order to intelligently discuss the question it is necessary to go into some of the history that makes such a law necessary at the present time.

On the 6th of April, 1917, the Members of this House, in response to a request from the President of the United States, cast their vote upon a resolution declaring war against the Imperial German Government, and by an overwhelming vote decided for war. In that resolution was a declaration that "to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States." So far as I have been able to learn, this is the only time that such a declaration, stating that not only all of the men but all of the money and means of making money were formally pledged to a successful termination of any war, has ever been made. Later on, in May, 1917, after a bitter fight in this House, led on the one side by the gentleman from California [Mr. KAHN] and on the other side by the gentleman from Missouri [Mr. CLARK], the youth of the country was, in accordance with the declaration of war, conscripted to fight on the field of battle the war into which we had entered.

It is not my purpose to discuss our reasons for entering the war or any feature of it. Consistently upon the floor of this

House and every other place I have refused to enter into any discussion of the conflict, leaving that to others more familiar with it, who could discuss it perhaps from a standpoint unbiased by participation in it.

I only discuss it to bring to the attention of the House the fact that every man that did participate in the war came out with certain convictions based upon his experience. They have those convictions, and it is useless to discuss with any man anything upon which he has made up his mind by reason of experience gained in the war. He will not change. The resolution is mentioned only because, from April 6, 1917, the path which we pursued during the war, and must pursue after its conclusion, was laid down so that every man and every corporation had full notice served as to what might be expected from them. Every individual, upon the passage of that resolution, knew that he could be called upon even to his life to fight the battles of the country, and every man and corporation knew that the call might be made for every dollar of his or its property to carry on the struggle. It was assumed that not only physical but monetary sacrifices would eventually be made, and they were made during the war by the great majority of the people of the United States. From the days of Cantigny to the days of the Meuse-Argonne fight men willingly and cheerfully walked through terrific artillery barrages into intensive machine-gun fire; cheerfully braved the dangers of airplane raids and of poison gas, feeling that when they returned to the United States they would find that the spirit of the declaration of war had been carried out, that equal sacrifices would have been made by those who remained at home, and that the soldier would have an equal opportunity with the noncombatant citizens of the country to make a living and receive the benefits, if any, that came from the war. It had been stated by one high in authority that "politics was adjourned," and the average soldier, deprived by rigid censorship from any knowledge of conditions in the United States, assumed that the declaration was made in good faith. On their return to this country, however, it was quickly demonstrated that the financial resources of the country, pledged by the Congress of the United States to a successful termination of the war, had not been given to it, although ample opportunity had been offered to the President, the Cabinet, and the Congress to see that that was done, and as a consequence there has been an unrest among ex-service men that is reflected in the battle in this Congress to try to adjust the profits and compensation of combatants and noncombatants. The issue has been clouded by bitter partisan discussion on the floor of this House by an attempt of leaders of the Republican Party to claim and demonstrate that they are the only friends of the ex-service man, and by the partisan attacks of Democratic leaders to lead the ex-service men to believe that they are the only ones who have stood up for their privileges and emoluments. The discussion has degenerated into such a verbal battle as might be expected between two small children, representatives of each party abusing members of the other party and refusing to enter into a cold-blooded discussion of the facts that should govern our action.

Many Members of this House have participated in the debate, and most of them have made statements which they will later regret. Personally I shall waste little time in the use of personalities upon this floor, because a great issue is involved which I desire to discuss, and the personalities of the men who agree or disagree with me, like all of us, will be soon forgotten. The charge inferentially made by the gentleman from Iowa [Mr. GREEN], that those of us who desire to tax war profits and war incomes are demagogues, should be cast aside as lightly as the inferential charge made by the gentleman from Illinois [Mr. RAINEY], that the members of the Republican steering committee represent corporate wealth. Those charges are unworthy of the gentlemen who made them. The facts are that members of my party on this side of the House are extremely anxious to claim for themselves all of the brains, integrity, and virtues that belong to the country as a whole, and members of the Democratic Party on that side of the aisle are anxious to show that they are high-mindedly seeking the good of the American people and are opposed in their endeavors by members of the Republican Party. That attitude assumes a lack of intelligence on the part of the people of the United States and only infantile ability for the men who fought for the Government during the late war and who will be the beneficiaries of this legislation if it is enacted. None of us will for one moment fool or delude the ex-service man and woman of our late war, and however much any of us may talk we will not escape the judgment of those who must pay the taxes which the law will make necessary. From December, 1918, to the

present time ex-service men have believed that by reason of legislation they were discriminated against financially as compared with those who remained at home in civil life, and that discrimination to-day must be admitted. At that time and for many years previous the Democratic Party was in power, and if service men and women were discriminated against it was because of legislation for which that party was responsible. They can escape no responsibility until March 4, 1919, when the Republican Party came into power. If the discrimination was permitted to continue, the responsibility is upon the Republican organization, and no words that any of us may use can help us escape that responsibility. Very painfully have many Members of this House who have never fought in any war in which our country was engaged, and men belonging to both political parties, agreed that an adjusted compensation law must be passed, and there will be no party division as to the form of that law. The fight originally in this Congress was to make men see that an adjusted compensation law should be passed and that fight is won. With the exception of a very few courageous men who have strong convictions and are not afraid to state them, the membership of this body, regardless of their political beliefs, are publicly espousing the cause of that kind of a law.

I say courageous advisedly, because some politics must enter into the discussion of any law. I can recall one man—one of the most valuable Members of this House, the gentleman from Iowa [Mr. GOOD]—who has consistently fought for economy in government, and who has just as consistently led the fight for things that would benefit the service man. He introduced the amendment and fought for the law which increased the compensation of enlisted men from \$15 to \$30 per month, as shown by page 2390 of the CONGRESSIONAL RECORD for May 16, 1917; he introduced and fought for an amendment which would exempt service men from a portion of their income tax. On the floor of this House and on every occasion, publicly and privately, he has fought for laws that would afford hospital facilities for the sick and wounded and provide for the families and dependents of men who entered the service. There has been no more consistent friend of the service man than that gentleman in any Congress; and, while I disagree with him on the particular statute under consideration, I know that when the rolls are all made up the men who fought will recognize their obligation to him and admire and respect his courage.

The same thing might be said of the gentleman from Wyoming [Mr. MONDELL], with whom it is well known I have radically disagreed on several occasions. You may be certain that that gentleman will tell you the same thing in his room at the Capitol that he would tell you in a Republican conference or on the floor of the House; and I know the ex-service men, in discussing that gentleman, would say that he has the courage of his convictions. I know that is the record.

Agreeing that the law must be and will be passed, we may therefore ignore temporarily all of the provisions of the statute except that which involves taxation. As was said, the Democratic Party has been in power while the money was raised to conduct the war; the responsibility belongs to that party. If huge fortunes have been piled up—and they have been—that party is responsible. Regardless of what gentlemen on the Democratic side of the House may say, every opportunity has been given by votes on the floor to see that the spirit of the declaration of war, pledging the financial resources of the country to its conduct, should be carried out.

On May 18, 1917, as shown by the CONGRESSIONAL RECORD, commencing at line 11, on page 2547, the gentleman from Iowa [Mr. GOOD] offered an amendment to increase the excess-profits tax 30 per cent for the calendar year 1917 and every calendar year thereafter; and I shall insert his amendment and his remarks thereon at that time and the table of net profits of American industrial corporations for the years 1913, 1914, 1915, and 1916, which he had prepared.

Mr. Chairman, as I desire to quote from the RECORD and will not have the time to read all the questions, I ask unanimous consent that I may extend my remarks.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to extend his remarks. Is there objection? [After a pause.] The Chair hears none.

Mr. JOHNSON of South Dakota. One would think to read the remarks of the gentleman from Iowa [Mr. GOOD] that he could look into the future and see the problem we were going to be compelled to meet in this Congress. It would be well for the Members of this House to read the things he said on the floor of this House immediately after the declaration of war,

If we had followed his advice we would not have this situation to-day. I will quote from him.

Mr. Good said:

Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

"Amendment by Mr. Good: At end of line 22, page 8, insert a new section, as follows:

"Sec. 205. That in addition to the taxes under existing laws and in addition to the taxes imposed by section 200 hereof, there shall be levied, assessed, collected, and paid a like excess-profits tax of 30 per cent in the calendar year 1917, and every calendar year thereafter, by every corporation, joint-stock company or association, insurance company, and partnership, on that portion of the net profits of any such corporation, joint-stock company or association, insurance company, and partnership, in excess of the normal profits of any such corporation, joint-stock company or association, insurance company, and partnership. That in determining the normal profits of any corporation, joint-stock company or association, insurance company, and partnership, the Commissioner of Internal Revenue shall take the net profits of any corporation, joint-stock company or association, insurance company, and partnership for the years 1912, 1913, and 1914, and the average net profits for said years shall constitute the normal profits of any such corporation, joint-stock company or association, insurance company, and partnership. The Commissioner of Internal Revenue shall make due allowances for any and all additions to or reductions in the capital invested after January 1, 1915, by any corporation, joint-stock company or association, insurance company, and partnership, on the basis of 8 per cent per annum. In determining the normal profits of any corporation, joint-stock company or association, insurance company and partnership not engaged in business during any or all of the years of 1912, 1913, and 1914, the Commissioner of Internal Revenue shall in the manner above prescribed ascertain the normal profits of any such corporation, joint-stock company or association, insurance company, and partnership during such time as any such corporation, joint-stock company or association, insurance company, and partnership was engaged in business prior to January 1, 1915; that the normal profits of any corporation, joint-stock company or association, insurance company, and partnership organized subsequent to January 1, 1915, shall be deemed to be 10 per cent on the capital invested: *Provided, however,* That if the net earnings of any such corporation, joint-stock company or association, insurance company, and partnership shall be less than 10 per cent per annum on the capital invested then, and in that event, an additional tax shall be levied by this section."

Mr. Good. Mr. Chairman, if the amendment I have offered is adopted, quite a number of the oppressive provisions of this bill that impose purely consumption taxes may be eliminated. If adopted, many of the taxes imposed on legitimate industry may be greatly reduced. We are all agreed that we must finance this war, but in financing it we ought to adopt some general comprehensive plan that will reduce the burden on the great mass of our people to the minimum. The plan should be so comprehensive that it would afford a minimum of hardship to legitimate industry. It should at the same time place as much of the burden as possible on those who make abnormal profits out of the war. I believe the English system of taxation for financing the war is conceded by 75 per cent of the membership of this House to be far better than the system here proposed in this bill.

The amendment I have offered will accomplish this and only this: It does not place a penny of additional tax on normal profits. It imposes an additional tax of 30 per cent on war profits. It taxes war profits only. In order to make the amendment harmonize with the text of the existing law and the provisions of this bill, I have designated these profits as excess profits, or profits in excess of normal profits. The amendment can best be understood by applying its provisions to a given case. Take a concern like the Hercules Powder Co., for example. Last year that concern had a net profit of \$16,658,873. Under this amendment, if adopted, the Commissioner of Internal Revenue will ascertain what the normal profits of the Hercules Powder Co. were during the three years before the war—that is, for 1912, 1913, and 1914. The normal profits of that concern for those years was, in round numbers, \$1,000,000 per year. The amendment does not propose any tax on those normal profits of \$1,000,000, but in ascertaining the amount of the tax the Commissioner of Internal Revenue would subtract \$1,000,000, the normal profits, from the abnormal profits of \$16,658,873, made in 1916. He would find that the Hercules Powder Co. for 1916 had a war profit of \$15,658,873. On this he would compute a tax of 30 per cent, and out of these war profits this concern would be compelled to pay to the Government \$4,697,661.90. Is there any injustice in such a tax? Would any hardship result from the imposition of such a tax? Would a single man, woman, or child in the United States be compelled to wear poorer clothing or to eat less food because of such a tax? The hardship and suffering through the imposition of such a tax would be reduced to the minimum. No person in this time of stress should be allowed to make and retain a profit like that. My amendment, if adopted, would take 30 per cent of the war profits of every person and every corporation in the United States to support the war. That is what the English system does. Only under the English law to-day they take 80 per cent of the war profits to support the war.

This was in 1917. The gentleman from Iowa [Mr. Good] said:

Think of it. This bill imposes only a normal tax on that corporation. It proposes to take no more of the war profits of that corporation than it does of the corporation whose profits have not increased a dollar because of the war. We put a tax on telephone bills, on heat bills, on electric-light bills, water bills—purely consumption taxes—and everyone knows that in these times of stress the bills of the ordinary consumer are more than he can bear. But it is not proposed at all to reach out and make an exception of the class that profits because of the war. These war profits exist all over the country. Men are ambitious to make money, and their avarice too often permits them to raise the prices of the necessities of life. And if this amendment is adopted it will tend to regulate prices and at the same time it will reach those same large concerns that have been engaged in making a horizontal increase, not only in war supplies but in the necessities of life, and it will take 30 per cent of their war profits to support and carry on the war.

Then the gentleman from Iowa [Mr. Good] inserted his table of profits, as follows:

Net profits of American industrial corporations.

[Figures shown are the net profits earned for the stockholders after deducting cost of materials, labor, depreciation, overhead, interest, and all other charges. All figures are official, having been taken from the companies' annual reports.]

Corporation.	1916	1915	1914	1913
American Can Co.	\$7,962,982	\$5,029,273	\$2,916,339	\$4,376,173
American Smelting & Refining Co.	23,252,248	14,402,732	9,271,565	9,756,540
American Hide & Leather Co.	1,643,266	959,974	107,205	475,518
American Beet Sugar Co.	2,445,189	1,424,654	452,074	881,055
American Locomotive Co.	10,769,429	1,491,980	2,076,127	6,185,305
American Steel Foundries Co.	3,418,057	1,219,574	1,231,481	1,033,592
American Woolen Co.	5,863,819	4,080,865	2,788,602	1,179,791
American Writing Paper Co.	2,524,378	1,126,956	1,108,310	1,229,190
Armour & Co.	20,100,000	11,000,000	7,509,908	6,028,197
Atlas Powder Co.	2,939,790	1,671,762	294,150	322,838
Baldwin Locomotive Co.	5,982,517	2,827,816	353,230	4,017,800
Bethlehem Steel Corporation.	43,593,988	17,762,813	5,590,020	5,122,703
Barrett Co. (American Coal Products Co.)	4,247,858	2,482,236	1,280,476	1,835,811
Brown Shoe Co.	1,467,757	240,322	495,890	710,464
Central Leather Co.	15,489,201	5,626,897	4,876,924	4,388,345
Colorado Fuel & Iron Co.	2,201,171	1,334,611	1,905,968	1,727,192
Crucible Steel Co.	13,223,655	3,073,750	1,015,039	4,905,888
Cuban-American Sugar Co.	8,235,113	5,594,048	2,705,723	356,887
E. I. du Pont de Nemours Powder Co.	82,107,693	57,257,308	4,831,793	4,582,075
General Chemical Co.	12,286,826	5,958,746	2,857,898	2,809,442
Hercules Powder Co.	16,658,873	4,886,102	1,247,255	1,017,212
International Agricultural Corporation	1,279,832	1,160,022	84,908	1,161,493
International Nickel Co.	11,748,279	5,598,072	4,792,665	5,009,120
Lackawanna Steel Co.	12,218,234	2,409,108	1,652,444	2,755,883
Morris & Co. (packers)	3,832,213	2,321,415	2,205,672	1,916,997
National Enameling & Stamping Co.	2,417,803	913,742	548,756	761,274
New York Air Brake Co.	8,214,962	1,343,285	641,046	654,512
Phelps-Dodge Corporation	21,974,263	9,720,475	6,694,839	7,907,710
Pittsburgh Steel Co.	4,564,088	858,160	416,551	1,193,660
Railway Steel Spring Co.	3,710,805	1,363,229	374,454	1,121,660
Republic Iron & Steel Co.	14,789,163	3,515,819	1,028,748	3,101,300
Sloss-Sheffield Iron & Steel Co.	1,912,624	522,388	490,139	678,466
Swift & Co.	20,465,000	14,087,500	9,450,000	9,250,000
Texas (Oil) Co.	13,898,861	6,393,327	6,185,794	6,063,123
United States Steel Corporation.	271,531,730	75,833,833	23,496,768	81,216,985
United States Cast Iron Pipe Co.	1,308,641	1,381,387	159,868	564,427
United Fruit Co.	11,943,151	5,900,522	2,264,911	5,315,631
United States Industrial Alcohol Co.	4,884,587	2,172,013	653,264	652,353
United States Smelting, Refining & Mining Co.	8,898,464	6,592,324	2,265,641	3,585,583
Westinghouse Air Brake Co.	9,396,103	1,575,839	3,482,994	5,255,253
Westinghouse Electric & Manufacturing Co.	9,666,789	2,009,744	4,058,809	3,164,032
Wilson & Co. (packers)	4,913,873	2,463,732	1,511,528	1,364,245
Total	729,983,235	292,588,355	124,242,776	204,233,749

¹ Deficit. ² 19 months. ³ 15 months.

The table submitted by the gentleman from Iowa [Mr. Good] absolutely checks up with the tables submitted to the Senate on April 24, 1920, by the Senator from Kansas [Mr. CAPPER], whose remarks are shown on pages 6109 to 6111 of the CONGRESSIONAL RECORD of that date. Both of these gentlemen, the gentleman from Kansas [Mr. CAPPER] and the gentleman from Iowa [Mr. Good] called attention, three years apart, to the profits of the American Hide & Leather Co., to the profits of the Central Leather Co., to the profits of the Crucible Steel Co., to the profits of the General Chemical Co., and to the profits of the National Enameling Co. The gentleman from Iowa [Mr. Good] showed the profits that would be made and desired us to adopt the tax. The gentleman from Kansas called attention to the profits that had been made and desired us to adopt the tax. It ought to be recognized by Members of this House that when we pass legislation in this House it may be defeated in another legislative body, but that it will not be defeated when there is a man like the gentleman from Kansas in another legislative body, in a fight which Members who engaged in the argument with him will never forget.

On April 24, 1920, the gentleman from Kansas [Mr. CAPPER] said in the Senate in submitting profit figures:

Profits have been made by Continental Oil, 200 per cent; United Fuel Gas, 200 per cent; Ohio Fuel Supply, 100 per cent; Nonquit Spinning Co., 160 per cent; Amoskeag Cotton Manufacturing Co., 100 per cent; Stutz Motors, 100 per cent; Nashua Manufacturing Co., 100 per cent; American Tobacco Security Co., 75 per cent; Manomet Mills, 55 1/2 per cent; Hood Rubber Co., 66 1/2 per cent; Crucible Steel, 50 per cent; Cleveland-Akron Bag, 50 per cent; Union Bag & Paper, 50 per cent; Auto-Car Co., 40 per cent; John R. Thompson Co., 33 1/2 per cent; St. Maurice Paper Co., 30 per cent; F. W. Woolworth, 30 per cent; Electric Welding of Boston, 25 per cent; Delaware & Cleveland, 25 per cent; Hawaiian Pineapple Co., 25 per cent; Electric Welding Co., 25 per cent; General Chemical Co., 20 per cent; American Multigraph, 20 per cent; Truscan Steel, 20 per cent.

The Standard Oil Co. of Indiana has recently increased its capital from \$1,000,000 to \$30,000,000, giving its stockholders a stock dividend of 2,900 per cent.

Also, it is instructive to learn that the National Candy Co.'s earnings last year showed an increase of 545 per cent over 1915; that Burns Bros., the largest retail coal dealers in the United States, made a net profit of 40 cents a ton, against 23½ cents in 1916; that the earnings of the United Drug Co., doing a business of \$50,000,000 annually, were 242 per cent greater than 1916; that the American Ice Co., which cuts ice by the millions, but not profits, has in the last four years increased its earnings 283 per cent; that the International Cotton Co., doing nearly \$8,000,000 worth of business last year, made 39 per cent more money, although it sold 20 per cent fewer goods; that the Pacific Mills' output of cotton and worsted dress goods produced 34 per cent more profit than in the year before the war; and that the excess-profit surplus of United States Steel—the surplus remaining after dividends—has aggregated nearly \$500,000,000 in the last five years, although \$315,000,000 was spent on improvements.

These patriotic melon raisers, who have made their millions and billions during and since the war, now are urging that the soldiers' bonus be raised by a 1 per cent tax on sales to be paid on every dollar spent by every man, woman, and child in the country, including the ex-service men themselves. Mr. President, I shall favor placing this tax right where it belongs—on war profits—and taking from these huge stock dividends, from excess war profits, and from the profiteers, all that is needful to compensate the men who sacrificed themselves instead of their country, or their countrymen, in time of war.

During the coal strike, while zero cold and privation threatened the people, the price of crude oil shot up nearly 300 per cent, and still is rising. The oil men have the same golden rule as the lumbermen and the sugar barons, namely, their price limit is all they can compel the consumer to pay, and they are scientific compellers. There is none more compelling. They have boosted oil from 40 cents, in 1915, to \$3 a barrel and higher, a gain of more than 650 per cent; and while prices are being screwed up a notch or two more "to encourage production" their wives are importing \$250,000 worth of art from Europe and stopping at no extravagance at home.

The papers told yesterday of a Texas oil company that is expected soon to cut a 400 per cent stock-dividend melon. Each stockholder will be permitted to buy one new share at \$100 for every share of old stock he holds. The old shares are now quoted at \$850, having risen to that figure from a par value of \$100.

It is said the poor man's luxury is tobacco. Its use is so general that it is even considered a necessity by many persons. It is interesting to note in this connection that the contribution to good government of the Tobacco Products Corporation is a dividend balance showing a rise of 1,547 per cent over its 1914 profits, which the smoker had to pay or go without this solace.

Smokers generally will be interested in learning that the General Cigar Co., which in 1906 acquired the property and business of the old United Cigar Co., amassed a net income of nearly 34 cents on each dollar of its sales in 1917, and in 1919 this had grown to almost 38 cents, notwithstanding nearly all 7-cent cigars in the market have recently been advanced to 8 cents retail.

Other upholders of government and benefactors of the poor are the American Hide & Leather Co., whose profits for 1919 were more than three and one-half times larger than those it gained in 1914; the Central Leather Co., whose 1919 profits were more than doubled those of the same months in 1918; and the Endicott-Johnson Shoe Manufacturing Corporation, whose profits rose from \$2,174,430 in 1915 to \$9,791,580 in 1919.

In terms of dividends on its common stock, last year's profits of the American Hide & Leather Co. increased from 44 cents a share in 1915 to \$15.52 a share in 1919, or thirty-five times the earnings it distributed in 1915, and they were ample.

During the first nine months of the same year, while the Government was hunting high and low for rampant profiteers, and the price of shoes was steadily going higher and the price of hides was as steadily going lower, the net earnings of the Central Leather Co. increased 55 per cent, or about 103 per cent over the average nine months of 1918. Its accumulated surplus rose from seven and three-fourths millions in 1914 to thirty and one-fourth millions in 1919. Yet despite these swollen profits the public is being warned that shoes are going to cost more instead of less.

Mr. President, for four years wheat farmers, as a whole, have little more than broken even. The size of the American loaf has been reduced for the first time in history, and the price has been nearly doubled. But the net profits of the 15 plants of the Standard Milling Co. have been increased 100 per cent, but not because of increased wages and taxes.

The National Enameling & Stamping Co. makes kitchen ware. Prior to the war it successfully met the severe competition of Germany and earned a fair return on its investment. In three recent years it has run up its net profits 326 per cent, because it could hold up American housewives and there was no one to say it nay. A Wall Street report says this company earned in the month of January alone enough to pay all its fixed charges and preferred dividends for the year. Here is a fine example of unmitigated, overreaching greed.

I have recently received a letter from Lakin C. Taylor, of the Pittsburgh Tin Plate & Steel Corporation. The Pittsburgh Tin Plate & Steel Corporation, with plants or offices in Pittsburgh, New York, Philadelphia, Chicago, Baltimore, Rochester, Cleveland, Buffalo, Cincinnati, Columbus, Albany, Newark, Toledo, and Syracuse, offers to sell me or my friends some of the Pittsburgh company's stock. It writes me under date of March 27 last that additions planned for its mills should increase present earnings over 300 per cent. And, as if this were not sufficiently inviting, points out that "every operating tin-plate and sheet-steel mill has made enormous fortunes for its stockholders, many of their common shares selling at 1,500 per cent premium.

"A similar steel company," so the letter relates, "organized by the head of this corporation earned 77 per cent last year, and the holders of the common stock made a profit of over 1,000 per cent."

Here is one profiteer who cheerfully admits it in writing on his own letterhead sent through the United States mails, which guarantees the facts in that letter are as stated, as the mails of the United States can not be used to defraud. I respectfully refer these facts to the Attorney General.

Profits of the American Sugar Refining Co. were confessedly \$15,000,000 for 1919, compared with \$12,000,000 for the preceding year, although this corporation's share of the business in the United States has dwindled from 60 per cent in 1900, when it had virtually a monopoly, down to 27 per cent.

During the last few years the sugar companies have declared stock dividends from surplus profits aggregating millions—on which Uncle Sam must now refund income taxes—besides regular and excessive cash dividends. Even the earnings of the American Beet Sugar Co. are expected to show profits of \$15 a share for 1919, compared with

\$6 the preceding year. And sugar is taking another leap skyward, probably to increase the billion of dollars to be exacted in higher profits this year from the American people. Meanwhile sugar imports from Cuba exceed the capacity of the refineries.

Mr. President, the humble banana, controlled by the United Fruit Co., with its fleet of 23 ships, has become a kingly profiteer. Its net earnings for 15 months, ending December last, equal 40 per cent on fifty millions of stock outstanding, rounding up a surplus for the last 51 months equal to nearly 122 per cent. If ten millions set aside as a war-risk reserve fund are added, the total surplus that the United Fruit Co. has piled up within the last four years would amount to 141 per cent. I leave it to you to judge whether it is an unwarranted or a harsh use of words to call this corporation an unmitigated price pirate and profit gouger.

To be complete, a list of examples in profit extortion would include a great many other corporations in the United States. The few that have been cited, and the situation of the people, are sufficient to indicate the magnitude of this menace to our efforts to reach sounder and saner times.

These figures ought to have convinced any man in 1917 or ought to convince any man in 1921 that war profits should and must be taxed.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman.

Mr. KNUTSON. These figures were all on file down at the Revenue Department, were they not, and therefore accessible to this administration, and yet no attempt was made to apprise Congress of the abnormal profits being made out of the war, so that this Congress could tax them?

Mr. JOHNSON of South Dakota. I think it is but fair to say that they were printed in the RECORD by the gentleman from Iowa [Mr. Good] on May 18, 1917, and they have been on file in the Internal Revenue Department all these years, and, of course, the present administration must have been familiar with the facts and should be chargeable with notice in any event.

Mr. KNUTSON. I am speaking of the profits made during the time we were in the war. Of course, we were just entering the war at the time the gentleman from Iowa offered his amendment.

Mr. JOHNSON of South Dakota. Of course, these figures have been put in whenever an income or excess-profits tax return was filed.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of South Dakota. Yes.

Mr. HARDY of Texas. They have been before the Members on both sides of the aisle all the time?

Mr. JOHNSON of South Dakota. Yes; I think it is fair to say that they have been before Members on both sides of the aisle all the time, and that the Democratic Party is chargeable with legislation up to the time they went out of power, and that the Republican Party is chargeable from that time on. And at the present time, leaving politics out of discussion, I resent the action of a Member in mixing up a law affecting the ex-service men with a political discussion. I know the gentleman from Texas [Mr. Hardy] would not do that any more than would the gentleman from Minnesota [Mr. Knutson]. [Laughter.]

Now, Members of the Democratic Party, aided by the gentleman from Iowa [Mr. Green], led the fight on the floor for the rejection of the Good amendment, and was surprised and astonished at the desire of the gentleman from Iowa [Mr. Good] to tax excess profits and prevent this exorbitant piling up of wealth by individuals and corporations, and he is now surprised that we should attempt to secure any part of it to adjust the compensation of men who fought.

Mr. HENRY T. RAINEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from South Dakota yield to the gentleman from Illinois?

Mr. JOHNSON of South Dakota. Yes.

Mr. HENRY T. RAINEY. Did I not understand the gentleman from Iowa [Mr. Green] to say the other day that he always voted for the highest rate? Do I understand the gentleman from South Dakota now to say that Mr. Green opposed Mr. Good's proposition?

Mr. JOHNSON of South Dakota. I will say to the gentleman that the gentleman from Iowa [Mr. Green], as shown by the RECORD when this Good amendment was up, spoke as follows, saying:

Mr. Chairman, I am surprised and even astonished at my colleague [Mr. Good] in offering this amendment.

Then he gave his reasons for taking that attitude.

Now, the gentleman from Iowa [Mr. Green] did not accuse the gentleman from Iowa [Mr. Good] of being a demagogue, as he accuses us now, but by joining with the Democratic majority at that time he defeated the attempt to tax excess profits, as shown by the vote on the Good amendment on page 2552 of the RECORD for May 18, 1917, when it was defeated by a vote of 42 ayes to 103 nays.

Now, it does not come with good grace for members of the Democratic Party at this time to contend that they and they alone wished to tax exorbitant profits, when on the 18th day of May, 1917, when they absolutely controlled this House, they joined with a few Republicans and defeated an amendment which would have taken the profits at the time they were made, have avoided this discussion at the present time, and prevented the piling up of exorbitant fortunes and much of the Great War debt which we have. Different newspaper writers have referred to the fight which we are making against the sales tax and for a war-profits tax as an "insurgent movement." The RECORD does not bear out that statement. At the time this matter was being discussed, as shown on page 2550 of the RECORD for May 18, 1917, the gentleman from Wyoming [Mr. MONDELL], now the majority leader of this House, was strenuously in favor of taxing war profits, and as the majority leader to-day he is still in favor of that method of taxation and not a sales or consumption tax, unless he has completely reversed his position. At that time Mr. MONDELL said, on page 2548 of the CONGRESSIONAL RECORD:

I should like to have five minutes on the other side—

Referring to the viewpoint I take to-day.

On page 2549 he said:

I am not against the amendment, but I desire to have five minutes.

On page 2550 he said:

Mr. Chairman, the gentleman from Iowa [Mr. GREEN], a member of the committee, attempts to answer the argument in behalf of the amendment offered by his colleague [Mr. GOOD] by saying that the English system is complex and that he had difficulty in applying it to our situation.

Now, his colleague has shown the House how easy it is for a Yankee to take the basic principle of the English law and write his provisions in a brief paragraph not complicated and easy of execution. The fact is the amendment offered by the gentleman from Iowa [Mr. GOOD] should take the place of the present excess-profits law and the excess-profits tax in this bill, because while our present law is rather illogical and not entirely equitable, the proposition of the gentleman from Iowa is logical and equitable. There should be no war tax on normal profits. We reach normal profits through the income tax, and the only war tax that should be placed on profits is a war tax on abnormal, unusual, excessive profits, and that is what this amendment proposes to do. It would lay no tax at all on a profit that was entirely normal and usual—usual to the business. It would lay no tax on any profit less than 10 per cent, but above the normal, and above 10 per cent it would do what the English law does—lay a heavy tax for the purpose of reaching those who are making abnormal profits out of the war.

There are various sorts of corporations making unusual and abnormal profits out of the war situation. Whether they are doing so under conditions in restraint of trade I do not know. Evidently the Attorney General does not know. He has not been able to find out. No one has been punished for that sort of thing. But we all know that the prices of the necessities of life have advanced steadily day by day, and some people are making enormous and abnormal profits out of those rises in price.

Those are the classes of profits that ought to be reached, and they are not the classes of profits that are reached by any of the provisions of this bill. The excess-profits tax, so called, in this bill is not an excess-profits tax at all. It is simply a plain, ordinary, everyday direct profits tax. A profits tax should be a tax on excess profits, unusual and abnormal profits.

I might say, as a matter of fact, that the Attorney General apparently has never been able to find out that exorbitant profits were being made, although he had notice served on him on May 18, 1917, that such profits were then being taken. Mr. MONDELL made the statements in 1917 that prove my contention that if he opposes our plan of taxation now he is the one that is insurgent, and not myself, because this is his original plan and I simply adopt it. It was the Republican plan in 1917, and I assume that it is to-day. If it is not, it would be a peculiar situation that Republican majority leaders, sound Republicans, would advocate one thing when the Democrats are in power and then advocate something else because they themselves happen to get into power.

The RECORD conclusively shows that the Republicans, when we were out of power, led by the gentleman from Iowa [Mr. GOOD] and the gentleman from Wyoming [Mr. MONDELL], were in favor of the system which I advocate now, and I hope it can never be said that the Republican leader of this House is for one thing when the Democrats are in power and another thing when the Republicans happen to control. As a matter of fact I never will believe that the gentleman from Wyoming [Mr. MONDELL] is opposed to our plan of taxation and has reversed his position until he takes the floor and states his reasons for the reversal of position. Both he and the members of the steering committee have been accused of fighting an excess-profits and war-income tax, but until I hear a simple, declarative sentence from them I shall refuse to believe the charge.

At the time this so-called Good amendment was before the House it was opposed by the gentleman from North Carolina [Mr. KITCHIN], who was the recognized Democratic leader of the House at that time and to-day, and a reading of the pages of the RECORD referred to and those immediately following will

not show that the voice of the gentleman from Illinois [Mr. HENRY T. RAINES] or the voice of the gentleman from Texas [Mr. GARNER] were ever raised in favor of the Good amendment and against the statute which has allowed the creation in this country of 23,000 war millionaires and 69,000 men who have accumulated in profits more than \$3,000,000,000. In other words, all this talk that we have had in the last few days with reference to this tax has been political "bunk" by some Republicans who want a political advantage and by Democrats who are seeking the same thing.

I am firmly of the opinion, in fact I know, that a good many Democrats, whose names I shall not mention at this time because I do not believe in personalities unless I am attacked, are doing everything that they can to defeat the adjusted compensation law and would tack any amendment on it that they could which would insure its defeat. I asked the minority leader, Mr. CLARK, the other day if he could assure me that the Democrats would support the tax measure we have been discussing, and I believe he will whip them into line, but a great many of them will be whipped into line because they do not believe we can secure enough votes on the Republican side to write our views into the statute.

As further evidence of the fact that it is not myself and those associated with me who are insurgent, permit me to call attention to the remarks of the gentleman from Ohio, Dr. FESS, as found on page 2552 of the RECORD of May 18, 1917, who stated as follows:

Now, if that result can be reached by refusing to put an excess-profits tax on all the businesses of the country, but rather confine it to a high rate on these businesses making great profits out of the war, as in England, it seems to me it is equitable, it is just, and I do not think that it is an unwise discrimination because of the great emergency. And if the committee is not ready to make some such recommendation in the light of what England has accomplished under the great stress of the World War, to rewrite this particular provision which puts 16 per cent on all businesses, whether augmented profits from war or other reasons, rather than to fix the high per cent on those businesses prospering from the war, then I frankly say I am ready to vote to recommit the bill—send it back to the committee with instructions to bring it in with this war excess-profits provision thoroughly worked out. It is a source of great revenue without great disturbance at a time of great emergency.

This ought to make it apparent to the country and the Members of the House when the matter comes up before the House for discussion that we should have the support of the gentleman from Wyoming and the gentleman from Ohio [Mr. FESS], and all of these men who, if they take any other attitude than the one they have advocated, would themselves be the insurgents and we would be the regulars. [Laughter.]

Mr. STEENERSON. Will the gentleman yield?

Mr. JOHNSON of South Dakota. Certainly.

Mr. STEENERSON. The statement has been made that the income-tax returns are accessible to Members of Congress. I think that is a mistake. They are accessible by reason of the fact that the Senate in July, 1918, passed a resolution asking for this information, and it is published in Senate Document 259. I would like to have the gentleman insert the letter of transmittal written by Secretary McAdoo giving the information.

Mr. JOHNSON of South Dakota. I am glad the gentleman from Minnesota has given that information, and shall be glad to insert it in the RECORD at this point.

The letter is as follows:

Letter of transmittal.

TREASURY DEPARTMENT,
Washington, July 5, 1918.

HON. THOMAS R. MARSHALL,
President of the United States Senate.

MY DEAR MR. PRESIDENT: I have the honor to refer again to Senate resolution 253, receipt of which was acknowledged by my letter of June 8. The resolution reads as follows:

"Resolved, That the Secretary of the Treasury be, and he is hereby, directed to furnish the Senate with the following information:

"First. Any and all facts, figures, data, or information now in possession of the Treasury Department relative to profiteering which would in any way enable Congress to deal with the matter either through the present proposed revenue legislation or through enactment of more effective criminal statutes. That such report shall contain a list of all corporations, with the amount of their earnings, which have earned in excess of 15 per cent on their capital stock, as shown by their returns to the Internal Revenue Bureau for the calendar year 1917, accompanied by such statement as will show net earnings of the same corporation for the calendar year 1916.

"Second. The figures showing the amount of money which the Government has raised up to this time since the beginning of the war by taxation and the amount which it has raised by loans."

The information submitted herewith in response to the first paragraph of the resolution was obtained from the income and excess-profits returns of 31,500 of a total of approximately 55,000 corporations in the United States which in the calendar year 1917 earned 15 per cent or more on their capital stock. The corporations included in the list are believed to be representative, as some are included from each of the major groups and most of the minor groups representing the various recognized industries, trades, and occupations comprising the business activities of the country.

The information called for by the second paragraph of the resolution is printed on pages 387-388.

Respectfully,

W. G. McADOO, Secretary.

Mr. JOHNSON of South Dakota. Those three gentlemen—the gentleman from Wyoming [Mr. MONDELL], the gentleman from Ohio [Mr. FESS], and the gentleman from Iowa [Mr. GOOD]—stated the Republican view, while the gentleman from Iowa [Mr. GREEN] and those in control of the Democratic Party stated and abided by the Democratic theory.

Cutting out the politics in this discussion we get to this point: It was very apparent that nothing was to be done along the lines of adjusted compensation until approximately six weeks ago, when many Republican House Members joined in a request for a Republican conference with the idea that all of the bills affecting ex-soldiers should be forced to one committee for consideration. Over the Democratic protest, as shown by the RECORD, we sent those bills to the Ways and Means Committee. The Ways and Means Committee, after due consideration, have adopted practically in toto the desires of the American Legion as expressed in a draft of a bill prepared by them. There was little disagreement as to what should be done, except with reference to taxes. Some of the members, both Republican and Democratic, of the Ways and Means Committee determined that the money that was necessary should be raised by a turnover sales tax on each sale from the producer to the consumer. Whatever anyone may say, I know that that was practically agreed upon. That plan of taxation, as so clearly shown by the gentleman from Wisconsin [Mr. FREAR], would have taxed every necessity of life one-half of 1 per cent every time it changed hands from the producer to the retailer.

Mr. KEARNS. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I will.

Mr. KEARNS. That is not reported in the bill, and what is the advantage or use in discussing it? It is what is going to be reported or presented to the House.

Mr. JOHNSON of South Dakota. It is brought up for this reason: Great objection has been taken by different Members of the House, Republicans and Democrats, because some of us have expressed our own convictions as to the method of taxation. I brought it up to show that if this fight had not been made the agreement for the turnover sales would have been jammed through the House.

Mr. KEARNS. What difference does it make as to the visionary ideas Members of Congress may have had? The only thing we are concerned in is what is going to be presented or what has been presented.

Mr. JOHNSON of South Dakota. Well, the gentleman has his views and I have mine, and we might disagree as to whether they should go into the RECORD or not. I think when the record is made up it should show the whole transaction and without indulging in personalities, which neither the gentleman from Ohio nor I would do.

It would tax coal one to four turnovers, or a fourfold tax; rubber, three turnovers, or a threefold tax; dairy products, three to four turnovers; sugar, four turnovers; grain, one to six turnovers; steel, four to five turnovers; leather, five turnovers; cotton and wool, five to nine turnovers. Taking, for instance, the tax on shoes, it would mean that the eyelets and hooks would be taxed from two to three times before they ever came to the shoe manufacturer and be taxed from three to four times while they went through the hands of the manufacturers, jobbers, and dealers. Practically every tax on the necessities of life would be from 4 to 8 per cent.

There was a firm determination on the part of some Members of this House, both Republicans and Democrats, to force this consumption tax through, to bring in the bill some time to-day, bring it up under the suspension of the rules Monday, and, with a gag placed in the mouth of every Member of Congress, force him to vote against adjusted compensation for service men or swallow cumulative turnover sales taxes. A great number of Republicans resented and still do resent that action, because no party or party leadership, either Democratic or Republican, can "gag" the membership of this House and remain in power, or has a right to do so. [Applause.]

Mr. BYRNES of South Carolina. The gentleman said there was a determination on the part of both Republicans and Democrats. Will the gentleman name one Democrat who entertained that view?

Mr. JOHNSON of South Dakota. I will say very frankly to the gentleman—and I know he knows I am telling the truth, while this byplay is going on between us—

Mr. BYRNES of South Carolina. It is no byplay on my part. I want information.

Mr. JOHNSON of South Dakota. I could name a gentleman on the Democratic side, a Member of the very highest standing, who told me that; but if I should make that statement on the floor of the House it would be conveying information to the House and to the public which was given to me by that gentleman privately—

Mr. BYRNES of South Carolina. If any gentleman is in favor of that proposition, surely he has no objection to having it stated.

Mr. JOHNSON of South Dakota. I am not going to attempt for myself to express the opinion of any Democrat, but will let each one of you express your own opinion.

Mr. BYRNES of South Carolina. Does the gentleman mean there is only one Democrat who is in favor of it?

Mr. JOHNSON of South Dakota. I believe there are many more than one.

Mr. BYRNES of South Carolina. What reason has the gentleman for believing it?

Mr. JOHNSON of South Dakota. From the statements made to me by that gentleman. And I will say to the gentleman from South Carolina that he may prod me all he desires, but he is not going to get me to divulge on the floor of the House what that gentleman personally said to me.

Mr. BYRNES of South Carolina. I was simply asking for information.

Mr. JOHNSON of South Dakota. As I said, there was a firm determination to jam this thing through with a gag placed in the mouth of every Member of Congress and force him to vote against adjusted compensation for service men or swallow cumulative turnover sales taxes. A great number of Republicans resent that action, because no party or party leadership, either Democratic or Republican, can gag the membership of this House and remain in power.

We are not responsible to party leaders, either Democrats or Republicans, but only to our own constituents. As soon as it was evident that the American people would back us in a fight against a cumulative sales tax, that feature of the bill was eliminated and another iniquity proposed. In other words, after breaking through the barbed-wire entanglements of the proposed "gag" rule, we ran into another line of defense in the shape of a law which is to raise part of the money through a sales tax and an extremely small part of it through a tax on incomes. The cumulative-turnover feature was dropped and the tax placed on final retail sales. The greatest propaganda that I have seen in the six years that I have been a Member of Congress has been used to force a retail-sales tax down the throats of the American people, not only for the purposes of this bill but with the hope that it will be the fundamental method of raising taxes in the United States for all time to come, so that we may eliminate the income tax. Gentlemen may protest all that they wish that this is not the plan, but they know that this is proposed; that the country is being flooded with propaganda to this effect, and that it is the intention to lower or abolish the income tax. They have even been able to get commercial clubs in my own district and State to indorse the sales-tax theory; and if I did not know that the matter had not been thoroughly discussed by members of these bodies I would assume that they were in favor of a cumulative or turnover sales tax. Now that the light of publicity has been thrown upon this propaganda and the plans of its authors exposed, it is apparent to me that a third line of defense has been prepared, and, in order to escape a clear, clean-cut defeat, the authors of this law are determined that the membership of this body is not going to be given an opportunity to secure a straight-out vote on the sales tax on one side and an excess-profits tax on the other, in conjunction with the adjusted-compensation statute. I expect the move to be made to separate the adjusted-compensation law from any tax feature, so that we can with a whoop and a hurrah pass the compensation law and leave in the nebulous future somewhere the question as to how we shall raise the money to pay the bill. It is a cowardly and ridiculous procedure and a confession of weakness on the part of the men who propose it.

This Congress has had soldier legislation under discussion ever since it met, knowing it would be compelled to raise the money to pay the bill, and if we ever will be prepared to say how it should be done we are ready now.

Anyone who does not know to-day how he thinks it should be done ought to leave this Congress and go into some business that he understands thoroughly and concerning which he can make up his mind.

Since the discussion on the floor of this House the other day, however, when for the first time since I have been in Congress an open agreement was made openly on the floor, some Members have discovered that no "gag" will be allowed to apply, and thereby no sales tax forced upon us, and an attempt will be made to postpone further consideration of the taxing features of the law. That will be done by enemies of the legislation, by those who hope that Congress will pass a law that the President will veto, and while Republicans and Democrats pass the buck back and forth the ex-service man will suffer. We are ready to meet the issue and meet it Monday with a vote. Let the membership

of this House decide then whether they want a sales tax or desire to and will tax incomes and war profits. Bills have been introduced and all any Member is asked to do is to vote "yes" or "no," and thereby state his convictions. All we desire is a vote. I can not conceive of any great party or the representative of any great party that is not willing to meet that simple test. The bill which I have introduced, in which I have no personal pride, is not drastic; it is not even retroactive. I would like to make it so, and I think that the replacements that we will secure in some future Congresses will make such a law possible. Personally, I would be willing to accept any amendment which anyone has to offer which would make the law more intelligible or more effective. As yet I have not seen anyone, however, who desires to argue against this law with anything but invective and statements concerning party regularity. The bill which I have introduced, H. R. 13798, simply provides as follows:

For a tax applied to the net income of corporations for the year 1920 to be determined on the following basis:

1. Average the net income of the corporations for the years 1917, 1918, 1919, and 1920.
2. Deduct the average income, war-profits, and excess-profits taxes for the same year.
3. Average the net income of the corporation for the prewar period and deduct that average from No. 2.
4. Deduct or add 10 per cent of the average invested capital for the taxable years 1917, 1918, 1919, and 1920 and the prewar period; take 80 per cent of the remainder. The application of the tax would result as follows: As to the proportion of the in-

vested capital used in 1920, which equals the average amount of invested capital used in the prewar period, the corporation would be permitted to earn exactly the same percentage of return as it earned in the prewar period. As to capital added since the prewar period the corporation would be allowed to earn 10 per cent. Tax applies to the remainder of the net income in 1920 at the rate of 80 per cent, provided that when that rate is applied the actual amount of the tax is not in excess of 80 per cent of the net income earned in 1920.

Now, of course, as has been estimated by the different experts, we will lose 10 per cent of the total amount of tax which we ought to receive by reason of deaths and by reason of the fact that some people have no incomes in 1920; but that is one of the problems and difficulties that we meet with any taxing law. If anyone can object honestly and consistently and sincerely to that kind of a law he has a right to his objection, and he ought to be allowed to make his objection and to vote, and give us the same opportunity.

The corporation tax estimates which show what amount the law will produce are as follows:

Mr. McCoy estimates that the aggregate net income of all corporations for the years 1917, 1918, 1919, and 1920 in excess of four times the average net income for the prewar period, plus the income, excess-profits, and war-profits taxes paid during 1917, 1918, 1919, and 1920, is \$3,800,000,000. If you exclude from this computation corporations whose average net income for the years 1917, 1918, 1919, and 1920 do not exceed \$100,000, the excess is not more than \$2,000,000,000.

He also estimates that the aggregate net income of individuals having an income averaging more than \$20,000 for the years 1917, 1918, 1919, and 1920 in excess of the net income of such individuals for 1914, plus income and excess-profits taxes paid by such individuals during the years 1917, 1918, 1919, and 1920, is about \$1,318,000,000.

Corporations tax estimates.

	Prewar period.	1917	1918	1919	1920
Number of corporations.....	180,000	232,000	245,000	260,000	260,000
Net income.....	\$4,123,000,000	\$10,730,000,000	\$9,600,000,000	\$8,900,000,000	\$8,500,000,000
Average net income.....	\$23,000	\$46,200	\$39,200	\$34,200	\$32,600
Income and profits tax.....		\$2,922,000,000	\$3,250,000,000	\$1,922,000,000	\$1,730,000,000
Estimated net income, less prewar net income, plus 10 per cent of invested capital.....		\$4,722,000,000	\$3,550,000,000	\$2,822,000,000	\$2,550,000,000
Less tax.....		\$1,800,000,000	\$300,000,000	\$900,000,000	\$800,000,000
Total taxable increase in net income.....					\$3,800,000,000

Individual income-tax estimates.

	1914	1917	1918	1919	1920
Net income over \$20,000.....	\$2,000,000,000	\$3,883,000,000	\$2,560,000,000	\$2,563,000,000	\$2,550,000,000
Tax paid.....		565,000,000	1,190,000,000	1,075,000,000	1,000,000,000
Tax paid plus 1914 net income.....		2,565,000,000	3,190,000,000	3,075,000,000	3,000,000,000
Taxable income.....		1,318,000,000	-630,000,000	-512,000,000	-450,000,000

These estimates have been carefully prepared. I did not prepare them. We know that practically no Member of this House can prepare estimates of this kind, because some of us are not competent to do it, and none of us has the time to do it, if we take proper care of our other duties. This has been prepared largely by Mr. McCoy, a man who is recognized as the best of the accountants that we have.

Mr. MACGREGOR. Will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman.

Mr. MACGREGOR. It was feared that an attempt would be made to hitch onto this proposition the land subsidy scheme which was opposed by most of the Members of this House. What is the view of the gentleman on that proposition?

Mr. JOHNSON of South Dakota. I desire to be perfectly frank with the gentleman. I have said the same thing privately, and ought to be willing to say publicly what is said privately. If an opportunity were given, I would vote to strike out the reclamation feature of this bill, the so-called Lane-Mondell feature, because I think very little advantage will be taken of it by the service men, and I do not like to see any reclamation legislation or other legislation that can not get through on its own merits be passed through the House by being tied onto soldier legislation.

Mr. EARBOUR. Was not that reclamation feature included in the fourfold plan of the American Legion?

Mr. JOHNSON of South Dakota. It was, absolutely; but I take the same attitude that I think every Member of this House takes, that we can not be governed entirely by the view of the American Legion or any organization, however great. I introduced the bill in this House which incorporated the American Legion, but recognize the fact that legislation must be written on the floor of this House and nowhere else. It can not be

written anywhere else, and I think any man here ought to have the absolute right to vote his own convictions on any proposition, whether it is indorsed by the Anti-Saloon League, the liquor interests, the American Federation of Labor, the railroad operatives, bankers' associations, boards of trade, the American Legion, or any other organization. We are in a peculiar position on the floor of the House, with some organization continually demanding our votes and saying they are going to get a knife and run it into our backs if we do not do just exactly the way they desire us to do. The life of a Member of Congress is not as easy as some people seem to believe. [Laughter.]

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. JOHNSON of South Dakota. Mr. Chairman, may I have 10 minutes more?

Mr. GOOD. Mr. Chairman, I yield 10 minutes more to the gentleman from South Dakota.

Mr. JOHNSON of South Dakota. To my mind the questions before us are simple. First, are we willing Monday or very shortly to have a vote on the adjusted compensation law? Second, are we willing to have a vote on the method for raising the money? Those of us who take my view of the matter would say "yes," to both questions and should join with me in forcing this House to adopt a rule indorsing all the provisions of the bonus law as it will be reported, except that feature providing for a sales tax, if such a tax is included. If the sales tax is included with the adjusted compensation law, and no opportunity given to offer a substitute tax law and the gag rule applied, then any Member of this House, however much he might believe in an adjusted compensation law, is, in my opinion, justified in voting against the whole measure, and I shall so vote. [Applause.] If it so comes up and is defeated, it will come up again at once with a rule and a free vote given. If this "gag"

rule is adopted, and the bonus law is to be forced down our throats with 20 minutes' debate, without a chance for discussion, under suspension of the rules, I believe the independent Members of this House will vote to not suspend the rules, but that the questions be considered on their merits, considered at once, and settled.

Mr. KEARNS. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of South Dakota. My time is very short, but I yield to the gentleman.

Mr. KEARNS. The gentleman speaks about a gag rule. I am not in entire sympathy with the bill as it has been presented here, but there can not be such a thing as a gag rule, because that rule can not be adopted unless by a majority of the House.

Mr. JOHNSON of South Dakota. If a second is demanded.

Mr. KEARNS. Yes; and if a second is demanded by two-thirds.

Mr. JOHNSON of South Dakota. No; if a second is demanded by a majority.

Mr. KEARNS. Then a majority; but how can you call it a gag rule when a majority of this House wants to vote on the bill, if they know what the bill is going to be? That would not be any gag rule if a majority is for it when they know what the bill is.

Mr. JOHNSON of South Dakota. I can tell the gentleman exactly the situation. The gentleman has asked me frankly and I will answer him frankly. You could put the membership of this body who are in favor of an adjusted compensation law up against the possibility of either voting against the law they desire to see passed or else voting for a sales tax they absolutely disbelieve in.

Mr. KEARNS. But they can vote against the rule, the majority of the House. They can vote again the rule and go into the House with an open field, with amendments.

Mr. JOHNSON of South Dakota. I am on the Rules Committee, and if they wanted to secure a rule separating this thing, I think I can speak for two members of that committee, and I think the minority leader can speak for some others, and say that you can get a rule that will separate these and have an untrammelled vote.

Mr. KEARNS. But whatever the rule is, we know what it is and what the bill is, and if a majority votes for that rule, knowing what the rule is and what the bill is and that amendments can not be offered, how can you call it a gag rule?

Mr. JOHNSON of South Dakota. If it comes in under a rule, it would not be a gag rule, but if it comes in under a suspension of the rules, it would be unfair to the Members of this House.

Mr. KEARNS. But it takes a majority to adopt either of them.

Mr. JOHNSON of South Dakota. If you adopt a rule, you have a chance to submit one substitute or one motion to recommit, but if you come in under suspension of the rules, you have the gag applied to you, and either you are recorded against the whole thing or for it, when, as a matter of fact, you will probably at heart be half for it and half against it. [Applause.]

If it does come up under suspension of the rules, and the law is defeated, it will come up with a rule requested by the leader of this House, and come up at once, because no party dares to take the attitude that it will not at least act on this legislation during the present Congress, and no man needs to worry. If the vote is presented, he may demand that he have an opportunity to vote.

I want to say, however, that I think this matter has been to a great extent clarified by the action of the Republicans of the House. The chairman of the great Ways and Means Committee, the gentleman from Michigan [Mr. FORDNEY], who has fought for an adjusted compensation law, when many men were opposed to it who now are not opposed to it, has stated publicly that he deemed that the action of the Republican conference last evening eliminated a sales tax from the bill and that other provisions for raising the money would be taken up. I believe that by reason of that fight we have eliminated the sales tax. [Applause.] I want to say that I believe it would have been in the bill if the fight had not been made, and I believe we can trust the gentleman from Michigan. I know that we can trust him to do anything that he says he will do. He says definitely that he is going to bring out an adjusted compensation law, and that he believes the Republicans in the House have spoken, and that there will be no sales tax.

What I have said is Republicanism as I understand it, because I believe that the Republican Party believes in the majority rule and is always willing to abide by it. The members of the Republican Party are and must be willing that their votes shall be cast on any proposition and must be willing to abide by the

results. That is my understanding of Republicanism, and anyone who takes the opposite view is insurging from Republicanism, as I understand it. [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, there are few subjects to-day that are disturbing the minds of the citizens of this country more than the extreme high price and unequal distribution of sugar. Sugar is one of the principal commodities and necessities of life. Every family and every person is interested. There is no doubt but that the element of speculation which has entered into the dealing in and the distribution of this commodity has had a very material effect in raising the price of it to the consumer.

For some time the Department of Justice, through the Food Administration and the Attorney General, has been wrestling with this question and making every effort toward a more equitable distribution and the elimination of speculation and the curbing of the profiteer. The price of sugar has very materially increased as a result of resales within the trade. The Department of Justice has been unable to meet this situation because of inadequate legislation, the only means now provided being the licensing system. With the declaration of peace or the repeal of war measures the licensing system will automatically become obsolete and of no value. This would leave the people of this country entirely at the mercy of the sugar speculators. For this reason I have to-day introduced into the Congress a measure seeking to curb this speculation and to remedy the handicap relative to this under which the Department of Justice is to-day laboring.

The measure which I have introduced is largely the result of the special effort that the Department of Justice has been and is making to regulate the distribution and the price of this commodity.

Mr. Chairman, I ask that the bill which I have to-day introduced be read to the House by the Clerk on my time.

The CHAIRMAN. Without objection, the Clerk will read the bill in the time of the gentleman.

Mr. KING. Mr. Chairman, reserving the right to object, would it annoy the gentleman to yield for a question?

Mr. HOWARD. No, sir.

Mr. KING. Has the gentleman considered the question involving the speculators in sugar; that is, in reference to the financing of their bills by the Federal reserve bank of the city of New York and the taking of their notes to pay and receiving currency from the Treasury of the United States, and that sugar is the basis of our currency to-day? Has the gentleman considered that feature of it, and had the Attorney General considered that feature of it?

Mr. HOWARD. I can not speak for the Attorney General, but I have given some consideration to it. I think there is too much of it being done.

Mr. COOPER. Will the gentleman yield?

Mr. HOWARD. Yes, sir.

Mr. COOPER. I received a letter from one of my constituents yesterday complaining of the sugar situation and stating that the sugar in the little town he lived in was now selling for 33 cents a pound. Now, does the gentleman maintain we will have to have legislation passed by the Congress before the Attorney General has any power to act in a case of that kind?

Mr. HOWARD. Sugar is selling in my home town at from 33 to 35 cents at this time, and the investigation made recently discloses the fact that some sugar has changed hands and gone through the hands of speculators from two to seven times, and that from 20 to 70 per cent of the cost of sugar at this time is by reason of this speculation.

The Clerk read as follows:

A bill to regulate the dealing in, distributing, importing, or manufacturing of sugar.

Be it enacted, etc., That it is hereby made unlawful for any person handling, dealing in, distributing, importing, or manufacturing sugar willfully to resell sugar to persons in the same trade without reasonable justification. The Attorney General shall by regulation prescribe what shall constitute reasonable justification for such resales.

SEC. 2. Any person violating any of the provisions of this act and the regulations made thereunder, upon conviction thereof, shall be fined not exceeding \$10,000 or be imprisoned for not more than two years, or both.

Mr. HOWARD. Mr. Chairman, we who have given this subject study and thought believe this legislation is necessary and remedial, and on behalf of the 110,000,000 consumers of sugar in this country I plead for immediate and favorable consideration by the committee and immediate and favorable action by the Congress on it. [Applause.]

I yield back the remainder of my time.

Mr. GOOD. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. DUNBAR].

Mr. DUNBAR. Mr. Chairman and gentlemen of the committee, the chairman of the Committee on Appropriations, Mr. Good, stated that before the high cost of living could be reduced it would be necessary for the expenses of our Government to be reduced. I want to say that one of the principal items entering into the cost of governmental operation is due to the fact of the inflation of the currency, and until our currency is deflated the Government can not expect, in addition to economic operations which are now being used, further to reduce the cost of our governmental expenses.

On March 30 last I presented statistics obtained from the daily financial bulletins issued by the Treasury Department relating to the operation of the Federal reserve banks, showing that for a period of six months, extending from September 1, 1919, to March 1, 1920, we were approaching a paper-circulating medium at the rate of \$1,500,000,000 per annum. Since that time the inflation of our currency has not been at the same rate but nearly so, and continues to be a source of anxiety and great concern.

The inflation during March was as follows:

April 1, Federal reserve notes	\$3,290,064,875
March 1, Federal reserve notes	3,255,213,250
Increase during month	43,851,625

Our gold coin, including bullion in the Treasury, decreased as follows:

March 1	\$2,720,767,606
April 1	2,662,284,553
Decrease	58,483,053

The inflation of currency during April continues as follows:

April 24, Federal reserve notes	\$3,335,140,000
April 1, Federal reserve notes	3,299,064,875
Increase	36,075,125

The report of the amount of general stock of gold in the United States is contained in the Treasury reports as of the issue of the 1st of each month. I do not know whether it has declined during this month, but the amount of gold and lawful money held by the Federal reserve agent as security for the Federal reserve bank notes has decreased \$36,171,000 from March 31 to April 24.

The amount of Federal reserve notes and the amount of commercial paper, gold, and lawful money held by the Federal reserve agents as security to insure the payment of the Federal reserve notes in existence of even date was as follows:

Apr. 24, Federal reserve notes	\$3,335,140,000
Commercial paper	2,815,094,000
Gold and lawful money	1,150,658,000
	3,965,752,000

On June 30, 1919, the Federal reserve notes amounted to \$2,694,640,000, an increase of \$640,500,000 to date. At the same time the stock of gold in the United States has decreased approximately \$400,000,000. The amount of gold and lawful money held as security by the Federal reserve agents amounted June 30, 1919, to \$1,113,824,000, as against \$1,150,658,000 April 24, 1920.

The percentage of gold to secure circulation June 30, 1919, amounted to 41.3, as compared to 34.8 April 24, 1920.

Unless inflation of our currency is checked, the theory of fiat-money advocates will be vindicated or a panic will occur the severity of which has never been equaled by any in our experience. It was proclaimed in a recent convention of bankers that further inflation of our credit standard must be checked if commodity prices are to decline or even remain stationary. One of the publications of financiers declared that with deflation of currency Congress must reduce its expenditures. Congress has been reducing appropriations, and the expenditures of the Government have steadily been reduced, but coincident with reduced appropriations and reduction in Government expenses the inflation of the currency has continued to increase enormously. I call the attention of the Congress to the fact that the excess of disbursements over receipts, exclusive of principal of the public debt, for the first nine months of the fiscal year amounted to \$214,207,713.82.

Deducting from this the amount of \$387,720,914 used for the purchase of foreign obligations, which are included under ordinary and special disbursements, we would have had a surplus of receipts over expenditures for nine months amounting to \$173,513,200. Under the leadership of Mr. MONDELL, to whose endeavors in relation to economy this House readily responds, I do not understand why it would be necessary to raise additional taxation to pay the proposed bonus to soldiers. The expenditures of our Government, exclusive of the public debt,

during the nine months of this fiscal year and for three-month periods amount as follows:

1919.	
July, August, September	\$2,153,856,655.11
October, November, December	1,693,028,454.03
1920.	
January, February, March	1,181,291,689.80
	5,028,176,798.94
Revenue for 9 months	4,813,969,085.12
Deficit	214,207,713.82
	5,028,176,798.94

During the first three months of this calendar year the excess of ordinary and special receipts over disbursements, exclusive of transactions affecting the principle of the public debt, amounted to more than \$400,000,000. I do not know what items of expense resulting from the war are to be paid by the United States Government, so I am unable to say that receipts will continue to exceed disbursements at a rate as indicated by transactions of the last three months which would amount to more than \$1,400,000,000 per year.

I do not understand why the item of \$387,720,914 expended for the purchase of foreign obligations and securities should be charged as Government expenditures unless the United States Government never again expects us to realize any money on securities purchased with this money. The Government continues to purchase these securities having so far this month spent nearly \$16,000,000 for that purpose as of April 27, 1920.

Covering three-month periods the transactions of the United States Treasury show the following excess of receipts or excess of disbursements for the periods enumerated:

	Excess of disbursements over receipts exclusive of the principal of the public debt.	Excess of receipts over disbursements exclusive of the principal of the public debt.
1919:		
July, August, September	\$516,010,585.13	
October, November, December	100,811,430.09	
1920:		
January, February, March		\$402,614,301.40
Difference, deficit		214,207,713.82
	616,822,015.22	616,822,015.22

The CHAIRMAN. The time of the gentleman has expired.

Mr. DUNBAR. Can I have five additional minutes?

Mr. GOOD. I will yield the gentleman five additional minutes.

Mr. DUNBAR. It is very unfortunate that peace with Germany has not been declared, our troops withdrawn from Europe, accounts balanced, so that we would know our financial liabilities in order that something like an accurate estimate could be made as to how far our expense receipts would exceed our disbursements, except for our floating indebtedness of \$3,000,000,000. I believe that if the proposed bonus to be paid soldiers could be extended over a period of several years there would be no necessity to impose an additional tax to be paid for the amount required, and providing that the Federal reserve bank prevent further inflation of the currency. Possibly inflation has gone too far. The business world is full of promoters who should be toilers and producers. Too many left or never had occupation of usefulness and productiveness, having been allured by promotion schemes financed by evidence of indebtedness, converted by the Federal reserve banks into Federal reserve notes, which even the Treasury Department does not designate as lawful money.

Bonds of the United States Government, for which the wealth of the Nation is pledged, are sold below par. Federal reserve notes which have 34 per cent of gold pledged for their payment will continue to decline in value and purchasing power as inflation of our currency proceeds.

We have outstanding about \$3,000,000,000 in Treasury certificates. It is unfortunate that these Treasury certificates were not during the war, or shortly after, funded by an issue of bonds so as to have cleaned up our floating obligations. If the Federal reserve banks continue inflation of the currency and a panic ensues, the demand for the payment of these tax certificates, which fall due at intervals, might give embarrassment to our Government and add to the general confusion of the times. Except for this floating indebtedness staring us in the face, I feel sure we could enact new revenue laws reducing the amount of

taxation and eliminating some of the objectionable features of the present law. [Applause.]

Mr. GOOD. Mr. Chairman, I will yield 10 minutes to the gentleman from Oregon [Mr. McARTHUR].

"THE ROCK OF THE MARNE."

Mr. McARTHUR. Mr. Chairman, "Marne" is a name indelibly inscribed on the pages of history. It was at the Marne in September, 1914, that the French under Joffre turned back the German hordes in their mad dash toward Paris; and it was at the Marne in July, 1918, on the selfsame ground that a single regiment of American Infantry, with some aid from the Artillery, once more stemmed the German tide and rolled it back in defeat, earning thereby for itself and its gallant colonel the proud title, "The Rock of the Marne." [Applause.]

World military annals report few feats that equal, and none that surpass, the deeds of the Thirty-eighth Regiment of Infantry under the command of Col. Ulysses Grant McAlexander in the second Battle of the Marne. "On this occasion," says Commander in Chief John J. Pershing in his final report, "a single regiment of the Third Division wrote one of the most brilliant pages in our military annals. It prevented the crossing to certain points on its front, while on either flank the Germans who had gained a footing pressed forward. Our men, firing in three directions, met the German attacks with counterattacks at critical points and succeeded in throwing two German divisions into complete confusion, capturing 600 prisoners."

Glory enough, it would seem, for one regiment of American Infantry to have defeated two entire divisions of Germans—six regiments of infantry plus artillery and auxiliary troops. The significance of the victory comes only when one has a clear understanding of the general military situation in July, 1918, and of the particular importance of the position in the allied line held by the Thirty-eighth Regiment.

In the summer of 1918 the German forces were again in motion toward Paris. Their hopes for success ran high. The Kaiser had set July 17 as the date for his triumphal entry into the French capital. The race was between the Kaiser and the Americans. Barrier after barrier the Germans hurdled or smashed through until they arrived at the Marne.

Between Chateau-Thierry and Dormans—

Wrote Maj. Gen. J. T. Dickman—

the Marne is a navigable stream, which flows in a deep valley. The crest of the banks is about 400 feet above the level of the river. The strategical feature of the stretch of 20 kilometers between Chateau-Thierry and Dormans is the valley of Surmelin Creek. This valley furnished the only good opening toward the south. The railroad and two good wagon roads in this valley running toward Conde en Brie and Montmirail are indispensable for the line of supply of an army crossing the Marne.

The Surmelin Valley was, indeed, the gateway to Paris. The sector along the Marne where it is joined by the Surmelin was held by the Thirty-eighth. On its left lay another American regiment, on its right a French division. The Germans knew the great strategical value of the Surmelin Valley and were prepared to enter it at all costs. On the other hand, Col. McAlexander was aware of the necessity of holding it against the enemy. Defeat or retreat spelled disaster to the Allies. [Applause.]

McAlexander typified the Regular Army at its best. A graduate of West Point, he had served in the Indian wars and had been cited for conspicuous gallantry in Santiago in the Spanish-American War. He had seen service in the Philippines. He was one of the first officers to be sent to Europe and had been afforded ample opportunity of studying the German style of warfare.

But training and experience are not the only requisites of the successful leader. McAlexander was the incarnation of the fighting spirit, and, furthermore, he possessed the ability to communicate this fighting spirit to his men. On one occasion he said:

Do you wish an invincible, unconquerable regiment? Then organize it, administer it, train it, and fight it along invincible and unconquerable lines. Imbue it with a pride that scoffs at danger, inspire it with a soul of intrepidity and honor and make it to know that its defeat is impossible; that it may be killed, but that it can not be conquered.

[Applause.]

The story of the Thirty-eighth at the Marne is that of a regiment of men who might be killed but could not be conquered. They had been trained in the McAlexander school—"along invincible and unconquerable lines"—and they knew that for them defeat was impossible. How fortunate for the allied cause that this was so.

The great outstanding fact in the battle of the Thirty-eighth against the German hosts at the Marne is that of regimental unity. Every unit, from battalion to corporal's squad, acted in complete harmony of command. Had there been one weak link

in the regimental chain this tale had been one of military disaster instead of military glory. The men had implicit faith in their officers, and over all was the McAlexander fighting spirit and genius. The colonel was always in the fight. No matter how long the march or how dangerous the battle line, McAlexander was always at the head of his men. [Applause.] Indeed, when the distinguished-service cross was conferred upon him the citation related that he had gone ahead of his men in full view of the enemy, thus leading his men by force of his example to the successful assault of enemy positions. Two wound stripes attest to the risks he ran. One of his captains relates how, in the thick of the Battle of the Marne, he came upon the colonel between him and the enemy. Going to McAlexander he said, "Colonel, don't you know that nothing can live in this place?" To which Col. McAlexander laconically replied, "Well, while we are yet alive let's give 'em hell!" Small wonder the regiment possessed an invincible, unconquerable spirit. [Applause.]

The evening of July 14 found the regiment ready for any emergency. It was arranged on principles of "formation in depth." Near the river and along the Metz-Paris railroad, which paralleled the river, lay the Second Battalion, under Maj. Rowe; back of it was the First Battalion, under Maj. Keeley; and last, the Third Battalion, under Maj. Lough. Col. McAlexander had gone over the ground carefully, and, to the surprise of his officers, had ordered trenches dug on the right flank between himself and the French. He was going to take no chances of an unprotected flank in case the French division on his right retreated. This evidence of military foresight, as was proved later, saved the regiment from annihilation and turned certain defeat into victory.

As midnight of July 14 approached an ominous stillness filled the air. Instinctively the men of the Thirty-eighth felt that something unusual was about to transpire. Their suspense was of short duration. Exactly at 12 o'clock the German artillery opened fire. The sector was swept for hours, until it would seem no living thing could have escaped. But the Americans, huddled in their tiny dugouts or open slit trenches, awaited the attack which was sure to follow. How they longed to come to blows with this deadly thing which threatened to stifle the freedom of the world, to see it face to face, to meet steel with steel!

At about 4 o'clock the bombardment was lifted and a rolling barrage took its place. Back of the barrage came masses of gray-clad Germans, two divisions strong, with a third in support. At the river boats were loaded and pontoon bridges were built. But here again McAlexander's military genius evidenced itself. Instead of withdrawing all his men from the river bank, he left a strong detachment there. I believe it was the French general, Degoutte, who phrased it "McAlexander fought with one foot in the water." It was not exactly orthodox, and to the Germans it was another example of American ignorance of military science, but like many another American innovation in the World War it proved its worth. The American riflemen on the bank of the Marne destroyed boatload after boatload of Germans. It was the proud boast of the Thirty-eighth that no Germans were able to cross the river in the sector held by it. [Applause.]

Farther to the left and right, however, the Germans did effect crossings, and advanced against the Metz-Paris railway line a short distance from the river. Here, too, they met a resistance which they could not overcome. Charge after charge failed to carry them across the railroad track. No German graves are located behind this line, but there are about 600 between it and the river. The Thirty-eighth paid heavily for its resistance, but the line held.

In referring at a later date to this phase of the fight, Col. McAlexander said:

There was only one thing that saved us, and that was the spirit of kill or be killed. And I want to say that I was willing to sacrifice the regiment and myself with them rather than yield 1 foot of ground to those Germans. I gave orders to my men to hold their sector until they had orders to retire, and they were just as anxious to hold their ground as the colonel was to have them hold it. The books say that when your casualties have reached one-third you are out of action. But I want to tell you of one company that, when 70 per cent of its men were casualties, organized the remaining 30 per cent in a countercharge and captured 410 prisoners.

[Applause.]

Need our schoolboys turn to Leonidas at Thermopylae or Miltiades at Marathon for tales of heroism after such a recital as this? Surely the story of McAlexander and the Thirty-eighth at the Marne will find its place in our histories alongside that of Jackson at New Orleans and Thomas, the "Rock of Chickamauga." [Applause.]

On the flanks another chapter was being written. The American regiment on the left had given ground and the Germans

were filtering through against the Thirty-eighth. On the right the French division had retired. The Thirty-eighth thus had to defend itself on the front and both flanks. It was here that Col. McAlexander's plan of defense bore fruit. The Germans had begun an encircling pincers movement to cut off the regiment, and but for the precaution that had been taken to protect the right flank in case of retirement of the French they would have been successful.

Messages sent back from the front lines to the commanding officer tell tales of grave danger, but ring with fighting determination to hold at all hazards. For example, in reply to a message of encouragement from Col. McAlexander directing him to hold on, Maj. Rowe wrote:

We have no intention of withdrawing unless we are completely out-flanked. At present Boche machine guns are troublesome on right flank. If French counterattack in time, we shall be O. K. We must thicken the lines to-night and have ammunition and food and carrying parties from rear. There are many German rowboats on river which should be destroyed before night. We are weary but proud.

[Applause.]

"Invincible and unconquerable." How Americans must thrill with pride on reading such a message.

For three days the fight on the flanks went on, the Germans striving desperately to open the gateway through the Surmelin. An order came to Col. McAlexander: "Fall back if you think best." "Is it up to my decision?" he asked. "Yes." "Then I hold my lines." [Applause.]

What was there back of this heroic determination to hold the lines at all costs? Aside from the strategic position occupied by the Thirty-eighth, there was the question of morale.

It was our part—

Said Col. McAlexander—

to so impress the Germans with our fighting ability and our wish to fight them that their morale would be destroyed to the extent of seeing great forces brought against us with no prospect of their success.

Did this fight affect the morale of the Germans? Let the Germans themselves answer:

Our retreat across the river (Marne) was awful: those Americans certainly did clean us up * * * they fight like tigers * * *. If those in front of us are fair specimens of the average American troops, and there are as many as they say there are, then goodbye to us.

This from the notebook of a member of the defeated Sixth Grenadier Regiment, a crack fighting unit.

Nor was recognition of the importance of the Thirty-eighth's victory lacking among American and French officers. Maj. Gen. Dickman wrote:

In the fighting on the front and flanks of the Thirty-eighth Infantry, the enemy's losses were so great that his offensive was completely shattered and the attack was not renewed. The regiment was still in good condition and its fighting capacity was unimpaired.

The defeat of the enemy on the Marne July 15, 1918, definitely marked the transition for him from the offensive to the defensive. The heroic stand of the Thirty-eighth Infantry stopped the enemy's advance toward Paris and made possible the counterattack at Soissons three days later.

One of the brightest pages in the history of the American Expeditionary Forces was written on this day by the Thirty-eighth Infantry, and no soldier can have a prouder title than ability to state that he fought with the Thirty-eighth Infantry in the defense of the Marne.

[Applause.]

A French officer who had witnessed the action wrote, in part:

The youthful soldiers of the Thirty-eighth Regiment did their job finely, showing themselves quite equal to our own best troops. Having received orders to hold on at any cost, they got killed only after having accounted for at least three times as many of the enemy and succeeded in maintaining the integrity of their front. * * *

Col. McAlexander, commanding the Thirty-eighth Infantry, showed himself to be a remarkable leader, cool-headed and efficient. He is liked and respected by men of whom he, on his side, has every reason to be proud.

When, at a later date, the award of *croix de guerre* with palm was made to Col. McAlexander and to the regimental colors of the Thirty-eighth, Gen. Petain, commander in chief, cited the regiment as follows [translation]:

Thirty-eighth Regiment of American Infantry, an elite regiment, which, under the energetic and intelligent command of its chief, Col. McAlexander, gave proof of unshakable tenacity in the course of the German attack of July 15, 1918. Attacked on the front, assailed on the right and left over many kilometers, faithful to its instructions, it remained, despite everything, on the bank of the Marne, hurled back the enemy, superior in numbers, and took over 200 prisoners.

According to French high command, the action was "peculiarly American both in conception and execution."

Yet this was not all. On the night of July 21, when the worn-out heroes were preparing for the first real sleep in a week, orders came to be ready to advance in the morning. The great smash was on. The German offensive had broken at the Marne and the tide had turned, never again to ebb until the Hindenburg line was pierced and the Germans, face to face with the greatest military disaster in history, signed the terms of the armistice.

There was no rest for the Thirty-eighth until the end came. "Let us cherish within our hearts the memory of our fallen comrades. Salute them! Then forward!" These words, worthy of immortal fame, are taken from Col. McAlexander's general order of July 27, 1918, to the officers and men of his regiment.

Honors came—medals for bravery—promotion—in Europe. But at home, how many knew of the deeds of McAlexander and the Thirty-eighth? It is a matter of record, reported by no less an authority than Maj. Gen. David C. Shanks, that when the regiment returned home no welcoming committee was at hand to greet it. Let us not attribute the lack of appreciation to the proverbial ingratitude of republics but rather to ignorance of the facts. The American people simply did not know.

When the real story of the greatest war in all history shall have been written, then will the deeds of McAlexander and the Thirty-eighth Regiment of Infantry shine forth in their true light and a grateful Nation sing the praises of the "Rock of the Marne." [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. McARTHUR. I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. GOOD. Mr. Chairman, I yield to the gentleman from Montana [Mr. RIDDICK].

Mr. RIDDICK. Mr. Chairman, I ask unanimous consent to revise and extend my remarks on the peace treaty.

The CHAIRMAN. The gentleman from Montana asks unanimous consent to revise and extend his remarks on the peace treaty. Is there objection? [After a pause.] The Chair hears none.

HE KEEPS US OUT OF PEACE.

Mr. RIDDICK. Mr. Chairman, House joint resolution 327, passed by the House of Representatives April 8, 1920, was supported with practical unanimity by Republicans and opposed with practical unanimity by Democrats.

This was a resolution "terminating the state of war declared to exist April 6, 1917, between the Imperial German Government and the United States."

The debate on this resolution demonstrated anxiety on the part of the Republican membership of the House to end the war and of administration Democrats in Congress to prevent the official termination of the war and the consequent curtailment of the war powers exercised by the President.

Extracts from the debate in the House make clear the grounds upon which Republican Congressmen pressed the peace resolution.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield to the gentleman from New York [Mr. DONOVAN].

Mr. DONOVAN. Mr. Chairman, I ask unanimous consent to extend my remarks on the automobile situation.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks on the automobile situation. Is there objection? [After a pause.] The Chair hears none.

Mr. GOOD. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MCKINLEY].

Mr. MCKINLEY. Mr. Chairman, I ask to extend my remarks by inserting an article written by Mr. Elisha Hanson on the budget.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks by inserting an article on the budget written by Mr. Elisha Hanson. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. DICKINSON]. [Applause.]

Mr. DICKINSON. Mr. Chairman, in the beginning of what I wish to say I want to evidence my appreciation of what was done by the Committee on Appropriations in putting in this bill the full amount of the estimate relative to the care and transportation of the remains of soldiers buried in France. With some reluctance and some hesitation I speak at all on this subject particularly, having spoken once at the close of another general debate when there were only a few present, and I know that what I shall say now will be heard by only a limited few, and what shall appear in the RECORD will be read by only a small per cent of the Members, for the RECORD is not extensively read. But I am intensely interested in the subject-matter about which I am permitted to say a few words. I have not been satisfied with the delay that has attended the executive departments and the legislative branch of the Government dealing with the question of the removal and transportation from abroad to this country of the remains of the soldier dead. With great rapidity the troops of this country were carried abroad to meet

the emergency of that great situation. Relatives all over the country expected the agreement entered into between France and this country to be carried out at the earliest practicable moment. It was then stated while the soldiers were being returned that the bodies of the dead could not be returned until the soldiers themselves had been brought back, and that was reasonable. It was suggested by those in high authority that they would commence to bring them back in the fall, probably in the early fall, but I read here statements which I saw for the first time to-day in the hearings before the Committee on Appropriations in answer to questions by the chairman of the committee addressed to Maj. H. R. Lemly:

Since you were here the other day, Maj. Lemly, there has been transmitted to Congress a supplemental estimate of \$21,549,000 for the disposition of remains of officers, soldiers, and civilian employees. When you were before us the other day you stated that the remains of the soldiers who are buried in France would not be returned.

Maj. Lemly said that that was true at that time.

The CHAIRMAN. I understand there has been some change in the negotiations between France and the United States in this respect?

Maj. LEMLY. Yes, sir.

The CHAIRMAN. What is the situation at present?

Maj. LEMLY. They are to be brought back; all that the families request for are to be brought back, which makes about two-thirds of those over there.

I call attention to the fact that, without any utterance on the part of Congress whatever, it seems to have been determined in military circles by those in high authority, notwithstanding the agreement entered into between this country and France, under which it was agreed that the remains should be brought back after the termination of the war, that the bodies should be left in France. I have not thought, and I do not now believe, that that was a matter that ought to have been finally settled by any officer in any department of the Government; but if it was to be settled, it ought to have been settled by a positive expression on the part of Congress, representing the expressed wishes of those most interested. A controversy arose by reason of utterances of different persons, some in high authority, and the program and policy were changed. Numerous resolutions were introduced in this House. Hearings were had before the Committee on Foreign Affairs, and I have regretted, with the understanding of what was the general sentiment in this House and a large majority sentiment in the country, that Congress has not declared its wish and the wish of the country relative thereto. [Applause.] This agreement entered into in the summer of 1918 ought not to have been lightly set aside against the desire of the people of this country or the relatives of those who are buried in France, particularly when it was within the province, in my judgment, of the American people to speak through their authorized representatives here.

I have kept up with the entire matter from the first, and I understand that those in high authority yielded their judgment and their views, and that renewed negotiations were entered into by which the agreement heretofore made between this country and France was restored. And I believe it is understood by a large majority of the relatives of those who are buried in France that wherever the nearest relatives have requested the bodies be returned this Government will respond to it. And the solemn promise has been made to these people. That promise I now believe will be kept, and this Government can not afford to break its promise with the relatives of those who lost their lives in foreign countries. [Applause.] I speak to-day because of the fact that I have received hundreds of letters expressing the heart's desire to have the bodies of those dear to them brought back and restored to them, so that they could be buried near their own homes, where they could be looked after by the tender hands of mothers and sisters. I have one letter from a mother who lost her only son in France, and who is buried there, that says she has offered this Government, through Secretary of War Baker, to give back all the war-risk insurance—\$10,000—for the return of the body of her son, and to go after her son's remains, and pay all the expenses of bringing back his remains to be buried in this country before she shall die. I insert her letter:

SOUTH PASADENA, CALIF., April 6, 1920.

Hon. C. C. DICKINSON,
House of Representatives, Washington, D. C.

MY DEAR SIR: My nephew, J. G. Whiteside, secretary to Congressman WINGO, of Arkansas, sent me your speech of January 27 on the subject of bringing home our soldier dead. I read every word of that speech, and let me congratulate you from the depths of my sad heart. My prayers go out to you for success in this great work. May God give you strength to carry this bill through Congress. I am one of the heart-broken mothers who gave her only son in this miserable war. He is Pvt. Jacob Hawthorne Moles, of the Sixty-seventh Company of the Fifth Regiment, United States Marine Corps. He was killed at the Battle of Blanc Mont Ridge on October 4, 1918. My only son, Mr. DICKINSON. This boy, as well as myself, were born in the wonderful State of Missouri at St. Louis. We were compelled to come to California, and he enlisted from Los Angeles. I have written to almost

everyone that I thought would help me. I have offered this Government, through Secretary of War Baker, to give back all the insurance—\$10,000—my dear child left me if they would only give me back his dear body, so I will know when my last hour comes that we will be united in death. I have never been given one word of encouragement. I have also offered to go after my child's remains, paying all expenses myself, and still they will not give me what is mine. This boy did not wait to be called. He enlisted when he did not need to go. I am asking how much longer I will have to wait. This is my only desire in life, and when it is accomplished I am willing to give up this struggle. Please, Mr. DICKINSON, if possible, help me. I am so sad at heart; the days are so dark without my dear child. I will appreciate anything done for me in this matter. Again let me say that my wishes go out to you for success. I am thankful that one man feels the heartstrings of us suffering relatives. I gave all I had to give. May the blessings of God be with you.

Respectfully a soldier's mother,

Mrs. HENRIETTA MOLES,

1115 Montrose Avenue, South Pasadena, Calif.

That is only one of hundreds that have come to me, and I desire to press this thought upon this House, because in this country it is believed by many that Congress is all powerful. You and I know that Congress does not always have its will and way, but in a matter of this kind I regret that some declaration, embodied in some resolution, has not been adopted, so that France and other countries where these soldiers are buried might know what is the declared wish of this country and put an end to this question, about which there should have been no controversy, in my judgment.

It is settled now, I sincerely hope, that wherever the written request has been made by the nearest relative the faith of the Government is pledged that the body of the soldier will be brought back. But it is a question now of delay.

In his speech of to-day Mr. Good of Iowa, the chairman of the Appropriations Committee, in response to a question asked by Mr. BLAND of Missouri, stated to this House as follows:

Mr. BLAND of Missouri. Mr. Chairman, will the gentleman yield?

Mr. GOOD. Yes.

Mr. BLAND of Missouri. Is the amount appropriated for the return of the bodies of dead soldiers from France thought to be a sufficient amount for that purpose?

Mr. GOOD. It is thought by the committee that the War Department will not be able to expend anything like the amount carried in this bill during the next year. My opinion is that we could have cut that item by five or six million dollars and not have delayed for a single day the bringing back of a single body from France.

Mr. BLAND of Missouri. And would have brought all of them back that the parents and wives desire brought back?

Mr. GOOD. No. I do not believe that the work can all be done during the next year. It is proposed to bring back 50,000 bodies and to prepare for reburial in the cemeteries of France, as I recall, about 25,000 additional bodies. That work can not all be done during the next year. If England and the other countries should also require that the bodies of their soldiers be taken from France you can see the congestion that would result, and you might bring on epidemic in that portion of France if attempt should be made to do this work all at once.

The work must be carried on with some degree of common sense and good judgment, but it was the opinion of the committee that inasmuch as Congress had already taken action in the matter, and inasmuch as France had now given consent to the return of the bodies of our dead, we should grant the appropriation asked. There has been a disposition on the part of some people in the Government service to pass the buck that the committee felt that inasmuch as it would require \$21,500,000 to bring back the bodies of our dead soldiers that it would be best to grant the appropriation at this time, even to the cent that was asked for by the department, so that the bereaved mothers and fathers and families of boys who lost their lives on the other side could not under any circumstances receive word from the War Department that the bodies of their dear ones were not returned because Congress had refused to grant the appropriation, and that is likely what would have happened if we had reduced the appropriation.

Over there in France lies a nephew of Congressman BLAND of Missouri—a brave and gallant soldier, Maj. Bland, of Kansas City, Mo., who was killed in action at Thiaucourt in the Battle of St. Mihiel, and now lies buried near the town of Thiaucourt for more than a year, and his devoted wife has been over there watching over the grave of the husband who gave his life for his country, and she waits with longing heart the day when she can come back with his body to be buried on American soil.

I have felt that this country, that was willing to spend so much to send them across, would be willing to appropriate an amount ample to meet all the necessities and costs and expenses of bringing them back at a reasonably early date. [Applause.]

It is estimated that between 50,000 and 60,000 will be brought back in response to the written requests of their relatives, at an expense estimated at \$500 for each soldier. That would be over \$25,000,000. And yet the amount as set out in the report apparently is not sufficient to meet all demands for this purpose. I quote from the report:

Another large increase for 1921 over 1920 is the sum of \$13,200,000 for the return to the United States of the remains of American soldiers who died abroad in the recent war and the segregation in permanent American cemeteries in France of the remains not requested to be returned. It is estimated by the War Department that approximately 50,000 bodies will be returned to the United States at an average cost of \$500 and that approximately 25,000 bodies will be segregated in permanent American cemeteries in France at an average cost of \$200, making a total approximated cost for both purposes of \$30,000,000. There has been previously appropriated for this pur-

pose approximately \$8,500,000, which is continued available for the next year by this bill, and an additional appropriation of \$21,500,000 is recommended, thus placing at the disposal of the War Department the entire estimated cost for this purpose.

Thereby verifying the statement of the chairman of the committee that the amount of appropriation as provided in this bill is not sufficient to meet all the demands, thereby causing a delay, I fear, for another year or until some subsequent additional appropriation is made.

As I said, I appreciate the fact that those in charge of this appropriation appropriated every dollar asked by the War Department. I had been in hopes that the War Department would ask for an appropriation at this time abundantly ample for the return of all, without delaying the bringing of any, where requested. The anxiety in the breast of those who are weary of delay ought not to be increased by any neglect of executive or legislative authority.

Mr. KING. Will the gentleman yield?

Mr. DICKINSON of Missouri. Yes.

Mr. KING. I am very much in sympathy with the remarks being made by the gentleman here, but can he enlighten us on what influence has been at work against the influence of this Congress and the people of this country to keep those bodies in France?

Mr. DICKINSON of Missouri. Ah, I am reluctant, more reluctant for personal reasons, to mention names or to review the history of the effort made by those more powerful than the humble citizens whose sons are buried there, which has had, I fear, a great influence, in the first place, in reaching the conclusion that they should not be brought back, and, subsequent thereto, in bringing the delay, with more delay now promised, by reason of the facts now within the knowledge of those who have sought information.

Mr. KING. Does the gentleman think that the spirit of profiteering in France and in the city of New York amongst the bankers on foreign exchange and the steamship companies and the automobile companies in France and the hotels in France have had anything to do or any influence in this matter?

Mr. DICKINSON of Missouri. I have no desire to enter that field or to thrust that into what remarks I see fit to make. It would take a long time to say what I might think or what has been uttered in the press and said one way and another. I have no desire to say an unkind or unfriendly word about those who differ with the relatives and with me in their desire to have their own returned to this country. I did regret a recent utterance made in a public speech deploring the fact that there was a desire on the part of relatives to have the bodies of their dead brought back, the speaker not being aware that the arrangements and agreements between this country and France had been completed, by which the matter was settled finally; but I have believed, and still believe, that the failure of Congress to speak and the injudicious speaking of certain men in high places did have much effect on the action of those in authority in France in heretofore failing to give earlier consent to the removal of the soldier dead.

I do not care to question the motives by which men are actuated and charge that there was any selfish reason behind it. I can not believe that any influence of that kind would have any weight with this Government. I hope it would have no weight with Congress. Whether that influence was sought to be brought forward here or abroad, that power, if foreign, would disappear if this Congress had spoken; it would have no influence when those in authority in this Government would demand or request of France that all obstacles to the return of the soldier dead should be removed. I know and you know that no foreign government or country would refuse to permit the return of the soldier dead, particularly from that country where so many lie and where so great a service was done by this country to that country.

Now, the thing that I am interested in and the thing I wanted to call attention to is that it has been a matter of regret, as the chairman seemed compelled to state for the information of the House, that the amount asked was not sufficient to meet all the demands of this service. I hope he is mistaken. I hope the estimate is ample. When the soldiers were returned there were abundant vessels to bring them back. If transportation facilities were not ample, there were transportation facilities in the possession of this Government at one time.

The delay now, I understand, has been due, as they say, in part, to want of coal. I understand that this Government has offered to provide the coal. The latest, as I understand it, is that those within the war zone shall not be returned before the middle of September, thereby making it possible that they may not all be returned within the next fiscal year. I hope all can be

returned long before the end of the fiscal year; I had hoped within the calendar year.

Now, I have said more than I intended to say on this subject. I wanted to express a regret that the amount might not be large enough, and also to express regret at the delay. I wanted positive and early action. I want expedition of service. I know the wide difference of opinion on this matter.

Mr. RHODES. Mr. Chairman, will my colleague permit a question?

The CHAIRMAN. Does the gentleman from Missouri yield to his colleague?

Mr. DICKINSON of Missouri. I yield.

Mr. RHODES. The gentleman states that he knows there is a wide difference of opinion. I will ask him if it is not a fact that the figures show that at least 75 per cent of the people who have been asked by the War Department whether or not they wish the bodies of their relatives returned have expressed a desire for the return of the bodies?

Mr. DICKINSON of Missouri. Yes; I understand that. But what I mean is there is a wide difference as to the other and smaller percentage who desire the bodies to remain over there; the option was left with them; and the difference is very wide between those who want them back and those who want them to remain buried and cared for in foreign cemeteries. I have feared, however, that they were an influential minority. I have no criticism of those who hold a different view from that of those who want their soldier dead to be returned to this country. I desire no controversy with those of different thought and feeling relative to their own soldier dead.

Mr. PARRISH. Will the gentleman yield?

Mr. DICKINSON of Missouri. Yes.

Mr. PARRISH. I understand that a man has been sent from the War Department to France to confer with the authorities there with a view to the speedy return of the bodies in the war zone, and I understand also that that representative was expected back here the last of April. I was wondering if the gentleman had any information as to the report that he brought back as to just when the bodies could be removed. I am very much in sympathy with my friend and colleague, and concur in everything he has said with reference to the matter.

Mr. DICKINSON of Missouri. I have no late information as to when Mr. Hays, sent over by the Secretary of War, and also the representative of the Quartermaster's Department will return. This matter is being especially looked after by Col. Pierce, who is at the head of the Graves Registration Service.

Mr. PARRISH. I was anxious to know whether they had brought back any report. The last information I had was from the Secretary of War, and he said he thought they would start to actually remove the bodies by the 1st of September. I was wondering whether there had been any change in that program.

Mr. DICKINSON of Missouri. From what conversations I have had and what information I have received I have a very distinct impression that they will not wait until the 1st of September as far as the bodies that are not in the war zone are concerned.

Mr. PARRISH. They are being removed now.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. BYRNS of Tennessee. I yield to the gentleman 10 minutes more.

Mr. DICKINSON of Missouri. But the delay relates particularly to the bringing back of those who are within the war zone.

Mr. PARRISH. Yes; that was the very point.

Mr. DICKINSON of Missouri. Now, I want to look at it and give absolute and full credit, and I am not here desiring to criticize, except to express regret that they did not make the amount large enough to cover the entire expense.

Mr. PARRISH. I agree with the gentleman.

Mr. DICKINSON of Missouri. I had hoped and thought that probably by the middle of September all those not within the war zone would have been brought back. I know it is within the power of this country to bring those back and to expedite the work. It is now a year and a half since the signing of the armistice. The great body of the troops have been brought back, the last of them, I think, in the early fall, and since that time there have been abundant ships to perform this service.

Mr. RHODES. Will the gentleman permit this observation?

Mr. DICKINSON of Missouri. Yes.

Mr. RHODES. I think the War Department claim that the reason they did not ask a larger sum for this purpose was because of industrial conditions and perhaps because of health conditions it was not thought practicable to undertake the more

prompt return of the bodies or to enlarge upon the effort that has been made up to this time.

Mr. DICKINSON of Missouri. I understand that has been suggested, but I have talked to parties high in authority, who have informed me that there was no real foundation for that idea. In my judgment, this work ought not to be delayed. I have reached the conclusion that Congress will not express itself at all on this matter, and that it will rest in confidence that the War Department will go ahead and carry out this agreement just as effectively and well as if Congress had spoken. But if Congress had spoken positively months ago, I am sure there would not have been any agreement reached to let them all remain there, and there would not have been any uncertainty in the minds of the authorities in France as to the attitude of this Government, and this delay would not have occurred. There is an unrest in this country because of this uncertainty.

It remains for Congress now to speak by its own prompt action in making the appropriation as asked in the estimate of the War Department.

Mr. MOONEY. Will the gentleman yield?

Mr. DICKINSON of Missouri. Yes.

Mr. MOONEY. The real reason for the delay thus far has been that there has been no agreement reached with France, or had not been until very recently, had there?

Mr. DICKINSON of Missouri. I understand at one time, if Maj. Lemly is right, that there was an agreement that they would none of them be brought back, and the agreement theretofore entered into between this country and France was set aside. Then the Secretary of War opened it up through the Secretary of State and restored that agreement and reached the conclusion that has now been made final, and the transportation has begun.

I desire now to give full credit to every positive act done by any representative of this Government connected with the executive departments. I do not want to be understood as criticizing, but express the hope that there may be no necessity for any action on the part of Congress save to make the appropriation and that the executive department will do all that there is to be done and as speedily as it can be done. [Applause.]

Mr. GOOD. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. KING].

Mr. KING. Mr. Chairman—

Ill fares the land, to hastening ills a prey,
Where wealth accumulates and men decay.

All is not now well with the common people, whose welfare is the concern of all. No greater calamity could befall our country than that the middle classes should be reduced in their modest fortunes or possibly placed upon the road to penury. Yet millions of this class, by reason of their inability to keep pace with the rising prices of necessities of life, are already slowly but surely starting on the downward grade.

How necessary then for the great and powerful to give their earnest and immediate attention to the cries from below, lest the basis of all be crushed, lest the back of the middle class be broken!

HOUSE RESOLUTION NO. 476.

As an aeolian on the window sill tinkles to the first faint breeze of the coming storm, so the delicately adjusted business of the banking house first responds to the slightest indication of approaching disturbances in the financial atmosphere. It is my belief that no honest banker would willingly lend the slightest assistance to any procedure which would tend to debase the people's currency, of which he, by reason of superior knowledge and ability, is naturally the guardian and protector. This belief is strengthened by the remarkable manner in which the bankers of the country, especially in the South, West, and Northwest, have and are supporting the above resolution introduced by me on the 28th day of February and now before the Rules Committee and upon which a hearing will be had on May 4 or 5 next, at which bankers and financial experts from over the country will testify. The hearing, originally set for April 15, was postponed on account of the railroad interruption caused by the strike.

The investigation, if ordered by the House, will be wholly nonpartisan and conducted in the broadest manner. The resolution authorizes a committee of nine Members of the House of Representatives to fully investigate the administration of the Federal reserve act since its passage generally and with regard especially to the alleged enforcement of State banks into the system; competition between reserve banks and member banks; open market transactions; great and unexpected earnings of Federal reserve banks; salaries paid; oppressive policies toward member banks; destruction of the State bank system; intimidat-

tion of directors; enforcement of diversified business of the whole country to conform to rigid rules of the Federal Reserve Board; inflation of the currency as affecting the high cost of living; refusal to make loans to member banks secured by Liberty bonds; policy of Federal Reserve System paying for collection of checks rather than permit banks to charge for such service; method of handling clearance deposit accounts and "float"; concentration of power in hands of Federal Reserve Board; and regulation by the board of the conduct of non-member State banks.

The committee or any subcommittee thereof is given in the resolution the usual powers to subpoena witnesses, compel the production of books, papers, and so forth.

Only one point can be considered here to-day—the administration of the Federal banking act in relation to the debasement of the currency and the high cost of living.

UNREST.

Unrest exists in the Nation.

A thousand reasons, each suitable and sufficient to the individuals who proclaim them, are given for its existence, accordingly as he is disturbed or made uncomfortable, mentally or physically, by his immediate and selfish surroundings.

The ordinary man is more confused than he is restless. For some reason, the exact nature of which he can not divine, he finds himself at a loss to locate the exact cause of his confusion. He looks about him and generally lays the blame upon some condition which is a result of something else and not the real cause of his discomfiture.

Confused and confounded by propaganda of paper organizations for this, that, and the other, by his loss of faith in the press, by the preachments of the professoriate, by the teachings of theorists, the swash of the penny-a-liners, the gyrations of the political medicine men, and the prophecies of the false astrologers, he swoons in his bewilderment and becomes oblivious to the real cause of his discontent, which is his inability to procure for a reasonable price and within his purchasing power the plain necessities of life to which he has been accustomed and where in thousands of cases the prices are absolutely prohibitory.

THE HIGH COST OF LIVING.

The high and the advancing cost of the necessities of life is the cause of 90 per cent of all the unrest in the Nation.

Deprivation of the masses is the cause of political ferment. The cry for bread unflinchingly precedes the cry of revolution. The free distribution of corn among the plebeians quelled many a crisis in Rome. So far in this country no one but the very poor and unfortunate are in want of bread, but conditions are becoming such that destitution can be seen already in the dress of the middle classes.

Practically the only tailor-made clothes now worn by the middle classes are those obtained before the war. In a mass meeting in Chicago the other day a man in a threadbare suit which he purchased new for \$18 before the war said that for a new one like it \$67 was demanded. He could not buy it, and was determined when his present rags fell from him he proposed to walk through the streets of Chicago naked.

Celluloid collars have been decreed for the middle classes, overalls are being put on, and soon there will be a demand for a shipment of wooden shoes from Holland.

The philanthropists now commend the cheaper cuts of meat to the "plain citizen."

If these high prices are the result of a course of conduct other than by reason of the uninterrupted law of supply and demand, it is the duty of the Government to investigate and regulate, and it is the sacred duty of those men who occupy the "seats of the mighty" in the business and financial world, to whom the preservation of the Government as established by the forefathers is of such moment, to back to the last sacrifice every attempt on the part of the Government to preserve the great middle classes, and all people for that matter, from exploitation and degradation.

The attempt, by the use of placards, billboards, paid writers, cartoonists, poets, professors, and all the avenues of publicity, to enslave the masses into the idea that high prices have come to stay and, like death, are to be permanently endured is futile. It is equally unavailing to attempt to disseminate the false cry that the high cost of living is due to the excess-profits tax, lack of production, restriction upon immigration, the want of a Federal tax commission, or that the imposition of a consumption tax in lieu of income taxes, or the creation and financing of manufacturing plants by American money in Europe and other foreign countries employing cheap foreign labor to compete in the American market, will remedy the situation. Most of these suggestions come from the man with an ax to grind.

Neither will it do to lay the blame for the high cost of living upon the moderate people and to say to them, "It is all your own fault; you are extravagant buyers and foolish spenders." The common man pays no more than the price asked. He can buy no cheaper. If he wants a pair of shoes, he finds the price is \$25, and he has the choice of taking them or letting them alone. All these hallucinations should be brushed aside.

THE INFLATION OF THE CURRENCY.

John Stuart Mill says:

That an increase in the quantity of money raises prices and diminution lowers them is the most elementary proposition in the theory of currency.

Not even the sky has been made a limit for the issuance of that kind of paper money known as Federal reserve notes. For 20 years gold and silver have increased rapidly enough to keep pace with a healthy growth without the issue of paper money by the banks. Coin, gold, and silver certificates, legal tender notes, national bank bills, and the new stock of gold from Europe gave us an ample supply of money of about \$4,713,000,000. Then we adopted the Federal reserve banking act providing for a flexible or elastic currency which has been the means of issuing and floating of about \$3,000,000,000 of new paper money by the 12 Federal reserve banks. Under the rule of Mr. Mill prices—not to the farmer but to the consumer—have had to advance to absorb this enormous and unwarranted increase of paper money.

The Federal reserve banks have issued more than four times over more paper money than the 7,800 national banks combined. How much longer will these bankers continue to issue paper money and cause prices to continue to soar higher and higher? You can not bring down prices and inflate the currency at the same time.

Take the case of the reserve bank at Chicago. While the people are endeavoring to reduce the high cost of living this one bank issued \$86,458,875 additional paper money in six months ending January 1, 1920. How could a Federal reserve bank do this? Upon what is this money based? What is back of it? Gold 40 per cent, and the remaining 60 per cent is based not upon gold, silver, or precious stones but upon credit—that is to say, debts, particularly upon debts created in transactions involving the staples of life.

For instance, if you knew of an article which was getting scarce and by buying a large amount and withholding it from the market you could force the price up to a point where you could realize a big profit, you would drop around to your banker and inform him of your plan. If you are a good commercial risk, or will secure him with a lien on the article, he will take your note, say, for \$100,000 and hand you over the money, which will enable you to hold the goods, after deducting the discount. This note is rediscounted by a Federal reserve bank, taken or sent by it, indorsed, to the Treasury of the United States, and the Comptroller of the Currency will give to the Federal reserve bank notes guaranteed by the Government.

The Federal reserve bank is protected by your signature and the articles. If you fail and the articles are lost while in the process of holding, the Federal reserve bank loses and makes good to the Government.

But, now, suppose articles or staples of life which make up 60 per cent of the basis upon which these Federal notes or paper money to the amount of the issue of three billions of dollars should be destroyed by a fire in one night. It would break the banks, of course, if they could not recover from the signers of the notes out of other property. The Government, having guaranteed the paper currency to the holders of it, would find that it had nothing to rely upon but the broken banks, and thus would be put upon the Government an obligation which it could not stand.

Right here comes in the connection between this inflated currency and the high cost of necessities of life, which, to the extent of 60 per cent, is the basis upon which this paper money rests. As a sudden fire would break the banker and ruin the Government, so any other loss by decay or reduction in price below the figure for which the hoarded articles were purchased would be injurious to the Federal reserve banker, and therefore his interest in maintaining high prices of the commodity stored.

A good example arises at this time. A few days ago there was not a pound of sugar to be had in Washington stores. Recently an item appeared in the financial columns stating that holders of sugar in New York were waiting for a price of 18½ cents. The transaction is no doubt financed by the Federal reserve bank of New York which discounted and took the notes of the holder, either with or without the sugar as security, and delivered them to the United States Treasury and received Federal reserve notes for the same.

Here is an extract from an article in the morning paper:

Leon Israel & Bros., Wall Street brokers and importers, are charged with selling 500,000 pounds of sugar at 21.5 cents a pound which they bought at 14.6 cents. Israel is a director of the New York Office and Sugar Exchange. The firm has foreign branches and is said to have done a gross business of \$25,000,000 last year. Israel tentatively pleaded not guilty when arraigned and was released in \$1,000 bail.

What does that mean? How could Leon Israel & Bros. do business if they were not backed by some bank? What bank? The Federal reserve bank of the city of New York. They take their notes, and they put them up to the Treasurer, and the Treasurer issues the money founded upon nothing but speculation in sugar and other foodstuffs.

You may have a \$5 reserve note now in your pocket, based upon this sugar transaction. Can you reasonably expect that when this money is based on sugar the price of sugar will naturally fall? The first holder may even sell his holdings to a second holder, who will again be financed by the Federal reserve bank. Our money system has created another formidable middleman—the holder.

One might say that the basis of this currency, the foodstuffs, is inflated by holding or hoarding it. That is a never-ending process. Every time an upward fluctuation of the market takes place a new issue of paper money appears. So we might, with reference to the paper money, reverse the statement of Mr. Mill to read with equal truth:

That a raise in prices increases the quantity of money and a lowering of prices decreases it.

An elastic yardstick of varying lengths would be a poor standard of measure, yet bankers by the permission of the Federal Reserve Board and contrary to the intention of Congress are using an elastic standard of value for their Federal reserve notes in issuing money based upon the hoarded necessities of life.

The elastic standard is stretched to the snapping point, where it is held. To prevent loss they are holding it taut rather than shorten it. How long can it be done? How much better to relieve the tension than to let it snap. Yet I have heard it said by reckless persons that a panic might be a good thing.

IMMEDIATE DEFLATION NECESSARY.

In order to deflate this currency it is not necessary for Congress to pass any additional legislation. It can be done by the bankers themselves and thus prevent the great upheaval which would be attendant upon a panic. This deflation should take place only gradually.

The Bankers' Statistics Corporation recommends as a remedy for the situation a maintenance of present prices and a raise all around to meet them. This would, of course, prevent banks and speculators from losing any money, but would require many years to establish an equilibrium and thousands of wage and salary earners would never in this life overtake the high cost of living.

Increasing the discount rates will not cause deflation, as is shown at the present time. Speculators rapidly accustom themselves to the advanced rate, increase the margin of their profits, and move increasingly forward. A law has been passed permitting a graduated and progressive discounting, but so far has been unavailing.

The sole method of relief is liquidation.

Let there be a gradual paying off of these loans, otherwise there remains nothing to do but to prohibit by law for a time the further issue of paper money. There ought to be a positive provision in the law prohibiting any Federal reserve bank from issuing any currency based upon speculative loans in the necessities of life.

The purpose of House resolution 476 is to proceed in a sane and safe way to investigate the whole field for the purpose of discovering the defects in the administration of the law and applying a remedy in the interest of the people as a whole.

Mr. BYRNS of Tennessee. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. SHERWOOD].

Mr. SHERWOOD. Mr. Chairman, on Tuesday, the 27th of April, the eloquent gentleman from Texas [Mr. SUMNERS] paid a very beautiful tribute to Gen. Grant on the ninety-eighth anniversary of his birth. He was the eighteenth President of the United States.

That tribute was printed in the CONGRESSIONAL RECORD and brought a very interesting and valuable letter from a prominent ex-Confederate soldier of this city, and that is the occasion of my being on my feet.

We all concede that nothing new can be said of Gen. Grant. History and biography have been busy with his name and fame for over half a century, and history has said its last word. It

was that crash of cannon shot against the walls of Fort Sumter in April, 1861, that made the wounded captain of the Mexican War, leading a modest life in Galena, Ill., the leading general of the Union Army and, at the end of eight years as President, the foremost man of all the world.

It is not great men who make the epochs of human history. It is great epochs that make great men. Had there been no Trojan war, there would have been no Homer. Had there been no conflict of the kings in the formation period of English literature, there would have been no William Shakespeare. Had there been no war of the American Revolution, there would have been no George Washington. Had there been no war in sixty-one and sixty-five, there would have been no Gen. Grant.

This letter is not only interesting but it has historical value. Let me read:

WASHINGTON, D. C., April 29, 1920.

HON. HATTON W. SUMNERS,

House of Representatives, Washington, D. C.

DEAR SIR: I have read with great emotion your speech in the House of Representatives on the anniversary of the birth of Gen. Grant. You eloquently uttered the feelings and sentiments of all old Confederate soldiers in regard to Gen. Grant. I have the honor of being one of them, having been a member of Company B, Second Maryland Infantry, McComb's Brigade, Gen. Harry Heath's Division, of A. P. Hill's Corps.

The Federals broke through Wilcox's Division of the same corps at Hatcher's Run on the 2d day of April, 1865, and that morning we started on our retreat toward Appomattox Court House. We had marched seven days on the retreat, with a pint of raw corn issued to us for rations every day until the morning of the 9th of April, when, upon emerging from a skirt of woods upon an open field at the top of a gentle hill with a slight valley below us, we beheld the Federal line of battle drawn up upon the opposite hill with skirmishers advanced and our own skirmishers facing them, about 250 or 300 yards apart. We felt sure we were about to charge them when, to our amazement, we were given orders to stack arms. One of our men exclaimed, "We are going to surrender." Capt. John W. Torsch, who was commanding our regiment, all our field officers having been killed or wounded, promptly ordered him under arrest; but in a very little while the reality became known and within half an hour Confederate and Federal soldiers were all intermingled.

Not an insulting word was uttered upon either side, and in little groups they began discussing the different battles they had been in against each other, and the Federal soldiers freely admitted that we had given them hell in the most of them.

Gen. Grant ordered beeves from his own Army to be driven into our camp, and when they were butchered we cut slices of meat off the carcasses, stuck them on the ends of our ramrods, thrust them in the fire, and ate the meat without any bread. The commissary wagons had not been able to keep up on the rapid march.

In a little while we saw a squad of horsemen coming from the Federal lines and saw that it was a general and his staff. It proved to be Gen. Lee coming from Gen. Grant's headquarters. He was in full-dress uniform, boots and spurs beautifully shined, and as erect on old Traveler as is his statue in Statuary Hall. A day or two afterwards we heard that Gen. Grant apologized to Gen. Lee for being in fatigue uniform, saying his headquarters wagon had not been able to keep up. When the men recognized Gen. Lee, both Confederates and Federals lined the sides of the road as he passed along with his hat lifted above his head, the Federal soldiers cheering him as lustily as the Confederates.

Now, Mr. SUMNERS, begging you to excuse me for having troubled you with this little narrative of a great event in history, which I have hastily jotted down from memory, "et quorum pars parva fui," I wish to express to you my thanks and appreciation for your eloquent speech on Gen. Grant's anniversary and subscribe myself,

Very truly, yours,

A. W. NEALE.

[Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. GOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. ANDERSON, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13870, the sundry civil bill, and had come to no resolution thereon.

ENROLLED BILLS SIGNED.

Mr. RAMSEY, 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. 9228. An act to authorize the establishment of a Coast Guard station on the coast of Lake Superior, in Cook County, Minn.; and

H. R. 12869. An act for the construction of a bridge across the Pentwater River or Pentwater Lake, Mich.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RAMSEY, 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. 9360. An act to revise and equalize rates of pension to certain soldiers, sailors, and marines of the Civil War and the War with Mexico, to certain widows, including widows of the War of 1812, former widows, dependent parents, and children of such soldiers, sailors, and marines, and to certain Army nurses, and granting pensions and increase of pensions in certain cases;

H. R. 13253. An act to grant the consent of Congress to the Elmer Red River Bridge Co. to construct a bridge across the Red River;

H. J. Res. 301. Joint resolution to authorize the Secretary of War to grant revocable licenses for the removal of sand and gravel from the Fort Douglas Military Reservation for industrial purposes;

H. R. 10917. An act to amend an act entitled "An act to incorporate the National Education Association of the United States," by adding thereto an additional section;

H. R. 12956. An act extending the time for constructing a bridge across the Bayou Bartholomew, in the State of Arkansas; and

H. R. 12610. An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1921, and for other purposes.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. STEPHENS of Ohio, for 15 days, on account of important business.

FORTIFICATION APPROPRIATION BILL.

Mr. SLEMP. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 13555, the fortifications appropriation bill, with Senate amendments thereto, disagree to all of the Senate amendments, and ask for a conference.

The SPEAKER. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. SLEMP, Mr. FRENCH, and Mr. EAGAN.

MEMORIAL EXERCISES—THE LATE REPRESENTATIVE VAN DYKE.

Mr. KELLER. Mr. Speaker, I ask unanimous consent that Sunday, May 16, 1920, after the exercises in memory of the late Representative WILLIAM J. BROWNING, be set apart to pay tribute to the memory of Hon. CARL C. VAN DYKE, late a Member of this House from the State of Minnesota.

The SPEAKER. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. GOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 15 minutes p. m.) the House adjourned until Monday, May 3, 1920, at 12 o'clock noon.

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 the Treasury, transmitting request from the Surgeon General of the Public Health Service that the estimate for medical, surgical, and hospital services and supplies for war-risk insurance beneficiaries, etc., be increased for fiscal year 1921 (H. Doc. No. 747); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting paragraph of requested legislation required by the Bureau of Engraving and Printing and for inclusion in the general deficiency bill; to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. MERRITT, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 12161) to amend an act entitled "An act to codify, revise, and amend the penal laws of the United States," approved March 4, 1909 (35 Stat. L., p. 1134), reported the same with amendments, accompanied by a report (No. 911), which said bill and report were referred to the House Calendar.

Mr. JOHNSON of Washington, from the Committee on the Public Lands, to which was referred the bill (H. R. 8545) to provide for the disposition of abandoned lighthouse and life-saving stations, reported the same with amendments, accompanied by a report (No. 912), which said bill and report were

referred to the Committee of the Whole House on the state of the Union.

Mr. VAILE, from the Committee on the Public Lands, to which was referred the bill (S. 793) authorizing the issuance of patent to the Milk River Valley Gun Club, reported the same with amendments, accompanied by a report (No. 914), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. KINKAID, from the Committee on Irrigation of Arid Lands, to which was referred the bill (S. 3477) to increase, without expenditure of Federal funds, the opportunities of the people to acquire rural homes, and for other purposes, reported the same with amendments, accompanied by a report (No. 915), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GLYNN, from the Committee on Claims, to which was referred the bill (H. R. 6098) for the relief of A. S. Rosenthal Co., reported the same without amendment, accompanied by a report (No. 913), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDMONDS: A bill (H. R. 13889) to promote marine insurance and for other purposes; to the Committee on the Merchant Marine and Fisheries.

By Mr. HOWARD: A bill (H. R. 13890) to regulate the dealing in, distribution, importing, or manufacturing of sugar; to the Committee on the Judiciary.

By Mr. BARKLEY: A bill (H. R. 13891) to amend the War Finance Corporation act by authorizing said corporation to purchase newspaper paper and resell same to the publishers of newspapers in the United States, and for other purposes; to the Committee on Appropriations.

By the SPEAKER: Memorial of the Legislature of the State of Kentucky, requesting Congress to designate February 12 of each year as a national holiday, this being the birthday of Abraham Lincoln; to the Committee on the Library.

By Mr. CROWTHER: Memorial of the Legislature of the State of New York, favoring the early enactment of the Federal water-power bill; to the Committee on Water Power.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 13892) granting a pension to Martha A. James; to the Committee on Pensions.

Also, a bill (H. R. 13893) granting a pension to Robert H. Burress; to the Committee on Pensions.

By Mr. BROWNE: A bill (H. R. 13894) granting a pension to Sarah Jackson; to the Committee on Invalid Pensions.

By Mr. COPLEY: A bill (H. R. 13895) granting a pension to Addie M. Blair; to the Committee on Invalid Pensions.

By Mr. CRAGO: A bill (H. R. 13896) for the relief of Jeremiah Stover; to the Committee on Military Affairs.

By Mr. CROWTHER: A bill (H. R. 13897) granting an increase of pension to James Sullivan; to the Committee on Pensions.

By Mr. DAVIS of Tennessee: A bill (H. R. 13898) granting a pension to Edmond D. Judkins; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 13899) for the relief of Mrs. Harold G. Halstead; to the Committee on Claims.

By Mr. JONES of Pennsylvania: A bill (H. R. 13900) for the relief of Zora B. Custer; to the Committee on Military Affairs.

By Mr. McFADDEN: A bill (H. R. 13901) granting a pension to Martha J. Killam; to the Committee on Invalid Pensions.

By Mr. McKEOWN: A bill (H. R. 13902) granting a pension to William P. Johnson; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 13903) granting an increase of pension to Michael Pletcher; 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:

3358. By the SPEAKER: Petition of Improved Order of Red Men, Davenport, Iowa, opposing the moving of any of the units from the Rock Island Arsenal; to the Committee on Military Affairs.

3359. Also (by request); petition of the Men's Club of the Humboldt Park Community Methodist Episcopal Church, of Chicago, Ill., favoring an increase of pay for postal employees; to the Committee on the Post Office and Post Roads.

3360. By Mr. CAREW: Petition of the One hundred and seventh Infantry Post, of New York City, advocating betterment of the service rendered to disabled soldiers; to the Committee on Interstate and Foreign Commerce.

3361. By Mr. COLE: Petition of Middleport, Ohio, Lodge, No. 676, International Association of Machinists, urging passage of Senate joint resolution 171 and Senate bill 1233; to the Committee on the Judiciary.

3362. By Mr. CROWTHER: Petition of sundry residents of the city of Schenectady, N. Y., favoring the enactment of House bill 1112, providing for the parole of Federal prisoners; to the Committee on the Judiciary.

3363. By Mr. DYER: Petition of C. F. Bates, of St. Louis, Mo., favoring passage of House bill 13201; to the Committee on Mines and Mining.

3364. Also, petition of Kansas City, Mo., Dental Society, protesting against House bill 7785, providing for a tariff on dental instruments; to the Committee on Ways and Means.

3365. Also, petition of Augustus P. Gardner Post, No. 18, American Legion, of Washington, D. C., expressing disapproval of the bonus legislation; to the Committee on Ways and Means.

3366. Also, petition of Theo. Poehler Mercantile Co., favoring passage of legislation to protect commerce against commercial bribery; to the Committee on Interstate and Foreign Commerce.

3367. By Mr. FULLER of Illinois: Petition of the National Shoe Retailers' Association of the United States of America (Inc.), Philadelphia, Pa., opposing the passage of the McNary bill, providing for the stamping of the price on each pair of shoes at which the same was sold by the manufacturer; to the Committee on Interstate and Foreign Commerce.

3368. Also, petition of the Chicago Coal Merchants' Association, opposing the passage of Senate bill 4089; to the Committee on Interstate and Foreign Commerce.

3369. By Mr. GOLDFOGLE: Petition of F. S. Green, commissioner of highways of the State of New York, Albany, N. Y., favoring the passage of the Federal aid highways bills now before Congress; to the Committee on Appropriations.

3370. Also, petition of Three hundred and fifth Infantry Post, American Legion, New York City, favoring increased pay for soldiers, sailors, and marines; to the Committee on Ways and Means.

3371. Also, petition of Children's Cloak and Reefer Makers' Union, Local No. 17, New York City, favoring the passage of Senate joint resolution 171 and Senate bill 1233; to the Committee on the Judiciary.

3372. By Mr. KENNEDY of Iowa. Petition of Iowa Branch, United National Association of Post Office Clerks, favoring increased compensation for post-office clerks; to the Committee on the Post Office and Post Roads.

3373. By Mr. LINTHICUM: Petition of W. Wylie Ritchey and P. H. Goodwin & Co., both of Baltimore, Md., in re House bill 13201; to the Committee on Ways and Means.

3374. Also, petition of Mrs. Reuben Ross Holloway, Baltimore, Md., in re House bill 10104, extending patent on insignia of National Society United States Daughters of 1812; to the Committee on Patents.

3375. Also, petition of Margaretta Poe, treasurer Maryland Audubon Society, in re House bill 12446; to the Committee on the Public Lands.

3376. Also, petition of M. E. Towner, Baltimore Md., in re Timberlake bill; to the Committee on Ways and Means.

3377. Also, petition of Rev. William Schouler and C. E. Perkins, both of Baltimore, Md., in re House bill 13334; to the Committee on the Merchant Marine and Fisheries.

3378. Also, petition of International Association of Machinists, Baltimore, Md., in re bill introduced by Senator Edge to prevent railroad strikes; to the Committee on Interstate and Foreign Commerce.

3379. Also, petition of Traffic Club, Baltimore, Md., in re House bill 13015; to the Committee on Ways and Means.

3380. Also, petition of Edward J. Storck and R. B. Pue & Co., both of Baltimore, Md., in re Ralston-Nolan bill; to the Committee on Ways and Means.

3381. Also, petition of American Hammered Piston Ring Co., Baltimore, Md., in re House bill 12976; to the Committee on Ways and Means.

3382. Also, petition of Chesapeake Baking Co., Baltimore, Md., in re House bill 12379, the Steagall bill; to the Committee on Banking and Currency.

3383. Also, petition of Henry S. Wampole Co., Baltimore, Md., in re tax on advertising proposed by Representative Joseph Thompson; to the Committee on Ways and Means.

3384. Also, petition of Maryland Department American Legion, Baltimore, Md., in re universal military training; to the Committee on Military Affairs.

3385. Also, petition of Enterprise Fuel Co., Baltimore, Md., in re Senate bill 4089; to the Committee on Interstate and Foreign Commerce.

3386. Also, petition of B. W. Figgins; Stuart S. Janney, commander; Charles B. Reeves; and Maxie Anna Pyle, all of Baltimore, Md., in re soldiers' bonus; to the Committee on Ways and Means.

3387. By Mr. O'CONNELL: Petition of One hundred and seventh Infantry Post of New York City, advocating betterment of service given to disabled soldiers; to the Committee on Interstate and Foreign Commerce.

3388. Also, petition of Twentieth Assembly District Regular Republican Club, favoring development of Jamaica Bay as a port of entry for large ships; to the Committee on Rivers and Harbors.

3389. Also, petition of C. W. Parsons, editor of the American Druggist, protesting against the proposed tax on advertising; to the Committee on Ways and Means.

3390. By Mr. OSBORNE: Memorial of Roosevelt Camp, No. 9, United Spanish War Veterans, Los Angeles, Calif., in support of House resolution 496; to the Committee on Ways and Means.

3391. By Mr. ROWAN: Petition of American Druggist and Pharmaceutical Record, protesting against bill introduced by Representative Thompson levying a tax on advertisements; to the Committee on Ways and Means.

3392. Also, resolutions adopted by the International Brotherhood of Electrical Workers, Local No. 41, urging that the committee report out bills calling for 1-cent letter rate in cities, towns, and rural routes; to the Committee on the Post Office and Post Roads.

3393. Also, petition of Ideal Cocoa & Chocolate Co., favoring 1 per cent tax on all gross sales; to the Committee on Ways and Means.

3394. Also, resolutions adopted by Augustus P. Gardner Post of the American Legion, relative to House bill 13293; to the Committee on Military Affairs.

3395. Also, resolutions adopted by the One hundredth and Seventh Infantry, New York City, urging the Surgeon General of the United States Army to endeavor to obtain adequate and efficient medical and surgical treatment for the veterans of the World War, to grant allowances sufficient to permit them to meet the high cost of living, and to give vocational training without delay to those in need of same; to the Committee on Military Affairs.

3396. Also, petition by Listerated Gum Corporation, favoring 1 per cent tax on all gross sales; to the Committee on Ways and Means.

3397. Also, resolutions adopted by the board of directors of the Rotary Club of New York, favoring the construction of a national system of highways throughout the United States; to the Committee on Roads.

3398. Also, petition of the National Shoe Retailers' Association of the United States of America (Inc.), protesting against the McNary bill; to the Committee on Ways and Means.

3399. Also, resolutions adopted by the American Federation of Labor, favoring the Lehlbach retirement bill; to the Committee on Reform in the Civil Service.

3400. By Mr. TINKHAM: Petition of a mass meeting of citizens of Boston, Mass., urging the passage of the Mason bill; to the Committee on Foreign Affairs.

3401. Also, petition of Augustus P. Gardner Post, No. 18, of the District of Columbia, opposing the passage of House bill 13293; to the Committee on Ways and Means.

SENATE.

MONDAY, May 3, 1920.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, our constant need of Thy power and of Thy grace makes it impossible for us to forget Thy name in the great task which has been committed to our hands. We come before Thee consecrating this day to Thy service. We pray that this day may be Thy day, that Thou wilt lift us to Thy presence, that Thou wilt guide our hearts and minds in all knowledge and wisdom, that Thou wilt control us from evil tendencies in act and thought within us. Help us to express the divine idea as it is committed to us in the form of human life and government. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Friday, April 30, 1920, was read and approved.

COTTON IN STORAGE (S. DOC. NO. 263, PT. 2).

The VICE PRESIDENT laid before the Senate a communication from the Director of the Census, transmitting, in response to a resolution of March 24, 1920, certain information relative to the number of bales of so-called unspinnable cotton, including gin cut, water packed, perished fiber, and linters, in public storage and at concentrating points, which was ordered to lie on the table and be printed.

ANNUAL REPORT OF THE FEDERAL TRADE COMMISSION.

The VICE PRESIDENT laid before the Senate the annual report of the Federal Trade Commission for the fiscal year ended June 30, 1919, which was referred to the Committee on Interstate Commerce 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 disagrees to the amendments of the Senate to the bill (H. R. 13555) making appropriations for fortifications and other works of defense, for the armament thereof, and for the procurement of heavy ordnance for trial and service, for the fiscal year ending June 30, 1921, and for other purposes," asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. SLEMP, Mr. FRENCH, and Mr. EAGAN managers at the conference on the part of the House.

The message also announced that the House insists upon its amendments to the bill (S. 1699) for the retirement of employees in the classified civil service, and for other purposes, disagreed to by the Senate, agrees to the conference asked for by the Senate on the disagreeing votes of the two Houses thereon, and had appointed Mr. LEHLBACH, Mr. FAIRFIELD, and Mr. GODWIN of North Carolina managers at the conference on the part of the House.

The message further announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 9228. An act to authorize the establishment of a Coast Guard station on the coast of Lake Superior, in Cook County, Minn.; and

H. R. 12869. An act for the construction of a bridge across the Pentwater River or Pentwater Lake, Mich.

DECLARATION ON CHARGE OF FRENCH MILITARISM.

Mr. LODGE. I present a declaration which has been sent to me as chairman of the Committee on Foreign Relations, with the request that it be inserted in the Record of the proceedings of Congress. It is very brief, and it will take only a moment to read it:

"The undersigned share the regret expressed in the United States Senate at the reflections recently made by the President upon our ancient ally France who bore the brunt of the late war from the outset, as well as of previous assaults, and upon Italy, whose sacrifices in the late war entitle her to respect. Such public criticism of friendly and allied nations is not warranted and it affects adversely our relations with nations whose interest in peace is equal to our own. Precautions against the recurrence of armed invasions taken by the victims of repeated German aggressions are justified and the determining by them of what defensive precautions are dictated by experience is not a proper basis for denunciation."

Among the signers of the above declaration are the following:

"Chester H. Aldrich, architect, New York; Henry Morrell Atkinson, financier, Atlanta, Ga.; Joseph A. Blake, surgeon, New York; Mrs. Joseph A. Blake, Tarrytown, N. Y.; Charles J. Bonaparte, ex-United States Attorney General, Baltimore, Md.; John Jay Chapman, author, New York; Joseph H. Choate, jr., lawyer, New York; Charles Stewart Davison, lawyer, chairman American Defense Society, New York; Mrs. Dexter Blagden, New York; Carroll Dunham, physician, Irvington, N. Y.; Mrs. Carroll Dunham, Irvington, N. Y.; Allen W. Evarts, lawyer, New York; Robert Glendenning, banker, Philadelphia, Pa.; Richard Gottheil, professor, Columbia University, N. Y.; William Greenough, lawyer, New York; Edward W. Harden, banker, New York; Henry Winthrop Hardon, lawyer, New York; Myron T. Herrick, ex-governor of Ohio, formerly United States ambassador to France; David Jayne Hill, diplomat and historian, Washington, D. C.; Alonzo G. Hinckley, justice supreme court, Buffalo, N. Y.; John Mead Howells, architect, New York; Walter Jennings, capitalist, New York; G. E. Johnson, editor, Louisville, Ky.; Harry Pratt Judson, president University of Chicago; Fred M. Kirby, capitalist, Wilkes-Barre, Pa.; Lester Leland, manufacturer, Boston, Mass.; Maurice Léon, lawyer, New York; William T. Manning, clergyman, New York; William Fellowes Morgan, president Merchants' Association, New