

1985. Also, petition of the American Asbestos Dealers' Association, represented by Wallace & Gale Co., of Baltimore, Md., in opposition to paragraph 1401 on subject of asbestos products; also, petition of the Baltimore Dry Docks & Shipbuilding Co., Baltimore, Md., protesting against import duty of 35 cents a barrel on crude petroleum; to the Committee on Ways and Means.

1986. By Mr. MacGREGOR: Petition of New York State Association of Real Estate Boards, favoring the repeal of the excess-profits tax and kindred legislation; to the Committee on Ways and Means.

1987. By Mr. POU: Petition of residents of Raleigh, N. C., protesting against the enactment of House bill 4388; to the Committee on the District of Columbia.

1988. By Mr. YATES: Petition of J. H. Wood, J. G. Benson, and Ed Kittilsen, requesting support of pension bill (H. R. 4); to the Committee on Pensions.

1989. Also, petition of Pitkin & Brooks Co., of Chicago, protesting against American valuation plan; to the Committee on Ways and Means.

1990. Also, petition of F. C. Zellman, manager Illinois Automotive Trade Association, requesting support of Townsend bill; to the Committee on Reads.

1991. Also, petition of N. G. Moore, of Chicago, protesting against passage of Senate bill 657; to the Committee on the Judiciary.

1992. Also, petition of Walter S. Bogle, protesting against passage of Frelinghuysen bill; to the Committee on Interstate and Foreign Commerce.

1993. Also, petition of J. K. Dering Coal Co., protesting against passage of Frelinghuysen bill; to the Committee on Interstate and Foreign Commerce.

## SENATE.

FRIDAY, July 15, 1921.

(Legislative day of Tuesday, July 12, 1921.)

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

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

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

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

Ball	Gerry	La Follette	Sheppard
Brandege	Gooding	Lodge	Shortridge
Cameron	Hale	McCormick	Sterling
Capper	Harris	McKellar	Trammell
Culberson	Harrison	McKinley	Underwood
Cummins	Heflin	McNary	Walsh, Mass.
Curtis	Jones, N. Mex.	Moses	Warren
Dial	Jones, Wash.	Nelson	Watson, Ga.
Edge	Kellogg	Norbeck	Willis
Ernst	Keyes	Norris	
Fernald	Knox	Oddie	
Fletcher	Ladd	Robinson	

Mr. CURTIS. I wish to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from North Dakota [Mr. McCUMBER], the Senator from Vermont [Mr. DILLINGHAM], the Senator from Utah [Mr. SMOOT], the Senator from Indiana [Mr. WATSON], the Senator from West Virginia [Mr. SUTHERLAND], the Senator from Mississippi [Mr. WILLIAMS], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Missouri [Mr. REED] are absent in attendance on a hearing before the Committee on Finance.

Mr. STERLING. I wish to announce the absence of the Senator from Iowa [Mr. KENYON] and the Senator from Arkansas [Mr. CARAWAY] on business of the Senate.

The PRESIDENT pro tempore. Forty-five Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. BROUSSARD, Mr. MYERS, Mr. NICHOLSON, Mr. WADSWORTH, and Mr. WALSH of Montana answered to their names when called.

Mr. BURSUM, Mr. CARAWAY, Mr. NEW, Mr. STANFIELD, Mr. CALDER, Mr. SUTHERLAND, Mr. KING, Mr. SMOOT, Mr. REED, Mr. SIMMONS, Mr. WATSON of Indiana, Mr. WILLIAMS, Mr. SWANSON, Mr. McCUMBER, Mr. HARRELD, Mr. DILLINGHAM, and Mr. STANLEY entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

## ADDRESS BY THE VICE PRESIDENT.

Mr. WALSH of Massachusetts obtained the floor.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me for just a moment?

Mr. WALSH of Massachusetts. Certainly.

Mr. SHORTRIDGE. Recently at Niles, Ohio, the Vice President delivered an address concerning matters which I think are of very general public interest. In form and substance the address is altogether admirable. I ask unanimous consent that it may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESS OF HON. CALVIN COOLIDGE, VICE PRESIDENT OF THE UNITED STATES, AT NILES, OHIO, JUNE 18, 1921.

At Niles, Ohio, June 18, at 4 p. m., at the unveiling of a bust of President Harding, the Vice President, CALVIN COOLIDGE, spoke as follows:

"Mr. Chairman, about us speaks the very spirit of America. The advancing pioneer, the conquered wilderness, the abode of sterling character, the youth to genius born, the surging tide of progress, the divinely directed leader of the people, the mortal called to immortality, the imperishable influence still working on—all these are here, calling into being not only forms of beauty adorned with increasing memorials to those who have so loyally lived and wrought together for the greatness of the Nation, but transmitting to all posterity examples of true patriotism, gleaming forth in word and deed, alike an admonition and an inspiration to their countrymen forevermore. While these survive, while these mementos of the living and the dead, these bronze and marble representations of great principles and great men continue to hold the adoration of the people, our country is secure. But the evidence of that adoration must lie not merely in the expression of a blind satisfaction with the past; it must lie in the living testimony of a people dedicating themselves to a continuing sacrifice, from which alone can come the security and progress of the present and the future. These monuments have been reared to sacrifices made. They are vain things unless there abide in the soul of the people the purpose and courage for sacrifices to be made.

"Men are always influenced by their environment. The life and history of each individual is what it is, in part, because of the surroundings into which he was born and lived. There is the corollary to this. The history of localities is what it is because of the character of the people who have lived there. The little promontory of Greece has a meaning for us, a place in history, that is born of the spirit of the people who dwelt there more than 2,000 years ago. Caesar could not have been Caesar had his earthly lot been cast in the city of Peking. Our own Lincoln, great as he was, would have been something far different had he been living in Paris in the days of the French Revolution. This locality has cast its influence over the people who have lived here, and they in turn have wrought their character into its history.

"This valley, now the scene of so much industrial activity, so typically American, was beyond the frontier in the days of the Revolution. It was only after the peace had been declared, only after the Congress had by ordinance provided for its well-being, that settlers came here in profusion. They were of the stock that fought the Revolution. I believe it can safely be asserted that no body of men of equal numbers ever wrought so wisely or so effectively upon the history of mankind as the Revolutionary patriots of America and their descendants. They bequeathed a continent to freedom, showered a Nation with unfold riches, and finally saved civilization. Such was the blood that settled here, American through and through. Wherever they go the world knows the influence they wield, what they have done, are doing, and will do. No people ever exhibited a like enterprise for business or a like genius for government. Along this valley those powers have found full expression.

"It is not my purpose to dwell upon the industrial development of this locality except to point out that it is the result of the American system as applied by American statesmanship. It is true that the raw materials are here and the skill to form and fashion them for use, with the enterprise to organize for such purpose. But it is doubtful if these would ever have been

able to contribute in their full measure to our national diversification of industry and to our increased production without the fostering encouragement and support of that system of protection proposed by Alexander Hamilton, under which they have continually grown in prosperity and in independence. This has been a mighty contribution to our national strength.

"From this blood, from these surroundings came that great American to whom this stately memorial was reared. There is that in the present condition of our country which admonishes us to remember William McKinley. He was wiser than his critics. He was gentler than his friends. He was firmer than his party. He found the Nation depressed and distraught; he brought it prosperity and contentment. He led the people not from afar off, where his influence could not be felt, but from near at hand, directing their course but yet with them. It is little wonder that men loved him.

"From the time when as a boy in his teens he had shouldered a musket and fought his way up from a private to the rank of major in the War between the States he had been almost continuously a public servant. Through years he had been trained in the service of his country. Through years he had studied her needs and perfected himself in the ability to meet them. He knew the course that events must finally take; he knew the principles that must finally prevail, but he was content to hold to that course and maintain those principles in the face of temporary defeat.

"No man of late years has seen his course so justified by events. From a wavering adherence he saw the people turn to a determined maintenance of the Nation's financial integrity. He saw the reestablishment of the protective policy followed by a period of great prosperity. He saw the western world cast off a medieval colonial policy and freedom granted to the islands of the eastern seas. All this he saw ratified by the people under the solemnity of a national election in which he triumphed with the causes which he had advocated and which the Congress had adopted.

"He was an American. He believed in America. He advocated first and last American policies. He established a thoroughly American system. Yet he was something more. He was the first to recognize that the Spanish War had made us a world power with world responsibilities. He was not a man to shirk responsibilities. He did not believe that his country which he had seen rise to the sacrifice involved in the solution of a world problem would shirk its responsibilities. He knew that this country which he had seen on so many occasions true to itself would not be false to any other people. He had abundantly demonstrated that 'the free can conquer but to save,' but he looked beyond conquest. In his last public utterance he besought his countrymen—

"Let us ever remember that our interest is in concord, not conflict, and that our real eminence rests in the victories of peace, not those of war.

"Our earnest prayer is that God will graciously vouchsafe prosperity, happiness, and peace to all our neighbors and like blessings to all the people and powers of earth."

"Those were the words of a man who had labored all his life to promote the well-being of his fellow countrymen and who, when President, had seen his country, against its desire and against his own, forced to go to war, more for the sake of others than for itself, and who had seen victory bring not spoils but new and increasing obligations. After a period only 20 years in length, but which in events marks a whole epoch, it is with an increasing emphasis that their truth comes back to us, and with a wonderful correctness expresses the belief and hope of him who now bears the burdens and responsibilities once borne for us by William McKinley.

"Nations do not stand still. They advance or they recede. America goes forward. It would have been in vain that this monument were built to a great son of Ohio, who had grown to hold in his vision a strong and righteous Nation, desiring the welfare of humanity, if he were to have no like successor, no representative of kindred mind to take up and carry on the ever-unfinished task of serving the world most by serving America best. Your hope is being realized, your faith is being justified. In the light of experience you build and go on building not merely for the past but for the future, confident that as the succession has not failed it will not fail. As there have come those who have been raised up to serve the Nation in time of need, so they come now, so they will come. In those who have in the past been honored here, in him who to-day is honored, this promise stands fulfilled. And what a grand fulfillment in William McKinley and Warren G. Harding.

"It is needless in this presence for me to say much about the Ohio life of our President. You know it better than I, without doubt. But there are certain characteristics of life which chal-

lenge notice. To pass them by, to leave them unrecorded, would be to disregard true worth. Besides, the foundation of all that he is or will be was laid in Ohio. Wherever he goes there goes the State of his birth. He, too, represents that strong strain of Revolutionary stock that went into her settling and upbuilding. Here he has been a dutiful son, a loyal and helpful brother, an affectionate husband, a kind neighbor, and always a Christian gentleman. These virtues come from the home, without which there is no greatness. President Harding was always a home maker, as every one who ever visited him knows. He and Mrs. Harding have made a national home of the White House and grounds, to which there is a regular neighborly welcome for the public.

"You knew how that would be, you who have seen him rise from station to station, still cherishing his friends with the same unaffected kindness, still always thinking of others more than himself.

"It were enough to say of any man that his countrymen had chosen him the President of the United States of America. But to be chosen to that office by a majority of seven and one-half million votes is a distinction that never came to any other President. Of itself it has a deep significance. It means that President Harding represents the common aspirations, the general ideals of his countrymen. There is that in him which responds to the universal impulse of humanity, which recognizes but one rank—the common brotherhood of all mankind. To have that is to be a great American. The world holds no greater praise.

"It is this broad sympathy which is responsible for the most outstanding fact of the present administration, the marvelous personal affection in which the President is held by all those who come in contact with him, most especially marked in those who, for a better term, we call the common people. This affection has grown from the day he was nominated until it has become a fashion among all classes. The people have seen him cheering with them at the ball park and the polo field; they have seen him enraptured at the singing of 50,000 children on the Ellipse; they have seen him weeping in the presence of 5,000 flag-draped caskets bearing the remains of our soldiers who died overseas; and in mutual understanding of each other have found mutual love and affection. The open White House gates are but the symbol of the open heart of him who wishes his every approach open to the people.

"This disposition has been manifest in the coordinating harmony of all Government activities. In fact, the American Government is now in contact with itself, in contact with our own people, and in contact with other nations. There is a harmony in the Cabinet and in the Congress, bred not of coercion, but of cooperation. There has been established at Washington a Government of the people.

"The confidence of South American Republics is being restored. The terms on which commercial relations with Russia can be entertained have been stated. The existing differences between this country and Mexico have been at last clearly defined. Invitations to meddle in Europe have been refused, but the obligation to make reparations in accordance with stipulated agreements has been expressed in a way most effective in preserving peace. Contact with the allied nations has been resumed that with direct knowledge of all proposed actions every American interest may be fully protected and every American obligation may be fully discharged.

"The attitude of the President has been a far greater influence than is yet realized in pacifying Europe, not through entanglements but by holding to that strictly American policy so well expressed in the dispatches to foreign Governments. If by the meeting of their obligations to the best of their ability the German people shall be restored and a stabilized Europe shall again take up the burdens of civilization to the relief of our own Nation, great credit will be due the present administration. That this work of pacification and restoration may proceed unhampered by any preventable Government expenditure here or abroad there has been started a plan for a conference of leading nations to consider a reduction of armaments.

"He has started a new administration of the shipping interests of the Nation. He has speeded up the extending of relief to disabled soldiers through both the war-risk insurance and provision for better hospitalization. Encouragement has been rendered agriculture, industry, and employes through the emergency tariff law and the drastic restriction upon immigration. Transportation has been encouraged to settle its own difficulties that there may be a readjustment of rates, and private enterprise has been induced to extend relief to the cattle industry of the West.

"In a series of statesmanlike addresses to the Congress and the people the President has laid out a wise course in relation



to both foreign and domestic policy. That course is being followed to the great benefit of the Nation at home and abroad. It is bringing about readjustment and realignment to a stabilized basis in our internal affairs and a restoration to respect and leadership in the world. The great obligations of Government have been courageously taken up and will go firmly forward. There will be no recession.

"There are in this country as in every other two contending forces which, reduced to their lowest terms, represent reaction on one hand and revolution on the other. It is not unfair to characterize both as radical. President Harding leans neither to the reactionary line nor to the revolutionary line; he holds to the rational line. If there shall be those who expect to see in him the development of a reactionary tendency they will meet disappointment. He will not only support the achievements of all truly humanitarian progress, but he will go forward on the firm foundation of realities. Whatever sacrifice may be necessary to maintain his ideals, that sacrifice he will continue to make.

"To such a leader, granted again by Providence, giving such wise counsel, inspiring such great confidence, accomplishing such results, holding the promise of such future benefits, we dedicate this day a memorial made in his likeness. But in what spirit do we dedicate it? How can we worthily consecrate it? How can we approach to that high standard here so nobly represented? There is but one method, already indicated, the price of continuing sacrifice.

"As these men whom we here honor have made their sacrifices for the public welfare, so we, the people of the Nation, must make ours. The great burden of the hour is not the needs of the people. They are not measurably greater than before the war. The burden of the hour is the needs of the Government. It is that need which must be met by the people. It is not by adding to the requirements of Government, but by taking from them that the burdens of the people can be lightened. There are readjustments to be made. There is reconstruction to be done. There is restoration to be effected. From these the Nation can not escape. Each must bear his part. The appeal to duty never went unheeded by America. In this dedication, in this consecration, let us pledge ourselves, in private industry and public calling, to take up and discharge in the spirit of such great examples every burden of civilization, every duty of Americans.

"The Nation needs patience, pacification, and harmony; the world needs patience, pacification, and harmony, under righteousness. Let us hallow the memory of him who so greatly desired these in the past by supporting the leadership of him who is so effectively establishing them in the present."

#### RECLASSIFICATION OF POSTAL EMPLOYEES—CONFERENCE REPORT.

Mr. MOSES. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to House bill 6573, which I ask may be printed.

The PRESIDENT pro tempore. The conference report will be received and printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

The conferees have not agreed to the amendment of the Senate numbered 3.

GEO. H. MOSES,  
THOMAS STERLING,  
KENNETH MCKELLAR,  
*Managers on the part of the Senate.*

H. STEENERSON,  
W. W. GRIEST,  
THOS. M. BELL,  
*Managers on the part of the House.*

#### ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes, the pending question being on the motion of Mr. PENROSE to recommit the bill to the Committee on Finance.

Mr. JONES of New Mexico. Mr. President, I present sundry telegrams from citizens of my State with reference to the motion which is now before the Senate to recommit the pending bill. I ask that they may be printed in the RECORD.

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

EL VADO, N. MEX., July 12, 1921.

Senator A. A. JONES, Washington, D. C.:

El Vado Post, American Legion, requests your active support of compensation bill. Press reports credit Secretary Mellon as stating that passage at this time would jeopardize financial condition of country. We believe this position to be entirely unwarranted. It ought not to be necessary to mention it, but you are reminded that veterans of war not only jeopardized their financial future but also their lives and did not ask the Government to postpone the war and wait for their services until a more convenient time. Apparently the only opposition to the bonus is from big business interests and we view with apprehension the apparent tendency of the Senate to side with this opposition. Compensation has been hanging fire long enough. Kindly let us know whether we may count upon your active support of this measure.

DON MARTINEZ POST, AMERICAN LEGION.

CLOVIS, N. MEX., July 12, 1921.

Senator A. A. JONES,

Room 343, Senate Office Building, Washington, D. C.:

Consider financial situation expressed in letter of Secretary Mellon attacking adjusted compensation bill absolutely unfounded. Message promised by President on this subject may effect bill. We are asking that bill be acted upon at once and not referred to Finance Committee.

DEAN LUCAS POST NO. 25, AMERICAN LEGION.

SANTA FE, N. MEX., July 11, 1921.

ANDRIEUS A. JONES,

United States Senate, Washington, D. C.:

New Mexico Department, American Legion, demands Senate bill 506 be acted upon at once and not referred to Finance Committee. Please wire me what action you are taking on same at present and whether you favor its passage as it now stands.

HERMAN G. BACA.

SANTA ROSA, N. MEX., July 12, 1921.

Senator A. A. JONES, Washington, D. C.:

The Santa Rosa Legion Post members demand adjusted compensation bill be acted upon at once and not referred back to Finance Committee. Let the post know how you stand; acknowledge.

CHARLES GERHARDT,  
Post Adjutant.

ALBUQUERQUE, N. MEX., July 12, 1921.

Senator A. A. JONES, Washington, D. C.:

Hugh A. Carlisle Post, American Legion, requests you support adjusted compensation bill and same be acted on at once and not referred to Finance Committee. What is your attitude toward this bill?

F. O. WESTERFIELD.

SPRINGER, N. MEX., July 12, 1921.

Hon. A. A. JONES, Senator, Washington, D. C.:

The American Legion of Springer request that immediate action be taken upon adjusted compensation bill and not referred to Finance Committee. Please advise your attitude in this matter.

I. C. FLORESHEIM, Post Commander.

LAS CRUCES, N. MEX., July 13, 1921.

Senator A. A. JONES, Washington, D. C.:

American Legion post here request you work for prompt action on adjusted compensation bill, and that it not be delayed longer by being referred to Finance Committee. Men here looking to you to put bill through. Let us know how you stand on this bill.

J. W. LOWE, Acting Post Adjutant.

LOS CERRILLOS, N. MEX., July 13, 1921.

Senator A. A. JONES, Washington, D. C.:

Griffiths and Ramiers Post, No. 32, American Legion, demand immediate action by you as one of our Senators on adjusted compensation bill. This bill is just and should be passed by all means. Advise at once how you stand on it, whether for us or against us.

H. E. AMES, Post Commander.

HAGERMAN, N. MEX., July 12, 1921.

Senator A. A. JONES, Washington, D. C.:

Hagerman Post, No. 43, American Legion, requests that soldiers' adjusted compensation bill be acted upon at once and not referred to Finance Committee.

H. R. MILLER, Commander.  
D. P. WARD, Jr., Adjutant.

TUCUMCARI, N. MEX., July 12, 1921.

Senator JONES, Washington, D. C.:

Request your influence be used in having compensation bill acted upon at once and not referred back to Finance Committee.

LEE RHOADES POST, AMERICAN LEGION,  
By H. K. GRUBES, Post Commander.

CARLSBAD, N. MEX.

Senator A. A. JONES, Washington, D. C.:

The members of the Bryan Mudgett Post, American Legion, desire your support and demand that the adjusted compensation bill be acted on and not referred back to Finance Committee.

CHAS. RAREY, Adjutant.

Senator A. A. JONES, of New Mexico,  
Washington, D. C.:

This American Legion post would like to see you act favorably on the bonus bill now before Congress and do what you can to have this bill passed. We do not care to have same referred to Finance Committee but to be acted upon at once by Congress. Please acknowledge.

FRED C. COXNISS,  
Finance Officer American Legion.

HILLSBORO, N. MEX.

ARTESIA, N. MEX.

Senator A. A. JONES,  
Room 333, Senate Office Building, Washington, D. C.:

We the undersigned members of Clarence Keppel Post, American Legion, urge that the adjusted compensation bill be acted on at once and not deferred, and ask that you do all in your power to pass this bill. Wire how you stand on same.

H. S. Widney, W. A. Bishop, Fred Brainard, W. M. Linell, Rufus Rowan, W. C. Cunningham, Albert Vogel, H. D. Klopfenstein, John Runyan, Fred Cole, F. Hendrichson, Max Rodey, Victor Buel, Ara Buel, Ralph Rogers, A. A. Davis, W. A. Anderson, Homer Dunnigan, Roy Sloan, S. V. George, Dr. H. A. Stroupe, Lewis Story, B. F. Pior, Albert Richards, Earl Collins, R. L. Miller, Harold Keinath, K. Funkhouser, J. R. Brown, Glen Obannon, R. E. Bruer, J. B. Munsey, Jas. P. Bates, J. D. Edmundson, Judson Doss, M. G. Smith, Jerry Hale, S. Stenwein, C. L. Proctor, R. F. Schenk, Edw. Soloman, Oscar W. Samelson, Post Commander.

AZTEC, N. MEX., July 12, 1921.

Senator A. A. JONES,  
United States Senate, Washington, D. C.:

Members this post demand adjusted compensation bill be acted upon at once and not referred to Finance Committee. We desire to know your stand on the bill. Acknowledge.

C. N. HATFIELD,  
Adjutant San Juan Post, No. 9.

ROSWELL, N. MEX., July 14, 1921.

Senator A. A. JONES, Washington, D. C.:

Feeling that the financial situation as set forth by Secretary Mellon in attacking the adjusted compensation bill is absolutely unfounded, the Chas. M. Debremond Post, American Legion, asks that you act favorably on this most reasonable bill at once, and see that it is not referred to the Finance Committee. This post appreciates your past efforts in behalf of the ex-service men and wish to assure you that these efforts will not soon be forgotten.

CHAS. M. DEBREMOND POST, AMERICAN LEGION.

FORT BAYARD, N. MEX., July 13, 1921.

Senator A. A. JONES,  
United States Senate, Washington, D. C.:

Five hundred twenty members Chester L. Thompson Post, American Legion, Fort Bayard, N. Mex., desire immediate action toward passage of adjusted compensation bill, and that it be not referred to Finance Committee. We do not concur in attitude of Secretary Mellon regarding financial situation. Please wire your attitude regarding bill.

ALLEN J. ROBINSON,  
Commander.

B. F. BRATCHER,  
Assistant Adjutant.

GALLUP, N. MEX., July 13, 1921.

Senator A. A. JONES, Washington, D. C.:

Palmer Ketner, jr., Post, No. 8, American Legion, urges you use every effort at your command for passage of soldiers' adjusted compensation bill. Your position on matter requested.

L. F. BYUS, Adjutant.

EAST LAS VEGAS, N. MEX., July 13, 1921.

Senator A. A. JONES, Washington, D. C.:

Local post favors and urges passage of adjusted compensation.

TOM TRUDER, Post Commander.

ROY, N. MEX., July 13, 1921.

Senator A. A. JONES, Washington, D. C.:

The American Legion will expect and appreciate your continued support to adjusted compensation bill.

A. P. BRANCH.

Mr. WALSH of Massachusetts. Mr. President, I am opposed to the recommitment of the soldiers' adjusted compensation bill to the Finance Committee. In addition to voting against such action on the part of the Senate I feel that as a member of the Finance Committee, one who served on a subcommittee of which the able Senator from North Dakota [Mr. McCUMBER] was chairman, and assisted in the drafting of the bill now pending before the Senate, I should not only vote against such action but that I should state my reasons for opposing the motion of the Senator from Pennsylvania [Mr. PENROSE].

THE PRIMARY OBLIGATION; CARE OF WOUNDED.

I have been convinced since the termination of the World War that the first and most serious obligation demanding the immediate attention of Congress was that of providing sufficient financial resources to care for, hospitalize, and rehabilitate, as far as humanly possible, our incapacitated veterans; closely following the fulfillment of this obligation, our Government should lose no time in offsetting the legalized injustice perpetrated upon our ex-service men in general because of the inadequacy of the compensation which was paid them.

There is, I think, a unanimity of feeling throughout the country in favor of the appropriation of all moneys necessary to provide generously all the facilities essential to the speedy restoration to health, happiness, and employment of the unfortunately disabled war veterans. It is only fair to state at the outset that our Government has been most generous in providing the necessary funds to do this work. I wish I could say with as much pride that our Government has administered the funds at its disposal in such a manner as to have prevented the general spirit of dissatisfaction among service men and their friends in regard to the inefficiency of the departmental agencies entrusted with the funds to do this work of mercy. Indeed, if a small part of the complaints made of neglect and inadequate hospitalization, of procrastinations in the granting of compensation are true, then a condition has existed that has amounted to almost criminal negligence.

Mr. President, I appreciate that in such a situation as we have been confronted with it is very easy to refer to and dwell upon the shortcomings, mistakes, and abuses that have grown up and to overlook the fact that there have been many thousands of cases entitled to compensation adjusted satisfactorily and that there are many hospitals giving most useful and satisfactory service to our disabled soldiers; but there have been altogether too many abuses; there has been altogether too much unnecessary red tape, irritating delays, and unsympathetic officialdom.

VETERANS HAVE NOT ABUSED BENEFITS.

But this is not the time or occasion to dwell upon this phase of the treatment of our soldiers. However, before passing from the question of whether or not our soldiers have been properly hospitalized and their compensation claims speedily and impartially adjudicated and the benefits of vocational education prudently extended, I want to remove the false impression that has gained considerable support in the Senate and outside to the effect that our ex-service men have been unreasonable in their demands and have abused the benefits and privileges extended to them in the form of hospitalization and compensation under the law.

An answer may well be made to the inuendoes that have appeared in the discussion of this question of adjusted compensation to the effect that the facilities which we have extended to our veterans for hospitalization and for compensation have been abused and that there have been large numbers of cases presented for treatment and for compensation that were without merit; that the Government is already extending by the wholesale medical and financial assistance of our ex-service men.

Mr. President, to the credit of this splendid body of patriotic men let it be said that there is a less number of them seeking and obtaining hospitalization from their Government than a like number of men compelled to take hospitalization treatment in many other avocations of life. It will be interesting to know that the number of persons insured by the Metropolitan Life Insurance Co., and seeking hospitalization is one in fifty—that is, 2 per cent are hospitalized. In the Navy out of every thousand men 2 per cent of them are sick at any given time. The same ratio is true of the Army. In France, when the armistice was signed, one man in ten of the American Expeditionary Forces was in the hospital. Yet at the present time from among the millions of men entitled to hospital care under existing laws there is only one man in every two hundred, or one-half of 1 per cent of all our men in the hospital.

Now, let me present some figures to show what percentage of ex-service men have taken advantage of existing law to obtain compensation, insurance benefits, and vocational training from the Government. I have before me statistics upon this subject prepared by the Director of the Bureau of War Risk Insurance, which deal with the extent and number of claims for compensation pending, allowed, and disallowed, and the number of beneficiaries receiving insurance in district No. 1, which is the New England district, and comprises all the New England States except Connecticut, with headquarters at Boston.

I think it fair to assume that the same ratio will prevail throughout the country. These figures show that the percentage of service men drawing compensation is 4.38. The percentage of service men and their beneficiaries drawing insurance is 3.01. The figures further show that only about 30 per cent of those who filed claims are now receiving compensation. At one time or another 50 per cent of the claims have been allowed. The number of claimants now actually receiving compensation is about 30 per cent, while the number of claims disallowed has been about 33 per cent. These figures certainly do not tend to prove that any great percentage of the service men of the World War are receiving or have sought the benefits provided for incapacitated service men under existing laws.



## HOSPITAL FACILITIES INADEQUATE.

Another possible false impression that was given support and force by the utterance of the President in his address to the Senate on Tuesday was the hospitalization situation.

The President in enumerating what the Government had done for the incapacitated veterans in need of hospitalization treatment made this remarkable assertion:

In Government-controlled hospitals to-day there are 6,000 available beds without occupants.

Mr. President, the clear inference from that statement is that we have met all the demands for hospitalization and that these demands have been met in a satisfactory and proper manner. Indeed, the sentence following the reference to the number of beds available confirms this view. He says:

I have already dwelt upon the progress made toward the construction of additional hospitals, not because we are not meeting all demands but to better meet them and the better to specialize in the treatment of those who come under our care.

I challenge the statement that there are 6,000 available beds fit for the treatment of incapacitated ex-service men. I shall not rely upon my own information to prove this assertion is not accurate, but I shall rely for the proof of the inaccuracy of the President's statement upon the evidence of men appointed to public office and to the public service by the President himself.

What I am going to say on this subject I beg you to note is not the utterance of any Senator or any enthusiastic and overzealous officer of the American Legion, or of any irresponsible philanthropic person interested in the care of our disabled soldiers, but the statement of no less a department than the Bureau of War Risk Insurance and made since the reorganization of this bureau by the President.

The statement which I quote was made on June 10 during the debate on the Sweet bill in the House of Representatives and was contained in an official communication from the Bureau of War Risk Insurance. It is as follows:

There is no record in the Bureau of War Risk Insurance of the number who are entitled to care and treatment under the war risk insurance act, but who have either not made claim or applied for medical treatment, or have declined such facilities as the Government has been able to offer in its own or contract hospitals.

It has been estimated that a third more than have been hospitalized for mental and nervous diseases would have accepted hospital care if the facilities offered had not in so many instances been in hospitals for paupers, indigents, criminal insane, etc.

Similarly patients who are entitled to hospital care or for whom hospital care has been urged by the medical examiners of this bureau for pulmonary tuberculosis have preferred to provide care at their own homes or in boarding houses or at their own expense rather than to enter sanatoria such as have been available in some districts or to submit to the necessary restraint of responsible medical hospital control.

This is not a yellow-sheet journalistic statement. It is a deliberate written statement from the Bureau of War Risk Insurance, and if it means anything, it means that some of the facilities which ex-service men have been obliged to accept from the Government were in hospitals for paupers, indigents, and the criminal insane.

The same Dr. Salmon, referred to earlier, in his testimony given on July 6 last, and no man in this country has given more time to the inspection and study of this problem of hospitalization than he, says:

Anyone who says that we are overhospitalized, that there are vacant beds for these patients not now being used, have not taken the trouble to read the official record of their own department.

Further in this connection as to whether or not we have hospital facilities I want to quote the testimony of Dr. Salmon in regard to his own district, the second New York district, which comprises New York, New Jersey, and Connecticut.

He states:

This district contributed 410,000 men to the war. In that whole district there is not a single bed to which a mental case can be sent for observation to determine the disease from which he suffers. He must go direct to a State hospital before anybody has a chance to study him or he must remain at home without any treatment at all. He must be sent direct to the Manhattan State Asylum on Wards Island or to the asylum in Brooklyn, or go to his home. There is no provision even for out-patient treatment for these men suffering from mental diseases.

This same Dr. Salmon told your committee a pitiful tale of the neglect of ex-service men suffering with mental and nervous diseases and states that so depressed did these men become because of want of proper hospitalization facilities and treatment that over 400 ex-soldiers committed suicide in New York in the year ending June 30, 1921. Indeed, he offered to give us the name and address of each of these cases.

In commenting upon this testimony he stated—I quote his words:

These 400 men who committed suicide are dead and we can do no more for them than we can do for the tuberculosis cases who gave us all when they went over, but we must now endeavor to provide proper facilities so that 400 more men may not commit suicide next year.

I will not take the time of the Senate to reiterate the testimony given by Dr. White and Dr. Barrows, both members of the White committee engaged in the task of designating where and how the \$18,600,000 appropriation by Congress should be expended for further hospital facilities. This testimony I presented Wednesday during the debate.

## LET US ADMIT FAILURE IN CARING FOR DISABLED.

I for one do not propose to deny the fact that we have failed miserably to speedily and properly extend adequate hospital facilities for the care and treatment of our disabled soldiers. I do not mean by this that there are not many excellent hospitals where thousands of incapacitated men are receiving excellent treatment and care, but I do mean to say that the record of neglect and the failure to have grappled with this problem earlier and more effectively is a disgrace to the Nation.

Mr. President, we are not going to win back these men and their buddies and sympathizers throughout the country who know the true story by denying the real situation, so I propose to lay bare the whole story and then to set about, in so far as I can, to influence my Government to let it be known that the failures of the past are ended, that the consciousness and realization of our mistakes is to serve as an incentive to more strenuous efforts to make the future record so glorious and so replete with generous, whole-hearted, wholesome, and satisfactory care and treatment that the past will be soon forgotten.

One would think from the constant reiteration of what "we," the Government, have done for these men that "we" had extended some special favor, some exceptional and unnecessary service for which they should be everlastingly grateful.

Mr. President, I refuse to consider the action of our Government in hospitalizing and paying compensation to the disabled men in the light of a special favor or gratuity for which we are to be commended.

## COMMON DECENCY COMPELLED CARE OF WOUNDED.

Common decency and self-respect for our national honor compelled us to bind up the wounds and to feed and care for the physical wrecks among the manhood of this land caused by the war. In what we have done we have only paid the most imperative obligation and debt that a nation could owe its defenders. Not to have done what we have attempted to do would be putting ourselves in the class of men who rob the alms of the poor and steal the mites of widows and orphans. Let us stop boasting and bragging, therefore, about what we did in discharging an obligation that was as important as the obligation of raising money to pay the expenses of the war or of giving loyalty and devotion to our country during the period of the war.

Even had we lost the war, common decency and the lowest degree of gratitude existant in human nature would have forced us to beg and starve ourselves to take care of our wounded, injured, maimed, and broken-spirited and broken-bodied soldiers.

Therefore when we come to discuss any general debt of obligation toward all our ex-service men as a result of this war, or when we come to consider whether we have rendered full justice to all our service men as a class, I refuse to accept as an answer to any inquiry or investigation into these questions, a recitation of the amount of money we spent to bandage the bleeding and to comfort the bedridden.

All that I have said thus far has related to the first obligation of caring for the incapacitated and homeless and assisting in recouping the financial losses of those who were injured and diseased as a result of the war.

## THEORY OF ADJUSTED COMPENSATION BILL.

Mr. President, I come now to the consideration of the merits of the soldiers' adjusted compensation bill. Upon what theory is it proposed? Briefly, this measure acknowledges that the wage contract which the Government made at the outset of the war with that class of citizens who were to be intrusted with the defense and preservation of our Government was, in the light of what we now know happened in America during the war, inadequate, unfair, and unjust.

This measure undertakes to do what just governments and all grateful people should do after a victorious war has been waged which has resulted in preserving a government and its people in the enjoyment of liberty and happiness through the sacrifices and bravery of its fighting defenders. After having bound up the wounds of the injured and relieving as far as possible the pains and anguish of the war victims, our Government should turn to its returning war heroes, to the men who were willing to give, not money or services at home in coordinating the productive forces of the country, but their very life's blood, and in addition to cheers and applause frankly ask in their presence,

"What do we owe you?" To be sure, no amount of money can pay patriotic service of such lofty and inspiring character as that of the heroes of the battle field, but what material sacrifice ought we in justice now make to equalize their sacrifices during the war.

VETERANS ENTITLED TO MATERIAL AS WELL AS SPIRITUAL REWARD.

Mr. President, it is at this point that the dividing line in our ranks on this question appears. All of us agree in recognition of the fact that the highest, noblest, and holiest service man can render is that which was rendered by the manhood of America in the recent war. We all agree that their service is not and never can be paid in dollars and cents, and that they shall forever enjoy the reward that comes from the consciousness of having rendered honorable and patriotic service to their country in its hour of need; that their reward is the spiritual consciousness of having done what was their duty, and of having done it generously and bravely.

Yes; we all agree that no man can give or take from these war heroes the spiritual triumphs that are theirs. But at this point the division in our ranks appears. We who are contending for this soldiers' adjusted compensation bill are not satisfied or content to permit our soldiers to go back to civil life merely in the full enjoyment of the spiritual reward that is theirs. We can neither give nor take that from them. We who favor this measure propose, contend, and will ultimately demand that these service men shall have also some share in the material rewards that were so profusely scattered among the stay-at-homes here in America during the war. You who oppose this measure say spiritual consciousness is their reward. We who contend for this measure say that spiritual consciousness is not contributed by a nation to its war veterans; it is inherent in the very nature of the service itself. We say, I repeat, no man can give and no man can take away from them their spiritual reward, but we, as public servants, have the power to give or take away from them some material rewards.

The whole case of the opposition is answerable in this statement: You say to our veterans the honor and glory of your patriotic services is your compensation. We say to them, in addition to that which no man can give or take from you, we propose also to bestow upon you material compensation, which in justice and equity is your due.

Those who support this measure, not forgetting, yet turning from the sentimental side of our soldiers' patriotic service, ask themselves: Was there any injustice, inequality, perhaps of necessity at the time, imposed upon our war veterans? Did we in a material way extend to them the same standards of wage and of material comforts that were extended to others who were within their very same class of military age? Let us see.

WHY READJUSTMENT IS NECESSARY.

Twenty-four millions of men were within the draft age. Three millions of them up to the time the war ended had been drafted into the service because of the exceptional value in time of war of their service to the military forces by reason of their youth, health, strength, and soundness of body. Twenty-one millions were permitted to remain behind to enjoy the comforts and pleasures of home, the society of friends and loved ones, and to receive higher wages than were ever before paid in America. They read of the horrors of the war; they sympathized with those called to service, but yet they remained at home, safe and comfortable. The 3,000,000 draftees were compelled to leave home, loved ones, their occupations and professions, and enter the military service—a service fraught with long marches, monotonous drills, exposure, disease, and finally places in the war zone where death stalked mercilessly and continuously.

Now, let us assume that no compensation or wage whatever was paid to these 3,000,000 men. What would you say? Outrage, disgrace, injustice, inconsistent with democratic doctrines and ideals! But they were given compensation. What standard was used in fixing this compensation? We had no standard at the time of the outbreak of the war. We did not know but that every man, woman, and child in America would be drained of their last dollar, and that we would all have to take our places in the bread line and labor for no compensation whatever in order that we might produce the money and munitions necessary to assist our men at the front.

Very well, the war is now over and no such sacrifices were necessary. We know now that those who remained at home within the class from which our service men came were paid exceedingly high wages, enjoyed more of the comforts of life than ever before; and we now know the plain truth—let us not fear to speak it—that the poorest paid wages and smallest compensation given to any person in the employ of the Government or any private employer in America was paid to the men

whose labor was the hardest, whose dangers were the greatest, and whose trials were most severe—the military forces of our country. Upon what theory of honesty or justice can you justify this course? Upon what theory can you turn a deaf ear to the claim of these men and to their friends that in the light of what we now know happened in America during the war their compensation was inadequate? In the face of these cold facts what can you expect but strong derision from these men at the suggestion that their spiritual reward is their compensation? Will spiritual reward buy them and their dependents the clothing and the comforts which they gave up during the war? Will spiritual reward be a substitute for the wages and careers which they lost and the stay-at-homes received?

Mr. President, these men very properly and rightly ask us to help them get back some of the things they sacrificed—wages, positions, comforts that only money can provide, and which their fellow citizens enjoyed during their absence in the service of our country. Mind you, they do not ask us to consider in the adjustment of their compensation the dangers, risks, and trials of military service, but they ask us to consider giving them a compensation comparable to that paid the lowest-paid laborers in the United States by the meanest and poorest private employer during the war.

They ought not to have to come to us. Our first thought, after the dead had been buried, their dependents provided for, and the wounded and diseased given every means to restore themselves to health and their former occupations, should have been to show our appreciation of the victory they won for us by voluntarily adjusting their compensation, at least on a basis with the lowest paid of those who remained at home.

BASIC DEMOCRATIC TRUTHS JUSTIFY READJUSTED COMPENSATION.

Let us digress a moment to discuss some basic truths underlying this question. We live in a democracy, a Government that exists and functions through the consent of the governed, and the governed are the whole people. Our Government guarantees to all equal opportunities, equality before the law, equal enjoyment in the use and benefits of our free institutions.

I contend that all who in time of peace enjoy equally the blessings of free government should as far as humanly possible in time of war bear equally the burdens and trials and sacrifices of war. I recognize the impossibility of working out this principle satisfactorily. I am well aware of the adage that old men or men beyond military age decree wars while young men bear the burdens and fight the battles. But we did undertake to place equally the burdens and trials upon one class, namely, those of that age which alone could stand the strain physically and who were possessed of the proper zeal, courage, bravery, and fearlessness of death—namely, the youths of the land.

How did we do it? We rewarded certain elements of that class who encountered none of the dangers of military service with substantial and high wages. We did it by rewarding the weak and physically unfit, by exempting them from the dangers of active service and by paying them substantial wages. Yes, we did it by punishing the physically fit, by giving them all the dangers and paying them the lowest compensation paid to any person in America.

Mr. REED. Mr. President—

Mr. WALSH of Massachusetts. I yield to the Senator from Missouri.

Mr. REED. I know that the Senator means to state the case accurately, and yet I think his phrase "The contract" is misleading.

Mr. WALSH of Massachusetts. I think possibly it is—yet I do not know what else to call it.

Mr. REED. These men made no contract; they had nothing to say.

Mr. WALSH of Massachusetts. I stated that fact earlier in my address, that it was a one-sided contract made under duress, and I stated it was the only contract made during the whole war under duress, and it was an agreement by the Government to pay the poorest paid wages in America to its military defenders.

Mr. REED. But I do not think it is a contract at all, just to make that distinction. A man was ordered into the service.

Mr. WALSH of Massachusetts. It was something stronger than a contract, because it was a draft, a conscript.

Mr. REED. He was ordered into the service. The Government said, "we are going to pay you a certain amount of money." The Government was then under obligation to pay it, but it was not a contract because the soldier never signed it and never had anything to do with it. If the Government had said 5 cents a day, he would have had to take it.

Mr. WALSH of Massachusetts. We do not disagree on that.



Mr. REED. No; I know we do not.

Mr. SHEPPARD. Mr. President, what I understand the Senator to say is that those opposing the bonus claim that these men made a contract.

Mr. WALSH of Massachusetts. Yes; and they say it has been paid in spiritual benefits.

Mr. SHEPPARD. Exactly.

Mr. WALSH of Massachusetts. We say yes, they have been paid in spiritual benefit, a benefit that we could neither give nor take from them, that is inherent in the human race, but in addition to these spiritual blessings, whatever they are, we say we want to give you a little material assistance and a share in the prosperity we enjoyed while you were defending us.

Mr. SHEPPARD. I agree with the Senator.

Mr. WATSON of Georgia and Mr. STANLEY addressed the Chair.

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

Mr. WALSH of Massachusetts. I will yield to the Senator from Georgia, who, I think, rose first.

Mr. WATSON of Georgia. Mr. President, a great deal has been said in favor of land settlement and against cash settlement. I would like to hear the Senator from Massachusetts explain to the Senate, in a legal way or any other way, what is the difference in principle between a thousand dollars' worth of land and a thousand dollars' worth of money.

Mr. WALSH of Massachusetts. It can be explained in one brief sentence. There is absolutely no difference.

Mr. WATSON of Georgia. None at all. It is a subterfuge.

Mr. WALSH of Massachusetts. Mr. President, I ask upon what theory of justice can the Government put its hand upon the shoulder of one youth and say, "Because you have weak lungs, because you have flat feet, because you have poor teeth, because you have lost one of your fingers, you shall remain at home, work in a munitions factory and receive \$6 to \$10 per day or occupy a desk in the office of some Government department and help to keep the military files and be paid \$5 or more per day," whereas it puts its hand to the shoulder of another boy physically fit and says, "Because you are well, because your health is good, you can fight in the trenches for \$1 a day?"

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Ah, we have not dealt justly with these men. We know it. We can not defend a course of action that compensates a man on the fighting line infinitely less than that paid to the office clerk writing out the military record of his companions in the camps and trenches.

I am not arguing now that all the men put in this class should have been conscripted and paid exactly the same wages whether they worked in munitions factories, private employment, or in a department of the Government, but I am urging that those in the class that entered the military service of the country should be paid as near as is humanly possible the same compensation as those of their class that remained at home in the employ of the Government. There is no satisfactory answer that can be made to that proposition.

#### PEOPLE APPROVE READJUSTED COMPENSATION FOR VETERANS.

Mr. President, our people recognize the justice of this adjusted compensation plan. In every State of the Union where our people have had a chance to pass upon the question of giving State aid to our service men the vote has been overwhelmingly in the affirmative.

In nine States, on a referendum vote, the people by an average vote of nearly 3 to 1 have cheerfully and willingly accepted the tax burden involved by the extension of State compensation. In five additional States the legislatures have voted State aid to the soldiers.

Congress has recognized the justice of this measure. The House in May of 1920, by a majority of 218 passed this measure. The New York Herald recently polled the Senate, and stated that this measure would pass the Senate by a majority of 49 votes.

#### IMPOSSIBLE TO DEFEAT BILL.

The Finance Committee, after delaying action for over a year, by substantially a unanimous vote agreed on two different occasions, last February and again in June, to recommend this measure, and now it is proposed, after months and years of hesitation, to kill this bill. Not to vote upon its merits, but to kill it by a subterfuge; not by having a roll call on whether this measure should be adopted or not, but by the indirect method, that the unwary may be deceived, of recommitting it to the Finance Committee.

Mr. President, let us be honest with ourselves. The method now being employed to defeat this measure is for the purpose of permitting Members of this Chamber to go before their constituents and say, "Yes; I favor the adjusted compensation bill, and never voted against it and never intend to. But I did vote to recommit it to the Finance Committee for the purpose of having it perfected and improved and its scope enlarged and its benefits increased." You may think, Senators, you are fooling the American people, but I tell you you are not deceiving these patriotic ex-service men, who by reason of their close contact with their Government in the military service are familiarizing themselves with the operation of this Government, with the questions pending before Congress, and with the attitude of public men upon the various problems of our day.

Kill this adjusted compensation bill? You can never do it. You may postpone it, you may delay it, but be certain of this, the American sense of justice will triumph just as sure as the sun shines. Some day some Congress will do justice to these men and pass this measure.

You thought you could kill by delay and postponement woman suffrage; you thought you could kill by delay and postponement the income-tax amendment to the Constitution; you thought you could kill by delay and postponement the prohibition amendment; you thought you could prevent the election of United States Senators by popular vote. Did you succeed? No; because there was a moral force behind these movements in America that did not know defeat, and they triumphed because the American people, regardless of our individual views and opposition, passed on the merits of these propositions and demanded that they should become part of the organic law.

Similarly, there is a moral force behind this adjusted compensation measure. Added to that moral force is the desire of our people to equalize as far as possible the burdens of this late war, and as far as possible to bestow every material benefit a grateful people can give to its war heroes.

Yes, Mr. President, Senators will succeed in delaying this measure, in postponing it, but it will also put you in a position of explaining and apologizing every day that you live because of your vote on this measure, for when the adjusted compensation bill becomes the law of the land there will rise up no human being to denounce it as unjust. It will be universally accepted as fair, right, and just.

#### NATURE OF THE OPPOSITION.

Who is opposing this measure? The common people of America? No. The labor forces, organized and unorganized, have made no protest against it; the farmers, organized and unorganized, have made no protest; the small home owners and business interests of this country have made no complaint. Tangible property will not be reduced in valuation one dollar by the Government's acceptance of this burden. There is one class, however, who are opposing, and vigorously opposing, this measure; it is the big money-holding class. In addition, of course, the holders of speculative securities are opposed. Indeed, all who profited most and enjoyed excessively large incomes and exorbitant profits during the war are crying out with alarm. In a word, this measure is being opposed by those forces in this country who put the stability of the dollar above principles of justice; by those men who see in every question its temporary effect upon their financial holdings rather than the general welfare of the country.

I stated that the large financial interests were opposed to this bill. I should have included—because they themselves would have little influence—the powerful agencies and the large army of satellites throughout the country who are aligned with them. The same class that have opposed every financial proposition and denounced every plan to promote the happiness and welfare of our people are found to be still loyal to the dictates of their financial masters.

I regret to find, however, such an organization as the United States Chamber of Commerce, that could be such a powerful influence in bringing about a better understanding between the forces of greed and selfishness on the one hand and those forces which, perhaps, go too far in seeking paternalistic legislation, arrayed in opposition to these measures. Its position,

however, is not inconsistent with the attitude which it has taken recently on other public questions. As proof that the service men of the country are well aware of the nature of the opposition, let me read and have inserted in the RECORD an extract from a letter received from the chairman of the national legislative committee of the Veterans of Foreign Wars:

It is truly surprising in these strenuous times to note the enormous cost that the publishing and mailing broadcast of this pamphlet must have entailed in the United States Chamber of Commerce's endeavor to carry on its propaganda of ingratitude for the ex-service men and women who gave up everything to go forth and offer, if necessary, their lives to protect the people of this land, including the conscientious (?) profiteers which the chamber of commerce seems to champion and protect. This amount of money might have been spent to better advantage to the men and the community in some relief measure rather than in an attempt to belittle the ex-service men and their service.

It is very easy, indeed, to sit back and clamor about expenditures and throw up a barrage of enormous and horrible figures. It would be more pertinent, I believe, if the United States Chamber of Commerce would devote its energies at this time to developing ways and means for the relief of the economic, financial, and industrial situation of the country rather than an attempt to dip into reactionary measures.

SECRETARY OF THE TREASURY OPPOSITION UNTENABLE.

On the eve of the passage of this measure new opposition appears. The Secretary of the Treasury now opposes this measure. He says the finances of the Treasury will not permit the passage of this law, but he places his opposition also, if I interpret his language correctly, upon another ground. He attacks—indirectly, to be sure—the merits of the proposition itself. The closing sentence of his letter concerning this matter reads as follows:

I can not bring myself to believe that this would be adjusted compensation for a service that was performed as the highest duty of citizenship and a sacrifice that never can be measured in terms of money.

Mr. President, if I interpret his language correctly, he does not believe in the theory behind this bill, that it is adjusted compensation. He brands it as a bonus, and indirectly opposes the principle. Of course, if he clearly and definitely and unmistakably took that position, as he had a right to do, it would be unnecessary for me to say more than I have in answer to him, for I have heretofore in my address presented the arguments which seem to me to justify this legislation.

I shall not take the time of the Senate to discuss what seems to be an unwarranted assumption that the Treasury of the United States can not bear the burden that this measure would place upon it. The able Senator from New Mexico [Mr. JONES] has presented that phase of this question admirably.

Two facts, however, are outstanding. First, that our Treasury has passed the peak of all war financial burdens; that we are steadily and surely meeting our obligations, reducing our indebtedness, and that we can look forward to a constant, steady decline in our debt. If we can not meet this obligation now, at what period and at what date in the future will our finances justify this expenditure? Another outstanding fact is the exaggerated burden that the operation of this law will place upon our Treasury. Taking the table, which the Treasurer himself believes is likely to be the one that will best reflect the payments the Government will be called upon to make by reason of the probable options selected by the service men, we find that the highest sum in any one year, with the exception of the year of maturity, that the Government will be called upon to pay is in the year ending June 1, 1924, and will amount to \$478,000,000, in round figures. Only during two other years is the sum required by the Government to be paid more than \$50,000,000.

Mr. President, we can afford to pay, in order to adjust the compensation of our ex-service men, for the next 20 years a sum averaging one-fifth of the amount we appropriated for our Army and Navy for the present fiscal year in order to get ready for future wars. The estimates asked by the Army and Navy for the year commencing July 1 were reduced by Congress by a sum equal to twice the annual levy the adoption of this legislation would make upon the Treasury in a given year.

NOT A GRATUITY OR A BONUS.

In addition to the ninth-hour opposition of the Secretary of the Treasury is the opposition expressed by the President of the United States in his able message delivered in this Chamber on Tuesday last. Therein he bases his opposition, first, upon the state of the Treasury, and, second—and I am not quite sure but that it is his real opposition—he uses language indicative of his opposition to the principle of the bill, or perhaps I should say to the theory of the bill. He refers to this expenditure as a gratuity. Let me quote his language:

In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action, if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for

readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

Mr. President, this is not a gratuity measure. Our service men want no gratuities. They resent the suggestion of gifts, bonuses, or gratuities. The Finance Committee, in its report favoring the passage of this measure, refutes the suggestion of gratuities in this very strong language:

Any discussion of this bill, its provisions, and purposes would be lacking in fairness and justice if it failed at the outset to correct a general misnomer of the bill itself. This proposed legislation is generally referred to as the "soldiers' bonus bill." No name could be applied that would be more irrelevant. It is worse than erroneous. It stamps upon a just and unquestioned national moral obligation the designation "gratuity." The purpose of this bill in no sense seeks to express a national gratitude by money gift to our soldiers. It is not so intended by its supporters and the veterans of the World War would not so accept it. It is just what its title reads, "A bill to provide adjusted compensation for the veterans of the World War." It is not a bonus bill, and fairness to country and soldier alike requires that we should exclude the word "bonus" in referring to it.

In simple, plain English, the purpose of this bill is to give to the soldier who offered his life and his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger, etc.

Mr. President, I am opposed to the granting of gratuities or bonuses by this Government to anybody—soldier or civilian. The soldiers have no more right to a bonus as such—the word "bonus" means to me "something to the good"—than those employed at home. They have a right—and that is what this measure seeks to assure—to receive additional compensation adjusted in the light and with the knowledge of the economic benefits to those who remained at home and the economic losses to those who served their country in the military service.

WE CAN AFFORD TO PAY THIS OBLIGATION.

Mr. President, can we afford to pay this money? Can the richest country in the world afford to pay its military service men a wage approaching that of the lowest-paid employee in the country? Can a country which increased the number in its millionaire class by more than 23,000 during the war afford to adjust its service men's compensation? Can a country whose people increased during the war their savings-bank deposits on the average of \$400 per depositor afford to meet this obligation? Can a country that was intoxicated with material prosperity during the war afford to adjust the compensation of those who were denied any share or part in that prosperity? Can a country whose corporations increased their combined stock by more than ten billions during the war afford to adjust the compensation of its protectors? Can a country that has made advances in one form or another to the railroads of the country since the war of nearly four billions bear this new financial obligation? Will a country that can afford to allow the interest due it from foreigners on a debt of approximately \$10,000,000,000 be postponed from time to time without requesting payment refuse to assume the consequent burdens of this legislation?

Mr. President, Senators may be convinced by what has been said here about the inability of our country to assume such financial obligation at this time, but one thing is certain, that very respectable class who bore the burdens of this war will not be convinced that the men of big possessions are acting unselfishly or gratefully by coming forward now and refusing to meet their share of a war debt—a debt, though unrecorded in the Treasury office, with more merit to it than any recorded debt.

HUMILIATION OF FINANCE COMMITTEE.

I have refrained thus far from discussing another aspect of the situation, which up to this time, I confess, has been almost incomprehensible to me. Other Members of the Senate besides myself may have noticed the fact that this bill was considered by the Finance Committee in all of its aspects, financial as well as sentimental, reported to this body for action, and was just about to be voted upon before any substantial opposition to it developed.

It seems pertinent to inquire whether the members of the Finance Committee were really in possession of sufficient information about the status of the United States Treasury to make them capable of determining whether the passage of this bill at this time would break the Treasury. It seems pertinent also to ask if the Secretary of the Treasury alone had in his possession the facts about the financial condition of the United States Treasury, and if men who have served here for a decade or more as members of the Finance Committee were not as well informed about the financial status of the Treasury as a man who has been in office only a few months.

In my knowledge of legislative affairs I have never witnessed a more humiliating spectacle than that about to be performed when the roll is called to-day. You may please by your



vote and receive commendation from the Chief Executive of the country, but let me tell you your vote will mark you as unsuited and unfitted for responsible public trust, for it will amount to a confession and an admission that you deliberated upon an important public measure, that you voted upon it, that you brought it into the Senate for action twice, once during the last session, where it remained on the calendar at adjournment on March 4, and again in this session, and now you confess that it was all done without proper study of the financial condition of the country, and that it remained for the Secretary of the Treasury, only four months in office, to enlighten you regarding this matter.

Senators, your action will live long after this day. It will be hailed on every platform in America as an indication of your stupidity and irresponsibility and evasiveness in handling the public affairs of the Nation. I need not add that I intend to vote against this measure, and that regardless of the decision reported here to-day I propose to leave no steps untaken to urge upon my fellow countrymen the necessity and the justice of inducing our Government to give to our war veterans the just compensation which I believe the overwhelming sentiment of the American people demands.

Mr. NEW obtained the floor.

Mr. MOSES. Mr. President, will the Senator yield to me?

Mr. NEW. For what purpose?

Mr. MOSES. I wish to ask unanimous consent to proceed with the consideration of the conference report on the bill for the reclassification of postal employees.

Mr. ASHURST. I object.

Mr. NEW. If there is to be any discussion of the question, I can not yield.

Mr. ASHURST. Will the Senator yield to me for just a brief statement? I believe the matter could be compromised if the previous unanimous-consent agreement can be amended so that hereafter speeches on this subject until 3 o'clock shall be limited to 20 minutes. I think then all Senators might be accommodated.

Mr. MOSES. I do not understand that there is any objection to the consideration of the conference report.

Mr. JONES of Washington. I object, in order to save time.

Mr. NEW. Mr. President, I had not thought to say anything on the subject of this bill; but I have heard so many fallacies advanced, or what I certainly regard as fallacies, in the course of this so-called debate within the last two or three days that I feel impelled to occupy a few moments of the Senate's time to explain why I intend to vote to recommit the bill to the committee.

Mr. President, I yield to no man in my devotion to the soldier and his cause. I have voted for every pension measure, every measure that has been presented to this body since I have been a Member of it, that was intended for the relief of the soldier and his dependents. Before I came here, as an editor of a responsible newspaper I also consistently and persistently favored the most liberal pension legislation. I expect to continue to favor a most liberal treatment of the soldiers of this country. I would extend that treatment to every man who has worn the uniform of his country in time of war, and to his dependents.

Mr. President, I believe there are one or two things that this Congress should do, and should do without delay. It should make the most ample provision, omitting nothing that is required for the hospitalization, for the care and comfort in the most approved and perfect manner of every man who has suffered wounds or disability because of his service during the war. I believe, too, that we can afford to return to the soldier who advanced money from his own pay for the care of his family the sums that he did advance for that purpose.

All that I believe, Mr. President; but several times in the course of the last two or three days I have heard references to how much this country made during the war, to how rich it is. Well, now, let us see. How much did we make out of the war, anyhow? Did we make anything? I have not heard any of the economists on the other side of the aisle who have made that declaration furnish any proof of their claim of how much money we made out of it, and I should like to know on just what they base it.

During the war it was true that nearly everybody in this country thought he was making money. The farmer of the North thought he was making it when his wheat sold at \$2.25 a bushel. He thought it when his corn sold at \$1.75. The cotton planter thought he was making money when his cotton went up to 42 cents. The wool dealer thought so when his wool went up to 80 cents, and upon those figures he based his estimates of what he had made. He thought he had the wealth of Midas; but let us see about that.

Since those fat years the price of wool, for instance, has gone down, so that you could not sell the whole clip from the biggest ram owned by the senior Senator from Wyoming for enough to make a mitten for a one-armed doll. You could scarcely sell the hide of the biggest steer owned by the junior Senator from Wyoming for enough to pay for a pair of leather shoestrings at the price he would have had to pay for them three years ago; and when the owner strikes a balance between what he made or what he thought he made on his wool at 80 cents a pound and on his hides at the price for which they sold on armistice day with the shrinkage in value that has come to him since then—a price to-day of 12 cents a pound for his cotton in New York, for instance, which means that in Georgia and in North Carolina he is probably getting 7 or 8 cents a pound for it; and it means that out of the 15 cents that he is getting for his wool in the Boston market, certainly the Wyoming and the Montana and the Oregon woolgrower are getting very much less than that on the range—as I say, when he strikes a balance between what he thought he had and what he gets to-day he will find that instead of making money he has lost money on account of the war.

He is not worth as much money to-day as he was on the 6th day of April, 1917, when the Senate passed the joint resolution which made us a party to the conflict.

Mr. President, that state of affairs extends to nearly every man in the United States who is doing business to-day. I will admit, of course, that there were some people who made money out of the war. Some of them were in high places, too, if report is to be in any way believed. They were speculators, and it is to their shame and discredit that they made it; and if I could raise the money for this purpose by taxing them and letting the man who is to-day at grips with the sheriff go free from this taxation, I would vote for this bill in a minute, and gladly. But, Mr. President, it is not upon the speculator that the tax must fall. It must fall upon your man from Georgia who is to-day broke, and in painful realization of the fact. It must come from that woolgrower; it must come from that farmer; it must come from the small business man as well as the big business man.

Why, Mr. President, such is the condition, and there is not a Senator on this floor who knows anything about business who does not know it to be the condition. It is not singular to Indiana; it is not limited to New Jersey; it is not confined to Nebraska or to Georgia or to Mississippi or to Arkansas or to Alabama, but it includes every one of them, your woolgrower, your cotton grower, your farmer, your shoe manufacturer, your woolen manufacturer, and everybody else. We are all in the same boat, and it is a pretty leaky boat, and a long ways from shore right now, too, and it is a good thing, Mr. President, not to rock it, and a good thing not to overload it.

This is true, and every Senator here knows it, that during the war the manufacturers bought their stocks of raw material at war valuations, and they went to the banks and borrowed money. They got their credits on their inventories at those war valuations, and now they are called upon to pay. They put up those stocks as collateral for loans, and at the time they were regarded by the bank as ample collateral, but to-day they have to sell to pay the banks, and they have to sell at present-day prices. They have to sell at prices that will not pay the notes, which means, of course, that they can not pay at all.

It may be, Mr. President, that the banks are liberal because they realize that they can not collect. Perhaps it is because they have to be; perhaps it is because they realize that they can not get blood out of a turnip; they can not make their customers pay because it is beyond their present ability to pay. Or perhaps it is because the banks are liberal from other motives. Let those who want to give them credit, and let those who wish to condemn them for not being more liberal. But that is not the point. The fact is that if the banks to-day were to try to close in on business and collect, this country would be in the hands of a receiver before sunset. Everybody knows that.

Mr. JONES of New Mexico. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. NEW. Mr. President, I would rather not yield. I shall occupy a very few minutes' time. I can not yield.

Mr. JONES of New Mexico. I am very sorry, Mr. President.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. NEW. Mr. President, in the course of one set of his remarks a day or two ago the Senator from Alabama [Mr. HEFLIN] grew characteristically generous. He not only wanted to pay the 4,000,000 soldiers but he wanted to go out and help the people of the West and South, 50,000,000 of

them. He says, "We can give a billion to the railroads; we can reach down and help 50,000,000 people in the West and the South." Mulberry Sellers redivivus! There was not a dream of Mulberry Sellers that surpassed the dream the Senator from Alabama had in his talk a day or two ago.

"Mulberry Sellers's Oriental Eye Ointment. Four hundred million people in Asia with sore eyes. Eight hundred million sore eyes, and a bottle to each eye. There's millions in it! Millions in it!" That was the spirit of that dream.

Mr. President, who is to furnish the money to relieve all these 50,000,000 people? The other 50,000,000? The Senator divides us into about two equal camps, one of which is to carry the other. But that, to my mind, is a dream and a fallacy.

It is an utter impossibility, and the sooner the people of this country, soldiers and all, realize the utter economic impossibility of that kind of thing the better it will be for the soldier, the better it will be for the business man, and a good deal the better it will be for the Members of the Senate; and, as the Senator from New Jersey [Mr. FRELINGHUYSEN] interposes, a good deal quicker will business be restored.

Mr. President, the truth is that we are face to face with a great temporary economic emergency. It is a great emergency. It is a poor time, but a rare opportunity, for the soap-box man and the demagogue, and I have no doubt that in every quarter they will take full advantage of it.

But when speaking of business, Mr. President, I am not speaking of the Steel Corporation, I am not talking of Standard Oil, I am not talking of the railroads; I am talking of the small business man, if you please, the average business man, who has to be regarded as the business man of this country and of every community. The condition I have described extends to him just as well as it relates to what some may be pleased to call "big business." I have not any relation to, concern for, or interest in any big business. I do not own a dollar of stock, and never did that I know of, in any one of the big businesses of this country, and I am not particularly interested in them. I am interested in the small fellow, who is struggling, and who has to have a chance to get his feet in the sand some way or other, and get a start, and who can not at this time stand the weight of an additional burden.

Mr. President, nobody knows, as a matter of fact, just where this particular bill is going to lead us, and I agree absolutely with what the Senator from Minnesota [Mr. KELLOGG] said in his remarks here yesterday morning, that when we pass an adjusted compensation bill, or a bonus bill, call it by any name you please, we ought to be courageous enough to provide right in the body of the bill for the method of raising the money to meet it and not leave things in the altogether indefinite way this bill leaves them.

The truth, too, is that if we are to concede the obligation to be settled by the passage of this bill, the corporation doing business under the title of the United States of America finds itself compelled to do just what other concerns are doing—it must ask to be permitted to renew its note. It must ask an extension of time.

Mr. President, as I said, I myself am a friend of the soldier and I have confidence in the good judgment of the soldier; I have confidence in his good faith; I have confidence in his Americanism. I have confidence in his being patriotic in time of peace just as much as I have in his patriotism in time of war. I believe in his mental capacity to distinguish between political bunk and horse sense. I expect at some time—and at no distant time—to be able to cast my vote for some measure, in some degree comparable to this, for the benefit of the American soldier. I can not look my conscience in the face; I can not weigh my judgment of the business conditions of this country to-day—and those conditions include the interest of the soldier—and vote for the passage at this moment of this bill, and I shall therefore vote to recommit it to the Committee on Finance.

Mr. DIAL. Mr. President, my position on the bonus was made known over a year ago. In June of last year I made a speech on the bonus question, and nothing has transpired since that time to persuade me to change my mind. If it were not such a serious matter, it would be amusing to me to see the predicament in which the Republican Party has gotten itself. After these long years during which it has been whetting the appetite of the American soldier for a pension, now they have gotten to such a point that they have to back track.

I have just looked at the figures of the pensions paid to veterans of some of our past wars. In 1916 the pensions paid on account of the War with Spain were \$3,800,000, leaving off the fractions. In 1920 they had grown to be \$4,624,000.

In 1916 the pensions paid for the War of 1812 amounted to \$18,000, and in 1920 to \$21,000.

In 1916 the Mexican War pensions amounted to \$803,000, and in 1920 to \$676,000.

In 1916 the Indian war pensions amounted to \$475,000, and in 1920 to \$1,746,000.

Mr. President, I am not saying anything about pensions to disabled soldiers. I think, perhaps, the principle of paying them is all right, when they are disabled. But when it comes to paying bonuses to able-bodied soldiers I am satisfied the principle is wrong.

In 1866 there were 126,722 Civil War pensioners and the pensions paid amounted to \$15,450,549. The list grew, until in 1902 there were 999,446 pensioners, greater than at any time before or since that time. In 1919 the number of pensioners was 624,427, and the amount of money appropriated was \$222,159,292. That shows, Mr. President, how pensions will grow. Therefore, this is a proposition which deserves the very serious consideration of this Congress.

I am also delighted to know the position which the South Carolina branch of the American Legion takes. I believe, perhaps, it is the only branch in the United States which passed resolutions against the cash bonus. Our boys have the right conception, Mr. President, of their duty to themselves and to this country. I am prouder of them every day of my life.

Our duty is first to the disabled soldier, and I think the cry which has been raised as to the neglect of him has been much exaggerated.

I know of no intention on the part of Congress to neglect them, and if there is, of course, it should be remedied. I think every effort is being made, and should be made, and should continue to be made, to relieve them as much as possible. But the time has not come when we should vote a blanket bonus to able-bodied soldiers, irrespective of their condition.

If the financial condition of the country and the Government was explained fully to the soldiers, I do not believe a very large number of them would press for any bonus at this time. Anyway, the finances of this Government are in such a condition that we would not be justified in granting a cash bonus, and I am glad that the prospect is that this bill will be recommended. The Government will have to refund over \$7,000,000,000 within two years.

If we would listen to some of our friends we would think the whole country is subsisting upon the proverbial milk and honey. I read yesterday in Commerce and Finance an article entitled "Grubstaking the cotton farmer," by Gibbons Poteet, cashier of the First National Bank of Roxton, Tex. Among other things, speaking of credits that were being extended to the farmers of the country, he said:

A white man came in, making a 20-acre crop of cotton on the halves—has a wife and nothing more—nothing at home to eat at all. We allowed him \$6 per month for the five months, and we are not sure he can pay this back and live.

Another white man with 11 in family, most of them nearly grown, making a good-sized crop on the halves. He gets \$25 per month—that's right—\$25 per month for 11 people, and they have nothing except what they can buy with that \$25. We figure it out for them and show them something like this for the monthly allowance for a man getting \$25 per month:

3 bushels meal	-----	\$4.50
1 sack flour	-----	2.75
3 gallons lard	-----	3.30
3 gallons molasses	-----	3.00
Coffee	-----	1.00
Sugar	-----	1.00
Beans	-----	2.00
Rice	-----	1.00
Meat (maybe)	-----	2.00
		20.55

That will leave \$4.45 to buy little things that may be absolutely needed, like medicine or baking powder and soda and garden seed. Of course, they are permitted to vary the "menu" if they desire.

Can you imagine any condition more depressing and distressing?

This condition exists all over the country. Agriculture is in distress, and it is no time now to be voting additional taxes upon an already overburdened people.

Something has been said about the foreign debt—

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. DIAL. Certainly.

Mr. JONES of New Mexico. I rose awhile ago when the Senator from Indiana [Mr. NEW] was making some statements along the same line which the Senator from South Carolina is now offering. I did it for the purpose of calling attention to the fact that the people of the country who are in such dire distress as those now referred to by the Senator from South Carolina and those referred to by the Senator from Indiana are not the ones who pay these bills. If the Senator from South Carolina will examine the estimates of the Secretary of the Treasury as to the sources of the expected revenue he will at once under-



stand that the bankrupt people of the country, the people who have no net incomes, are not the ones who pay the bills, but the Treasury is to be supported by those who still have net incomes even in these hard times.

I submit that if we distribute some of those incomes throughout the country it will aid the very people to whom the Senator from South Carolina has just made reference; and that those people, the people who are selling cotton for less than it cost to raise it, those who are selling cattle for less than they cost to raise, the merchant writing down his inventory, the manufacturer writing down his inventory, will not pay one dollar of the bill nor be called upon to do so. It will still be paid by those who, notwithstanding these adversities of our country, are still reaping their enormous net incomes.

Mr. DIAL. If I had my way and could pay these taxes out of the pocketbook of the profiteer I would perhaps be willing to vote for a bonus—not this kind of a bonus—to some soldiers. I know of no tax that eventually is not paid by the people at large. It does not matter where it is levied, it will eventually have to be paid by the toilers of the country.

Mr. KING. Mr. President—

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

Mr. DIAL. Certainly.

Mr. KING. In part by way of reply to the suggestion of the Senator from New Mexico, may I submit an observation for the attention of the Senator from South Carolina? In a recent work published by Prof. W. I. King, in which he deals with production and cognate questions, he states, as I recall, that the aggregate earnings of all of the people of the United States were approximately \$40,000,000,000. This was immediately before the war. His figures showed that the value of all products and all labor and all services of all the people of the United States was something under \$40,000,000,000 per annum. In the production of this aggregate there was consumed all but \$5,000,000,000. In other words, after totaling the values of all products and deducting therefrom the costs incurred in their production there was left but \$5,000,000,000, which was represented in improvements, houses, factories, or securities and money and credits. That amount represented the savings of all the people of the United States for the year. Whatever there was for investment came from the \$5,000,000,000 of national profits for the year. Our houses and railroads and factories and shops, indeed whatever was left and endured, came from the \$5,000,000,000. It is apparent that the prosperity of a community depends upon the savings—the amount available for investment purposes. If we consume all that we produce, then there is no prosperity, and business and industrial stagnation ensue. We must have capital for investment, and capital for investment only results from savings. If by taxation we invade the field of what we call savings, then we strike at the prosperity of the people. We are levying heavier taxes now than were imposed at the time Prof. King wrote. It is doubtful whether during the coming year, in view of the great slump in business, there will be five billions of values left after expenses and consumption have been met. Indeed, with the heavy taxes which are being imposed by the Federal Government, as well as by States and municipalities, there will probably be but a small margin of profits or savings available for investment purposes. That will mean fewer homes and but little improvement in railroads, few, if any, new factories or enterprises. Indeed, it will mean demoralization in business and a persistence of financial distress. Prosperity to the farmer, to the cotton grower, to the producer of live stock, and to the laboring man depends upon there being money for investment, and there will be no money for investment unless there are savings, and there will be no savings if high taxes persist.

When we destroy by taxation whatever is available for investment then we are striking at the farmer and the stockmen and all classes of our people. It is an economic heresy preached here and elsewhere that the strong arm of the Government may take away the income of those who might save for investment purposes without there being unfavorable reaction upon all classes of the people. If the Government takes away all the income of the people and all the savings, whether the people be rich or poor, then industrial activity and progress is arrested. When it is claimed that we can take from the rich all their earnings and savings under the guise of taxation we are advocating a policy which will injure the workingman and indeed all classes of society.

Of course wealth must bear the great burden of taxation, and income and business profits must prove the principal fountains from which will flow Federal taxes. But I can not approve of the thought that we can seize all the earnings upon

capital for taxation purposes, and that in so doing we are not affecting or injuring the great mass of the people, and particularly those who are not called upon to make direct contributions to the Federal Treasury. What is needed now is a reduction in taxes. The greater the amount of unconsumed wealth at the end of the year the greater will be the amount available for investment, and the more we have for investment the greater will be the general prosperity. If Rockefeller or rich corporations have large sums at the end of the year resulting from their investments, these sums are available for further investments. They go into the banks and become the basis of loans and investments in bonds and stocks and securities and houses and railroads and those material things which further increase the wealth of the Nation and add to the general prosperity of the people.

We must encourage savings and not pursue a policy which will compel the strong arm of the Government to be laid upon every dollar of savings or earnings for taxation purposes.

Mr. DIAL. Unfortunately, in my part of the country our money will be on the other side of the ledger and we will not have anything to invest.

Something has been said about the foreign debt. For one, I believe this ought to be refunded and it ought to be collected within a reasonable time; as soon as possible. I can see no objection to the interest being deferred or refunded in bonds which will draw interest, but I am not now willing and have never been willing to say that the debt should be canceled. I think we have done our part toward our allies and that they should have a reasonable time in which to pay, but they should also have a warning to go to work and begin to pay interest at least. I feel that what this country and the world needs is more work; to produce more. Our allies ought to be put upon notice that we expect to collect and that we will collect as soon as they get into condition to pay.

Mr. President, I happen to know a little about taxes and about the condition of the country. It was brought to my attention the other day through an enterprise where the national taxes alone were something over 8 per cent upon the capital stock of that enterprise. I know of people who wish they had their money out of investment, and if we keep on piling up taxes, taxes upon top of taxes, we will have no one who will care to invest money to develop the resources of the country and give employment to labor.

I have this morning read a letter from the American Legion. I do not agree with all that the letter contains, but a part of it struck me as a very just complaint. That portion of the letter reads as follows:

The soldier returned to find himself economically handicapped by reason of not having received the high pay which his brother who remained at home received, and, further, economically handicapped by being under the necessity of reattaching himself to industrial life when others had taken his job and advanced in the industrial scale. Our Government drafted the soldier, but did not draft labor.

I feel that is one reason why the soldiers are here now. It is because of the action of our Government in paying such enormous wages to labor in this country, pay that was not justified even by the circumstances. I feel that we should have corrected that condition as soon as possible; but instead of doing so last year we passed the Esch-Cummins bill, and we perpetuated in that law the national wage scale which has continued until recently, and perhaps a good deal of it is in force at the present time. One of our first duties should have been to readjust those matters, so that the whole country might have become normal as nearly as possible, and so that no one should have received pay out of proportion to services rendered.

So far as I am concerned, I feel that that is a thing which is urging the soldiers on—the present unjust basis of those rates of compensation. I took occasion a short time ago to make some inquiries with reference to the matter. I have here a letter in reply to one which I wrote, from which I wish to read as follows:

In 1917 we paid our car cleaners, most of whom were women, 11 cents per hour, and they worked over a spread of about 12 hours, and when I say "spread," I understand that sometimes they had work to do and sometimes they did not. Their work was hardly more difficult and not nearly so expert as that of the average cook, who gets breakfast around 8 o'clock and supper about 7 o'clock. Now, we are paying these same cleaners 51 cents an hour for eight hours' work and time and one-half after eight hours, including also time and one-half on Sundays and holidays; cars must be cleaned on both.

If we worked our car cleaners the same number of hours that we worked them in 1917, under the present rates per hour and the working conditions they would be paid around \$180 per month.

Our car repairing forces, consisting of capable carpenters and, as you can well understand, many who need not know more than to drive a nail or to saw a plank, etc., in 1917 were paid from 24½ cents per hour to about 35 cents or 40 cents per hour. Now, all of them are paid, though, as I have said, many of them are little more than ordinary day laborers, 80 cents per hour and time and one-half on and after eight hours and on Sundays and holidays.

We have Negro trainmen, paid in 1917 around \$50 per month, now paid from \$160 to \$250, owing to the spread of hours and overtime made; firemen, paid in 1917 from \$75 to \$100 per month, now paid from \$200 to \$325 per month, owing to the spread of hours, overtime, etc.

We have an engineer on a certain run who goes to work about 7 o'clock in the morning and gets off about 7 in the afternoon, who is at home for breakfast, dinner, and supper, and who is off about three hours at noon, who earns by the 22d of the month some \$400, and who is then relieved by another engineer—this in accord with the wage agreement in order to keep him from making a grotesque wage. This engineer is paid time and one-half after eight hours; in other words, he is paid for nearly two days in one, although his actual hours of service is probably eight or nine.

Carmen from shops sent out on the road in charge of wrecking outfit cars are paid time and one-half, or \$1.20 per hour, for the first 24 hours they are out, and after that 89 cents per hour for all hours until they return to the shops. Recently in clearing up a freight wreck the wrecking derrick was out five or six days, and the foreman of the wrecking derrick, who, while a carman, performs only the work of firing a stationary boiler, was paid \$28 for the first 24 hours, although he worked some five or six days, and was then paid every hour that he was out, although he worked eight hours per day, and was paid and housed at the company's expense.

We should repeal at least a part of the Esch-Cummins law. The freight charges are paralyzing the business of the country. It is practically running the people off the farms in the South. We have heard here of many cases where vegetables and all kinds of truck in the South when shipped to the North did not bring enough to pay the freight charges. Just yesterday I received a telegram from one of my constituents in South Carolina, who stated that he had seen a bill for a car of vegetables shipped to New York. He said the price was satisfactory, so far as the sale of the goods was concerned, the carload having brought \$696, but that the freight bill was \$408.

I feel that one of the greatest benefits that we could bring to the soldiers and to the whole people of the country would be to investigate the railroad situation and readjust those matters to get them upon a business basis. The roads should be forced to economize in every way. They should be allowed to make contracts with their employees like other people and the Interstate Commerce Commission should authorize reasonable rates of freight and say to the railroads that they must make their expenses and profits if they can make any, and if they can not they should fail like other people. I feel that it is a mistake to have two boards controlling the situation, one to regulate wages and the other to regulate the freight rates. I do not believe such a system will be a success. I feel that that one act of ours has caused more dissatisfaction than any other half dozen laws on the statute books.

It is time now for Congress to come together on these business matters and allow business to adjust itself, to let business alone, and let the people know they have got to go back to work. If business is a failure, it will be a sad country for the soldier as well as for everyone else.

Before the Committee on Commerce the other day a gentleman appeared representing a shipping company as their attorney and told of an incident where a ship arrived in a certain city at 9.30 o'clock at night. They needed an inspector. They asked the Government to send them one inspector. Instead of sending one they sent three, and the pay dated back to 5 o'clock in the afternoon, and those three inspectors got pay for five hours at that rate at that time in the day, which amounted to pay for two and one-half days each at the regular rate. They used three inspectors in that case instead of one.

Can you imagine any greater folly? How can we build up a merchant marine under such conditions?

Give everyone an equal chance under the law, then dissatisfaction will cease.

Let us eliminate all these unbusinesslike methods from the operations of the Government and give everyone in this country an opportunity to work.

Some reference has been made to idleness in this country. So far as I know, there is not very much idleness in my section of the country. I believe if there are many people who are out of employment it is their own fault. They can get employment if they want to go to work.

As I have previously said, I have the highest regard for the soldiers, and we should do everything which it is in our power to do for the maimed and the disabled amongst them—nothing is too good for them—but I feel, certainly at the present time and until disarmament may properly be brought about, until we can reduce our war expenses and other taxes, and can restore our country to a prosperous condition, that this bill should be recommended to the Committee on Finance.

Mr. PITTMAN. Mr. President, I intend to be very brief in the remarks which I shall now make, for I realize that there are other Senators who desire to discuss the question and who necessarily must speak in the limited time which now remains.

I had occasion on the 7th of July last briefly to present my reasons for supporting the pending bill and those reasons largely apply to my opposition to the motion now to recommit the bill.

On the 13th of July I asked unanimous consent to have read from the Secretary's desk two telegrams from representatives of the American Legion, but the Senator from Kansas [Mr. CURTIS], the "whip" on the other side of the Chamber, interposed a parliamentary objection, which has up to this time prevented those telegrams from being read. I shall use my privilege to read them a little later on.

Mr. President, the issue that is brought about by the motion to recommit the pending bill is simply this: Can the Government of the United States afford to do for the ex-service men that which the bill requires? It is not a question of remodeling the bill. No one here has suggested any amendment of any serious import to the bill embodying any proposition which has not existed in the pending or in former bills on the same subject. None of those who have spoken in favor of the recommitment of the bill have suggested any changes which they desire in the bill. The President in his message laid down the real issue in this matter. He said that it would break down the Treasury of the United States.

Those who believed that the passage of the bill would break down the Treasury of the United States and bring disaster to the country have a right to vote against the bill; those who do not agree with the President and the Secretary of the Treasury in that regard have an equal right, and in my opinion it is their duty, to vote for the bill; and the only way they can vote for the bill is to vote against the motion to recommit it to the Committee on Finance.

The Senator from Indiana [Mr. NEW], who has recently spoken, said that he would vote for the bonus bill if he could think of any way by which the profiteers during the World War could be made to pay for the obligations which it would impose. The House of Representatives in the bill pending there at the last session suggested a method by which those who made profits out of the war would be compelled to pay those obligations. The committee of the Senate considered that proposition and deliberately struck it out.

The Senator from Idaho [Mr. BORAH] and the Senator from Iowa [Mr. KENYON] have said that they would like to see some real land-settlement proposition in favor of the soldiers adopted. A land-settlement provision was considered by the House of Representatives for a year; it was adopted by the House of Representatives at the last session; the bill came to the Senate committee; they considered that proposal and reported it favorably; but what happened? The same committee in this bill proposes to strike out the land-settlement proposition. I have proposed an amendment to restore the land-settlement provision to the bill. If the Senator from Idaho and the Senator from Iowa want the land-settlement proposition restored to the bill the way to restore it is to keep the bill on the floor of the Senate and not to recommit it to a committee which we know will not report it back.

It would be an absurd proposition to recommit the bill to the Committee on Finance with instructions that they report it back. Such action would contravene the very purpose which the President has in view. The President in his address said:

It is unthinkable to expect a business revival and the resumption of the normal ways of peace while maintaining the excessive taxes of war.

Do Senators expect "the excessive taxes of war" to end in a few days? Does anyone expect any particular change in the financial condition of this country in the near future? The President goes on further in his address and says:

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans?

The Senator from Iowa [Mr. KENYON] has an amendment to offer to instruct the committee to report the bill right back. When do Senators expect the question of the foreign loans to be settled? The Senator from Utah [Mr. SMOOR], one of the leaders of the Finance Committee, has said that it would be very disastrous right now to demand even the interest on loans due by foreign Governments. The President further says:

The United States participates in none of the distributable awards of war, but the world owes us heavily, and will pay when restoration is wrought. If the restoration falls world bankruptcy attends.

The President asks the Republican majority not to act on this bill until world restoration has been accomplished; the President asks the majority on the other side of the Chamber not to increase the taxes by passing this adjusted compensation bill until world restoration has been accomplished. Then, how absurd it is for Senators on this floor to offer amendments embodying instructions that the bill shall be considered by the Finance Committee and reported right back. If that is their object, if they think that all that is needed is some reformation of the bill, let them vote to keep it before the Senate for a few days at least, and let us offer the amendments which we desire to offer, and let us debate those amendments. Therefore, I say that the issue is whether or not the Government can



afford to pay its defenders a just compensation; that is the only issue. The motion to recommit this bill is based upon the fear that there is no amendment that can possibly be made to the bill that will not add to the taxation of the people. The President says the country can not stand that taxation until there is world readjustment and restoration.

We know that nearly every Senator on the other side has received hundreds of telegrams from responsible citizens petitioning them to vote against the motion to recommit. Where are those telegrams to-day? Have any of them been presented on the other side and read before the Senate?

Is not this the first time in history when any great issue was before this body that Senators did not present petitions from constituents to be read to the public and to the Senate? Why do they not present them? Is it because they are afraid of the influence of those petitions? I repeat, this is, perhaps, the first occasion on which they have refused to come forward with and present such telegrams and petitions.

There are numerous Senators on the other side who would like to find refuge in any excuse rather than to vote to recommit the bill, because they know that they are wrong in killing the bill; but the President has demanded it, and they are following that demand. However, give them a loophole, give them any plausible excuse or subterfuge, such as a motion to recommit to the committee with instructions to come back with it to-morrow—just one day will help them—or in two days or in a week, anything to lessen their difficulty, and they will vote for it.

I am going to vote against recommitting the bill. I am going to vote against recommitment with instructions of any kind, but I know that Senators on the other side are going to recommit the bill. Then, as the weeks and months go by and we hear nothing from it, we will see the Senator from Iowa rise in his place and ask if the committee have not as yet nearly completed their labors in reforming the bill. He will find out they are doing nothing, and then we who are determined to force a vote upon this measure at some time will protect our rights by moving to discharge the committee, so as to bring the bill back to the floor of the Senate. So I say that any Senator who is sincerely in favor of this bill should not be led astray to vote for any kind of a substitute motion, such as a motion coupled with instructions, for we can protect ourselves in other ways. We should vote against everything in the nature of a recommitment; we should vote against everything except such motions as will tend to keep the bill before the Senate under debate.

The Senator from Idaho is an idealist; he frequently carries idealism beyond the point of practicability. He feels that it would be an insult to our soldiers to pay them wages. He asked, "Is it possible to compensate these men who gave their health and their lives to save this country?" No, Mr. President, it is not within our power to compensate them adequately; there is nothing that we can do adequately to compensate them; there is nothing that we can do adequately to compensate Gen. Pershing for his magnificent services and his patriotism, and yet our Government did not think it was insulting Gen. Pershing when it created an office for him and gave him a greatly increased salary. It was not adequate compensation for his services and patriotism, but it was a compensation that, whether it did the heart of Pershing good or not, did our hearts good.

Two dollars a day for the services our soldiers rendered over there would not be adequate; no, \$100 a day would not be adequate; but, as we did for Pershing, as England did for her great generals and great admirals, as every country has done for its soldiers, we should say, "While there is no adequate compensation for what you have done, we will ease our conscience and our souls by doing all that we can do for you."

Did any Senator ever raise his voice in this body to say it was an insult to Gen. Pershing to give him a little increased salary? Did any Senator ever say that it was an insult to Gen. Haig to give him an enormous sum of money? Never in the world has such a statement been made. The difference between the Senator from Idaho and the Senator from Nevada is that he believes because we can not give them adequate compensation we should not give them any compensation; that is all. Why, in the name of Heaven, did we pay the soldiers a dollar a day over there? Was that an insult? Why did we not pay them 50 cents a day?

Do you suppose that the families of some of the Senators who have now passed away and who ended their lives earlier by the patriotic work they did in this body during the war could ever be compensated? Never in the world; and yet when they died we gave their widows \$7,500. Was that an insult to the family of the deceased? Was that an insult to the memory of the Senator? Adequate compensation? Is \$7,500 adequate

compensation for a man who gave his life working in this body night and day for several years on behalf of his country? No. The Senator from Idaho simply does not draw the distinction between the impossibility of compensation for patriotism and the inadequate but just compensation for vallant services rendered.

They can not find the money to pay these boys, and yet there were \$7,000,000,000 of excess profits made during the war—\$7,000,000,000 of excess profits! Tell me, was there any greater obligation on behalf of these 4,000,000 boys to give their lives in defense of this country than there was on behalf of the 106,000,000 people left in this country? Why is it that those 4,000,000 boys should give all on God's earth they had to defend this country and there was no obligation on anyone else?

A war such as we had, a war to the finish, a war for the life of the Nation, is a war of every man and woman in the country, and it is not merely a war of soldiers. What we should have done was to draft every man in this country, every man, and make a soldier or an officer of him. Oh, they could not give as much as those boys gave; no. Why?

A man 60 years of age can not go upon the battle front and fight like a man 18 years of age. Therefore they had to go where they could give their best; but the great manufacturer, the great chieftain of a great steel works, could do as much for this country in time of war if he gave his services like those boys gave their services. Did they do it? They did it in a few instances. Did their corporations do it? No; their corporations did not do it, or there never could have been \$7,000,000,000 of excess profits in this country—never.

Why, if those corporations had been drafted, if the managers of those corporations had been drafted, you would not have been whining to-day that you did not know how to get the money out of these profiteers. You would have it. You would have at least \$7,000,000,000 on hand now, and business would have been running as it was. You could now draft those excess profits and compensate these boys, but you will not do it. You would not do it during the war, and you never will do it.

It is strange to me that everyone thinks it was incumbent alone on those 4,000,000 soldiers to fight this war. They do not conceive that there was any responsibility or that there was any demand for sacrifice on behalf of the other 106,000,000 men and women. Oh, many of them sacrificed voluntarily, but I am talking about those who made a profit out of the misery of the soldiers, out of the misery of this country, and who have done things that helped to bring it to the miserable condition it is in now, where a President of the United States, after his party has been in power for nearly three years, has to come down and say: "We are so poverty-stricken, we are so helpless, that we can not pay \$200,000,000 a year as a compensation to these boys."

There is a constitutional way to get after the profiteers, and no one denies it. It is within the taxing power of this Government to reach them, but the administration has not tried to reach them. They are afraid they will have to try to get after them unless they can kill this bill, and the only way they can kill it is to get it off of this floor forever, and the only way they can do that is to recommit it. Whether it is recommitment with instructions or without instructions amounts to nothing. When they get it off this floor, the bill is dead. When I am urged to vote for instructions, I say this: It does no good to instruct an adverse majority. They can surround themselves with protection. I can accomplish the same purpose by a motion to discharge the committee, and I will make a motion to discharge the committee at frequent intervals.

Now I ask that the telegrams which I send to the desk be read.

The PRESIDING OFFICER (Mr. SMOOT in the chair). Without objection, the telegrams will be read.

The reading clerk read as follows:

CARSON, NEV., July 13, 1921.

Hon. KEY PITTMAN,  
United States Senator, Washington, D. C.:

American Legion of Nevada stands 100 per cent favor adjusted compensation measure and requests your most earnest and aggressive support to prevent recommitment bill or any move which will prevent its immediate passage.

AMERICAN LEGION, DEPARTMENT NEVADA,  
H. M. PAYNE, Commander.

RENO, NEV., July 12, 1921.

Senator KEY PITTMAN,  
Washington, D. C.:

American Legion, Department of Nevada, appreciates very greatly your active and earnest efforts on behalf of adjusted compensation bill. We agree with you that recommitment or delay now is equivalent to defeat. We therefore watch your efforts on our behalf with keen interest.

T. L. WITHERS, Department Adjutant.

Hon. KEY PITTMAN,

United States Senator from Nevada, Washington, D. C.:

Use every effort to prevent recommitment soldiers' adjusted compensation bill. Am wiring national commander and State Legion departments asking reply to amazing and misleading statements made public by President and Secretary of Treasury regarding matter.

J. G. SCRUGHAM,

National Vice Commander American Legion.

Mr. STANLEY. Mr. President, I am old-fashioned enough to believe that executive encroachment upon the legislative branch of the Government is as much a peril to the liberties of a free people now as in the past. I still believe, Mr. President, in the balancing of the powers of the Government—a legislative, an executive, and a judicial branch, each coordinate and inviolable.

It is true now, as in the past, that a people's liberties may be overthrown by the arts of a Pistratus or a Caesar, by a Cromwell or a Bonaparte. It is the duty of patriotic men, it is the duty of courageous Representatives in this or in the other branch of the Federal Congress, to raise their voices in protest the instant an ambitious or a designing Executive attempts to use the tremendous powers of his office to imperil the liberties of a people. It is, Mr. President, a crime akin to treason for any man placed in that high station, vested with greater authority than any king or emperor on the reeling earth, with patronage unlimited, a power appalling to many conservative critics, to exercise that power in a bald appeal, not to the patriotism, not to the reason, but to the avarice or the fear of men dependent for their political lives upon his partial favor.

Mr. President, if a former President of the United States was guilty of that offense, he deserved the condemnation he received. If he did attempt, for personal or political advantage, to dominate the Federal Congress without regard to the good of his country, if he did attempt cunningly and insidiously to encroach upon the constitutional rights of this body, he deserves to be, as he will be, pilloried by the impartial historian of the future.

That, Mr. President, is the grave charge made against President Wilson. That is the charge that has been reiterated upon the floor of the Senate, in the House of Representatives, on the hustings, in State and national conventions. The people were called upon not so much to reverse party policies as to overthrow a personal master and an aspiring tyrant. Venomous, unrelenting political hate inspired the blows that were struck from in front and struck from behind. "Down with Wilson the autocrat! Down with one-man power! Down with this solitary and aspiring egotist, who, like a second Augustus, surrounding his throne with darkness, concealing his irresistible powers, proclaimed himself the accountable minister of a congress whose supreme decrees he dictated and obeyed!"

In the great convention that nominated the present President of the United States this language was used by its temporary chairman, the learned leader upon the floor of the Senate:

To maintain law and order—

Said Senator LODGE—

and a stable government where justice rules and the rights of all men, high and low, rich and poor, shall be protected, we must have a government of the people—

"Must have"? That implies that there is no government of the people at the time he makes the statement—

we must have a government of the people, duly chosen by the people, and never must there be permitted any government by a single man—

What man? Need I ask the question?

Or by a group of men or by an organized minority. Tyranny lurks in them.

That is strong language.

Tyranny lurks in them all and true freedom withers when they ascend the throne.

Freedom has withered, tyranny lurks, democratic and republican institutions are about to totter. Why? Because the President of the United States in person urged Congress to do certain things. The head and front of his offending hath this extent, no more.

Ah, "he talked with certain Senators." The RECORD is full of instances where Members upon this side of the Chamber were catechised in the open Senate, grilled as to when and under what circumstances they saw the President touching pending legislation, until the Senator from Virginia [Mr. GLASS], an ex-Secretary of the Treasury, in righteous indignation thus denounced the practice:

To me it is most extraordinary that a Senator should be put under espionage and his goings and comings reported on the floor of the Senate.

I will read you what the present President said touching this practice of telling the Senate in person the Executive's idea of

pending legislation. He drew with perfect clearness and accuracy the distinction between recommendations on the state of the Union at the opening of a session of Congress, between calling the attention of the Congress to certain matters of importance, leaving their determination to the discretion of that body, and making direct and specific recommendations. Said President Harding:

No man is big enough to run this great Republic. There never has been one.

Of course, with characteristic modesty, present company, I assume, was excepted in that instance.

Such domination was never intended. Tranquillity, stability, dependability—all are assured in party sponsorship, and we mean to renew the assurances which were rendered in the cataclysmal war.

Said the leader of the majority of the House, Mr. MONDELL, on June 5, 1920:

The Senate of the United States has as a body and an institution one time or another been under the fire of severe criticism, but its attitude of courageous refusal to surrender the views and convictions of its Members, and the independence and sovereignty of the Nation at the behest of the Executive, places the Nation and the world under profound obligations to those Members of the Senate who declined to become the recording instruments of the Executive mandate.

I appeal to Senators upon the other side of the Chamber to make good the big words of the leader of the Lower House still to deserve that gratitude, still to hold inviolate that dignity and that honor, worthy of their Roman forbears in their proudest days. Let them rise now, with their togas draping their manly forms, like the folds of some classic statue; let them again express their superb indignation that their dignity is invaded, that the stability of the Government is about to be destroyed, that Senators are made puppets by the mandate of an aspiring autocrat; and if they can not do it, then in common decency, for the sake of that lowly virtue, consistency, let them rise in their places and ask permission to expunge all this camouflage from two years of the CONGRESSIONAL RECORD.

Is this a place for honest, sober, sincere discussion of the great questions of state, for the solution of the mightiest problems ever imposed upon the intellect of mortal men, or is it an arena for political battledore and shuttlecock, conscienceless and shameless play for some petty partisan advantage, without regard to the honor of Presidents or the integrity of Senators?

The Senator from Connecticut [Mr. BRANDEGEE], able, proud, and eloquent, thus voices his scorn of a great President and his practices. Said Mr. Brandegee on October 11, 1920:

The President of the great Republic of France has almost no power. The power of France is exercised by the Chamber of Deputies, by their bureaucracy, and by their departments. I mention this for the purpose of showing that in other countries the power of the executive is a mere fraction of what it is in this country; and I mention it for the purpose of showing that more and more America, the freest democracy there is in the world, is coming to familiarize itself with if not consent to the theory that the President has all the power there is in the country, except where Congress may intervene to check it. That is not a good thing to get abroad; it would not have been tolerated 50 years ago; but in the language of the old poet:

Vice is a monster of so frightful mien,  
As to be hated needs but to be seen;  
But seen too oft, familiar with her face,  
We first endure, then pity, then embrace.

I watched the Senator from Connecticut when another President assumed, not a similar but a more astounding rôle. I expected to see him veil his modest and comely countenance and flee from the apparition, lest, "too familiar with its face," his virgin political chastity might be polluted by the embrace of an aspiring President of his own faith. But he did not blush. He appeared sublimely oblivious of the ominous peril he himself had so vividly described.

Were you sincere in your condemnation of a Democratic President? What did he do? He followed the example of the Father of his Country, he who sleeps yonder at Mount Vernon, within the shadow of this Capitol's dome, whose name is as secure from calumny as that of the Father of us all. He delivered in person messages to the Federal Congress. Why did President Wilson come? First, to insist, with his learning, with his experience, with his courage, with his genius for government, upon a program of constructive legislation that will live, the wonder and the admiration of all free peoples, even after the marble columns of this edifice are dust. He came to insist that a rotten and worthless financial structure be transformed into the most sound and most efficient banking system known among the children of men.

He came to insist that this Government extend its great and benevolent arms into the bowels of the earth and protect from danger and hardship and peril those who risked their lives to warm us in the midst of winter and set the wheels of industry aham from the rising to the setting of the sun.



He came to urge you to improve and to develop better roads. He came to bring prosperity and security to every avocation and to every walk of life, to all our industrial, our moral, and our spiritual activities, in so far as this Government can minister unto them; and he left behind him a code of laws that even this Congress will not dare to amend or repeal.

That was his sin in time of peace. In war you intrusted him with autocratic powers. It devolved upon him and those about him in the twinkling of an eye to transform the multitudinous enterprises of peace into the invincible enginery of war that was to strike across an ocean and to shatter the hopes of an oligarchy that threatened the peace of the world.

Did he do right? If he did, I am surprised and grieved. I am amazed to hear a Senator from Iowa, a Senator noted for his sincerity, for his altruism, for his freedom from partisan bias—proclaimed even by himself—and at times when he wants our votes over here almost free from any partisan allegiance. Yet the Senator from Iowa [Mr. KENYON] said, "We have been lambasting you for eight years about presidential dictation. Senators on the other side are entitled to lambast us now. Go to it; it is all right." What did he mean? Does he mean to say that he justifies a libel upon the President of the United States? Does he mean to say that it is an honorable and a patriotic thing to intimate that the President, not of a party but of a Nation, is a deliberate, premeditated criminal, that in his heart he fosters designs for which Cæsar was stabbed and Napoleon and Cromwell should have been shot? If the President attempted to destroy the liberties of the people, it is treason, nothing more and nothing less. Does he mean to say that a President can be lightly charged with treasonable designs?

And if the charge be true will he now submit to that monstrous crime rather than raise his voice against the authority of his party's boss when he endangers the liberties of his country?

A short time ago that man, now broken in body but not in spirit, turning serenely to those who assailed him, sublime, serene, undaunted, in the face of their pitiless anathema, said, "I appeal to the verdict of mankind."

But to-day by this performance you place the seal of your eternal approval upon that thing you most bitterly denounced in Woodrow Wilson or you place the seal of cowardice and infamy upon yourselves. Either Wilson was right, and you called him all but traitor, or he was wrong. If he was right the charge should never have been made, and if he was wrong there is no excuse for your base submission to a similar wrong on the part of your own President.

Mr. President, this is a most astounding thing, a most unprecedented performance. It is the province of the President to advise Congress in the beginning of its deliberations. It is his province at any time to call to their attention needed legislation. It is his province after that legislation is enacted to veto it. This was neither. This was an almost impudent impeachment of the integrity or the intelligence of the Senate.

If there is one part of this august body which more nearly approaches political infallibility than another, it is the Finance Committee of the Senate. Learned, experienced, able, they and their confrères of the House Ways and Means Committee for more than a year have studied the effect of this legislation upon the finances of the country.

Tell me that FORDNEY and PENROSE and the learned occupant of the chair at this moment [Mr. SMOOT] and their colleagues would consider the appropriation of \$5,000,000,000 and never think once whence it was to come or what would be the effect of such legislation upon the people? I used to suspect that they had no definite idea of any limitation upon the people's power to pay when they were making a protective tariff bill, but I never dreamed they would deliberately appropriate \$5,000,000,000 without even stopping to cogitate for one little moment where the money was coming from, anyway. What is the truth about it? They either knew or they did not know where and how they would raise this bonus fund. If they did not know, then this body should join me at the conclusion of my brief remarks in singing "Praise God, from whom all blessings flow," that the Republican Party has a Moses in the White House who can lead them out of such a pathetic wilderness of incompetence. If they had no idea, after all these conferences, after all these discussions, who can blame the Chief Executive for showing as little respect for the wisdom of that body as I have for a last year's bird's nest? Who can blame him at this late hour for telling them to undo all they have done, admit their political imbecility, and let him save them from the consequences?

This question should be met. Why, it is not necessary to know what your revenues will be at the end of a year. The

bill covers 20 years. You know it now as well as you will ever know it. Send it back to the committee? Do you believe that in the next six months the Senator from Pennsylvania [Mr. PENROSE] or the Senator from Utah [Mr. SMOOT] or any of their colleagues upon that committee will know more about finance than they know now?

If they have reported this bill without consideration and on the spur of the moment, do you believe that six months from now they will pay any more or greater attention to a matter of such vital importance?

Ah, there is but one explanation—a glittering bauble, a munificent reward one year ago was held out to 4,000,000 men, and they were assured that "If you will but trust to the great and only conservators of prosperity, the men who filled all the empty dinner pails and made good times, who have the occult power of making men rich by taxing one man for the benefit of another. Just as soon as the Republican Party begins to operate on an unlimited scale prosperity will come in great chunks, and we can let you have a few billions, without taking a second thought at the breakfast table. In the meantime do not forget on the day of election that it is a Republican House and a Republican Senate that will do the work."

They have delivered the goods and now is the time, as gracefully as you can, to back out behind the sheltering skirts of the Chief Executive, following humbly in the path, in so far as that path is visible, of his great predecessor, but unfortunately allowing the exigencies of the hour to make him out-Herod Herod, to do a thing which neither Wilson nor any of his Democratic predecessors would have dared to do. In the meantime look longingly back upon the high place you once adorned. Never again as long as you live think of talking about pigmies or rubber stamps or automatons or other puny little things that dance when somebody pipes or whistles, or who lie down and roll over, or jump through a hoop when somebody cracks a whip, jingles a bag, or distributes an office.

Mr. President, I ask permission to incorporate in the RECORD an editorial from the Stars and Stripes without reading.

The PRESIDING OFFICER. Without objection, permission is granted.

#### THE PRESIDENT AND THE BONUS.

[From the Stars and Stripes, Saturday, July 16.]

Placing his administration in one of the most ridiculous tangles in modern American political history, the President of the United States has, at the eleventh hour, thrown his personal power, influence, and popularity against the soldiers' bonus bill and forced the leaders of his party in the Senate to reverse themselves flatly and deliberately almost overnight, break their promises and their near promises, and altogether perform like frightened schoolboys.

Disgusted as ex-service men must be at this performance, which proves either that the political leaders of the Nation have been playing horse with the veterans for months past or that there is a strange lack of union, policy, or leadership in the present administration, we must nevertheless admit that in it all President Harding has at least demonstrated a certain degree of courage not entirely shared by his late colleagues in the Senate. He has come out against the bonus bill; and while it is true that he apparently camouflaged his position on the measure for a good many months, he at least faced the music when his advisers told him that he, and he alone, could now defeat or delay the measure. He did not, like some Senators, leave town to avoid a record vote.

Further than for his courage there is little to commend either in the President's last-minute stand against a bill which he had given many persons to understand he favored nor in the wording of his message. Admitting that there is some honest ground for difference of opinion about the merits of the bill, veterans will not very readily admit that the President used the best or most honest arguments against it.

He argued chiefly on two points—that it would strain the Treasury and that it would imperil the welfare of the disabled veterans. The first argument has the word of the Senate Finance Committee against it. It has the willingness of his own administration to vote millions or billions for the railroads against it.

The second point President Harding argued just as lamely and just as aimlessly as the old Waldo or Stimson committees argued it, just as lamely as the Chamber of Commerce of the United States argued it. In fact, he did not urge it in any logical manner whatever. Like others who have used the disabled as camouflage against the bonus, the President merely dealt in glittering generalities about the alleged theory that we must not allow a bonus to interfere with our duty to the wounded and disabled. But not a word did he utter to show how, in any way whatsoever, the bonus bill would interfere with any legislation for the disabled. He referred to the need for passing the Sweet bill, but had no word to show any possible reason why the bonus bill in any smallest particular affected the Sweet bill.

Ex-service men will, of course, be sorry that the President is against them on this measure. They will be sorry also that he has not offered any better reasons for being against them than his message contains. They will be willing to believe that he is honestly against the bill, although they will probably feel that his reasons are not those contained in the hasty, illogical, and obviously makeshift message which he read to the Senate. He stands before them bravely doing an unpopular thing which somebody has told him is right or necessary, bravely saying that he will take the responsibility, but wholly unable to make it plain to anyone why he should engage in such courageous folly and wholly unable to convince anyone that the bill is not a right and just measure.

In fact, President Harding in his message was half a dozen times close to the point of saying that he believed in adjusted compensation. One can not help feeling that he does believe in it, believes in it as a square

deal for those who fought and are suffering loss of position and opportunity by reason of their service to their country. One can not help feeling that he would like to say he is for it, but that the maze of political and financial problems attending the conduct of the Nation at this time has got him all mixed up in so many other matters that he has to get rid of some of his problems and has picked this one to get rid of.

Unquestionably this bonus fight has been the first bad break in the administration of President Harding. Unquestionably the whole matter was politically mismanaged, as was evidenced by the Senate agreeing to consider the bill at the very time that Logan was at the White House being told not to consider it. And out of the mess the President has not even the satisfaction of having killed the bill, for every veteran and every veterans' organization is more solidly committed to it than ever before, and every Senator and every Congressman is going to hear a lot more about it until it is honestly taken up and honestly acted on.

Maybe the President is so far committed in opposition that he will veto it even if it is passed by Congress. But the more one studies the presidential message on the subject the more one feels that it was a piece of expediency coming from the hand but not from the heart of the Chief Executive, and that, in good old Army slang, "He may be sorry when he gets sober."

Mr. TRAMMELL obtained the floor.

Mr. SWANSON. Mr. President, will the Senator from Florida yield to me?

Mr. TRAMMELL. Certainly.

Mr. SWANSON. On yesterday there was printed in the

RECORD—  
Mr. NORRIS. Mr. President, I am going to object to the Senator from Florida yielding to have something else brought up.

#### ADJUSTMENT OF FOREIGN LOANS.

Mr. SWANSON. I merely desire to ask unanimous consent to have printed in the RECORD the reply of Secretary Houston on March 1, 1920, to the proposition submitted through Mr. Lindsay by the British Government for the remission of the entire allied debt. The letter, before being sent in reply to a letter received from the British Government to Mr. Lindsay, was shown to President Wilson and was sent with his approval. It was overlooked several days ago in presenting similar letters with reference to the same subject, and in justice to Secretary Houston I think it should be printed at this time.

Mr. NORRIS. I have no objection to that, of course.

The PRESIDING OFFICER (Mr. SMOOT in the chair). Without objection, the letter will be printed in the RECORD. The Chair hears no objection, and it is so ordered.

LETTER OF SECRETARY OF THE TREASURY HOUSTON, OF MARCH 1, 1920.

"Your recent message through the British Embassy in which among other things you suggest a general cancellation of intergovernmental war debts has been received, and Rathbone has transmitted a copy of the communication sent him by Blackett dealing with the funding of the demand obligations of the allied Governments held by the United States and England respectively, in which the same subject is raised.

"I concur with your view that the financial and economic problems of all the world are closely connected and that Great Britain and the United States naturally look with concern upon the difficulties which confront continental Europe. The United States Treasury has been greatly interested in information reaching it concerning the situation of Great Britain and has viewed with pleasure and satisfaction the progress which your Government has been making toward a return to a peace basis. While we are at present confronted with difficult problems, our financial situation is not at all critical. On the contrary, it is such that I have reason to think that credits from private sources may be made available to continental Europe on sound and adequate security and on terms which recognize the worldwide shortage of capital resulting from five years of warfare.

"Funding of the short-term obligations into long-term obligations is a matter as to which no question has been raised by our Congress, and there should be no difficulty in dealing with this phase of the proposed arrangements in the matter outlined by Rathbone. As you have no doubt heard from Mr. Rathbone, it may be impossible to reach without congressional approval a final settlement in respect to the interest accruing during the next two or three years.

"I regret that conditions are such as to cause you concern in respect to the Anglo-French loan maturing this fall, and sincerely hope you will have no difficulty in making satisfactory arrangements to take care of it.

"As to the engagement of the British Government in respect to advances for the purchase of silver under the Pittman Act, this matter is being dealt with by Mr. Rathbone, who undoubtedly will give full consideration to any proposal that you have to make in that connection. It is unfortunate that the Indian Government has not seen fit to take steps to limit the importation of gold into India. Failure to do this is making heavy demands on our gold reserves. If continued, this is likely materially to impair the ability of our financial markets to assist Europe.

"As to the general cancellation of intergovernmental war debts suggested by you, you will, I am sure, desire that I present my views no less frankly than you have presented yours. Any proposal or movement of such character would, I am confident, serve no useful purpose. On the contrary, it would, I fear, mislead the people of the debtor countries as to the justice and efficacy of such a plan and arouse hopes, the disappointment of which could only have a harmful effect. I feel certain that neither the American people nor our Congress, whose action on such a question would be required, is prepared to look with favor upon such a proposal.

"Apparently there are those who have been laboring for some time under the delusion that the inevitable consequences of war can be avoided. As far back as January a year ago, before it could possibly be foreseen whether any measures were necessary other than the adoption of sound economic policies, various schemes, including that of a cancellation of intergovernmental war debts, were launched. Of course, I recognize that a general cancellation of such debts would be of advantage to Great Britain and that it probably would not involve any losses on her part. As there are no obligations of the United States Government which would be canceled under such a plan, the effect would be that in consideration of a cancellation by the United States Government of the obligations which it holds for advances made to the British Government and the other allied Governments, the British Government would cancel its debts against France, Italy, Russia, and her other allies. Such a proposal does not involve mutual sacrifices on the part of the nations concerned. It simply involves a contribution mainly by the United States. The United States has shown its desire to assist Europe. Negotiations for funding the principal of the foreign obligations held by the United States Treasury and for postponing or funding the interest accruing during the reconstruction period are in progress. Since the armistice this Government has extended to foreign Governments financial assistance to the extent of approximately \$4,000,000,000. What this Government could do for the immediate relief of the debtor countries has been done. Their need now is for private credits.

"The indebtedness of the allied Governments to each other and to the United States is not a present burden upon the debtor Governments, since they are not paying interest, or even, as far as I am aware, providing in their budgets or taxes for the payment of their principal or interest. At the present time the foreign obligations held by the Government of the United States do not constitute a practical obstacle to obtaining credits here, and I do not think that the European countries would obtain a dollar additional credit as a result of the cancellation of those obligations. The proposal does not touch matters out of which the present financial and economic difficulties of Europe chiefly grow. The relief from present ills, in so far as it can be obtained, is primarily within the control of the debtor Governments and peoples themselves. Most of the debtor Governments have not levied taxes sufficient to enable them to balance their budgets, nor have they taken any energetic and adequate measures to reduce their expenditures to meet their income. Too little progress has been made in disarmament. No appreciable progress has been made in deflating excessive issues of currency or in stabilizing the currencies at new levels, but in Continental Europe there has been a constant increase in note issues. Private initiative has not been restored. Unnecessary and unwise economic barriers still exist. Instead of setting trade and commerce free by appropriate steps, there appear to be concerted efforts to obtain from the most needy discriminatory advantages and exclusive concessions. There is not yet apparent any disposition on the part of Europe to make a prompt and reasonable definite settlement of the reparation claims against Germany or to adopt policies which will set Germany and Austria free to make their necessary contribution to the economic rehabilitation of Europe.

"After taking all the measures within their power, one or more of the debtor Governments may ultimately consider it necessary or advantageous to make some general settlement of their indebtedness. In such a case they would, I presume, propose to all creditors, domestic and foreign, a general composition which would take into account advantages obtained by such debtor country under the treaty of peace. How the American people or the American Congress would view participation in such a composition I can not say. It is very clear to me, however, that a general cancellation of intergovernmental war debts, irrespective of the positions of the separate debtor Governments, is of no present advantage or necessity. A general cancellation as suggested would, while retaining the domestic obligations intact, throw upon the people of this country the exclusive burden of meeting the interest and of ultimately extinguishing the principal of our loans to the allied Governments.



This Nation has neither sought nor received substantial benefits from the war. On the other hand, the Allies, although having suffered greatly in loss of lives and property, have under the terms of the treaty of peace and otherwise acquired very considerable accessions of territories, populations, economic and other advantages. It would therefore seem that if a full account were taken of these and of the whole situation there would be no desire nor reason to call upon the Government of this country for further contributions."

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. TRAMMELL. Mr. President, I have always felt that if there was ever a time in which a person should not desert a friend or one who has rendered a meritorious service either to him personally or to his country, it is in the hour when others are deserting and forsaking him.

What a different spectacle do we witness to-day from that which we witnessed when the young manhood of this country was called to arms to go forth and defend America and uphold her traditions and to safeguard her against the perils then facing the Nation. The call went forth, and the young manhood of the Nation responded to the call with a bravery, a fidelity, and courage which has never been excelled by the soldiers of any land or of any country. As the loyal Americans accepted thus their duty to defend the Nation and went forth to the field of carnage, they suffered the hardships and the responsibilities and won the victory for their country. They again sustained America's reputation as being a Nation of stalwart, brave, loyal, and patriotic men.

We know that there has been more or less discussion in the Old World at least that America was commercial, that her people were money mad, and that the Nation would not sacrifice its blood or its substance in defense of its rights. But once again it has been established that those upon whom fell the responsibilities of defending the honor of America, to resent insults, responded with the loyalty which won not only the plaudits of the American people themselves but of the peoples of the world.

There was a great unanimity of support for the war on the part of the American people. Never in the history of any nation has the civilian population rallied more quickly to the call of its country. With but few exceptions the people who contributed to the financial burdens responded nobly and willingly to the support of the armed forces and the expense of the maintenance of the war and of the Government during that crucial period in the life of America; yet during that time, when patriotism should have throbbed within the breast of every American citizen and when that patriotism should not have been effaced with selfishness and greed, we had at least a few in this country who practiced profiteering and others who were guilty of tax dodging. That may be referred to as having been most conspicuous in the practice which was adopted by many of the large corporations of the country in dodging the income tax by passing over to capital-stock account their profits instead of distributing them in the way of income. It is said that probably some \$8,000,000,000 of profits were placed in capital stock in the way of a redistribution of stock for the purpose of evading the income tax law.

There is no question, Mr. President, that the large financial interests of the country were prosperous as never before in the history of the Nation during the time that the Nation was banded under the burden of war, their excess profits running into the billions, aggregating six and a half billions it is stated at this time. Not content with having enjoyed prosperity and a great increase of income during the time when the soldiers of this Nation were serving their country patriotically and loyally and for a mere pittance, we find to-day many of those who by their greed and by their practices, many of which were questionable, accumulated their millions during the war, have the audacity and effrontery to oppose making any contribution or giving any recognition to our soldiers who defended the Nation in its hour of need and peril.

Mr. President, I am proud of the fact that I represent in part in this body a State whose people take pleasure in paying honor and tribute to those who have fought in behalf of their section of the country in days gone by. From the early days of my public career in Florida it has been the policy of that State to pay recognition to the Confederate soldiers in the nature of a pension. Entertaining, as I did and as I do, a great respect for and honoring, as I do, the Confederate soldiers, I have always taken the position in that State that those soldiers should be recognized and should be given the pension which is given to them by the State. I have even, for about

20 years, advocated a more liberal pension policy in behalf of the Confederate soldiers. Our legislature many years ago imposed a tax of 4 mills for the purpose of raising a pension fund. Instead of the manhood of that State thinking that it was an unjust burden imposed upon them, they felt it an honor to contribute of their substance to the Confederate soldier. I recall when our taxes in Florida were 6 mills for State purposes that 4 mills of it were for pension purposes for the Confederate soldier. Who would dare say that the men of the South and those who have come to that section to join us and to live amongst us, and whom we gladly welcome, regard it as being a reflection upon the patriotism of the Confederate soldiers because the State recognizes them and gives them a pension of \$25 a month?

No distinction can be drawn between the policy of paying recognition to the soldiers who fought the recent World War, and the policy of recognition on the part of the Southern States to the Confederate soldier, and the policy on the part of the Federal Government in paying recognition in the way of a very substantial pension to the Union soldier. Whoever attempts to draw a distinction makes a distinction without a difference. Why do Senators do it? Senators look back and say, "Here are men who served their country or the section of the country which recognizes them; they sacrificed; they endured hardships; they served their country when the country called for their services; and, as a grateful people, we now are going to pay them a little tribute, or we are going to give them a little recognition and make grateful acknowledgment of the valuable services that they have rendered to their country."

Then, there is talk about the question of land grants. If we are going to give any recognition at all to the soldier, if this Nation has given any recognition at all to its soldiers—and it has—we can not by some mysterious tweedledee and tweedledum make a difference or a distinction as to the question of principle and policy involved on the part of our Government in according that recognition.

Mr. President, I know that two wrongs do not make a right; and if the policy has been wrong, then it should not be repeated; but in considering this subject we must view a little the trend of the thought and the mind of those directing the affairs of Government through the Congress.

Shortly following the call to arms the Government found that it was necessary to survey the business of this country and, more or less under governmental direction, to reorganize that business. What was the policy of the Government? Was there any disposition on the part of the Government to commandeer capital? Was there any disposition on the part of the Government to commandeer labor? The records fail to disclose any such policy; but the incident to which we may point as being most conspicuous in that governmental policy was that of taking over the control and the direction of the railroads. The railroads were not commandeered, although the action of the Government might have amounted to that technically or in legal operation; but the railroads of the country had reached a point where they could not much longer maintain themselves satisfactorily. They were unable to care for the demands upon them in furnishing transportation and efficient service. So it was quite an agreeable affair, so far as the owners of the railroads were concerned, for the Government to assume control. The Government did assume control of the railroads. Did the Government say to the railroads, "We will operate your railroads and will give you the proceeds that are left after the expense of maintenance and operation have been settled"? No; the Government did not say that; the Government said, "You need us and we need you." That is really about the substance of it, in the language of the street. "We will take over your railroad properties; we will operate them; and we are going to give you an income based upon the income received by you during the three years preceding the war"; those being the basic years upon which the income was to be fixed, and those years, it happened, were the most prosperous in the history of railroad operations in this country.

The Government operated the railroads—operated them at a loss—and, so far as those who are opposing additional compensation being given to the soldiers of the Nation to-day are concerned, I do not recall one of them who raised his voice in opposition to returning the railroads in statu quo, so far as their income was concerned; nor have I heard any of them oppose the paying of the railroads the deficit which accrued during the operation of that time, running into not only millions but into more than a billion dollars. That is just one example of the policy of the Government in that direction.

I am not commenting upon the question of whether that was right or wrong. I may say, however, as a Member of the Senate, I opposed the idea of guaranteeing the railroads the

income which they had received on the average during the three previous years. I felt that there was no reason why the Government should make such a guaranty; but, as a result of this policy, the Government at the close of the war seemed to think that it had not contributed quite so much as it should have contributed in the way of maintaining the railroads in their former status and in the way of keeping their income up to the previous high standard. So the Government turned back the railroads to their owners with a guaranty for a period of six months upon the same basis of income which they had been receiving.

I am also very glad that I voted against the measure providing for that guaranty. Not only was there provided a guaranty of the return, but also the railroads were practically given power of taxation, in that they were allowed to prescribe rates which would earn 5½ per cent, or at least that much. What was the result? The American people were required to contribute probably half a billion dollars more on account of the guaranty and an increase of transportation charges which have been very detrimental to the business of this country. In my own State the freight rates on the products of the farm and the grove have been increased about 67 per cent. The present rates are outrageous and unreasonable.

Mr. President, where were these defenders of the Treasury when all this was going on? Where were those who thought the Government would be wrecked, the vaults of your Treasury thrown open and depleted, when this was going on? I should like to know where these patriots were in those hours when the Treasury of the country was being threatened.

Why, I read only this morning that the railroads had filed claims amounting to \$365,000,000 for undermaintenance account. Those claims have gone to the Interstate Commerce Commission, they have gone to the Railroad Administration, and we have not heard of Mr. Mellon or of Mr. Harding, our President, sounding a note of warning that those administering this function of the Government should be careful on account of the Treasury and should scrutinize these claims very closely. Instead of them sounding a note of warning, we noticed in the papers a few days ago that Mr. Mellon was paying the railroads one-half billion dollars on claims.

We passed laws providing for the adjustment of all contract claims, which amounted to over a billion dollars, I understand, in the War Department and in the Navy and in some other branches of the Government. Now, I do not say that that was an erroneous policy, but I cite those instances in support of the proposition that this Government endeavors to be just in dealing with the business concerns of the Nation. I think we have gone just a little too far in some of these settlements; but as I review the history of the policy of the Government following the war I find no instance where a deaf ear has been turned or where there has been a disregard of justice, except when it comes to the question of dealing with the American soldier.

One Senator here said that he felt that it would dim somewhat the glory of the American soldier to give him a cash bonus. I say, Mr. President, that it will take from the glory of our Nation if the American people shall show that they are ungrateful to those who defended this country and its flag, and stayed the hand of the foe, and beat back the enemy, and preserved our Republic from defeat.

Senators talk about casting reflections on the soldiers. I think, Mr. President, that you can cast no greater reflection upon the soldiers, nor can you do anything that will be more discouraging to them, than to say that we are going to submarine this bill, we are going to get it out of the way, we are going to scuttle the ship, we are going to bury it with the committee. That is what it means. There is no use of trying to use any camouflage in this matter. I admit that the battle is on, but that kind of camouflage is not going to work. It is not going to deceive the American soldiers, and it is not going to deceive the fathers and mothers and sisters and brothers of those who responded to this Nation's call.

It is all right, you know, for us who enjoyed the peaceful walks of the private citizen during the war to say now, in the fields of peace and in the forum, that these men received their pay, and some have deigned to argue that they received all they were worth. They have practically argued that they received all that they were worth—\$30 a month! But, Mr. President, if we are going to put this matter down upon a pure basis of dollars and cents, if we are going to look not beyond the vision of the dollar—and I am afraid that is what is actuating some of the opponents of this bill entirely too much; they are putting the dollar against the gratitude of the Nation, and putting the dollar against justice—but if we are going to view it from the standpoint of the dollar and the value of service rendered, then I say, viewing it from that cold-hearted standpoint, the Nation owes these soldiers something more.

You take the young manhood of this country, going along as they were in their peaceful pursuits, some of them fired by ambition to gain an education, pursuing their studies in the schools and the colleges of the country; others, inspired to business success, in their humble way trying to build up a little business for the future; others, back upon the farm, encouraged by a loving mother and an ambitious father to build a little home in the country for themselves; others found in the counting room, where they hoped some day to occupy a position of importance in the commercial and business affairs of their country; then others, perchance, struggling along upon a pittance which they themselves had earned to gain a professional education. Taking them as we did from all walks of life, we see the Government just by one act of Congress, by one stroke of the pen, gather them in from their various pursuits, not to serve the Nation in building ships at excellent wages, not to go into the counting room and enjoy salaries far in excess of those that they earned as soldiers, but to take up the task of warfare, to become the soldiers of their Nation.

They responded without a murmur. They did not desert their Nation; and, Mr. President, as far as I am concerned, I do not believe that these brave boys should be deserted in this hour of need and hour of their peril. They sacrificed, a great many of them, the opportunity of education. They sacrificed the opportunity of obtaining a business start in life, and many of them sacrificed a great discrepancy between the salaries or the wages they were receiving and those received as soldiers fighting for their country. Yet some would say that this great, just, and wealthy Nation must throw its protecting arms around the railroads of the country; we must keep them secure; we must throw the protecting arms of the Government around all the business concerns that worked for the Government during the war; we must do justice by them; but as far as these soldiers are concerned, as some Senators here deigned to say, "You came back better citizens than you were when you went away." We are going to give them the wonderful recognition of the fact that we think their service made better citizens of them than they were when they went away. "Forsooth, you are a better citizen than you were when you went away, and therefore we are going to scuttle an effort to do something for you by recommending the bill to the committee."

Mr. President, with the exception of a few of the taxpayers of our country who bow down and worship at the image of the almighty dollar, and place that above justice and right and the gratitude of the Nation, he who thinks that the American people are opposed to recognizing our soldiers will awaken some day, and in the not far distant future, to the fact that he is mistaken.

Take the action on the part of the different States of the Union. The legislatures of those States know something of the sentiment regarding the subject we have before us. They have given them different amounts; and something has been said here to the effect that the Federal Government should not compensate the soldiers because you would pyramid the benefits to these boys who served their country, and perchance they would get too much. I do not see why anybody should worry about that. If we want to pass legislation in their behalf, all we have to do is to state that the amount they received from the State shall be deducted, and that the amount shall be refunded to the State. That is a very simple and easy way to adjust that.

Mr. President, so far as the details of this bill are concerned, I do not approve of some of them in detail. I should like very much to see the bill amended in some respects, but I am not going to vote to have it recommended to the committee. I know, and everybody knows, that the purpose and the object of recommending this bill is absolutely to defeat it. That is all there is to it.

The Senator from Indiana [Mr. New] this morning said he did not believe some people had much idea about business. He had decided that some of the Senators here did not. Well, I had not spoken then, so he was not referring to me; but I think that some of our friends upon the other side only received their enlightenment about business very recently, because they were in favor of the bill as the committee reported it out until Mr. Mellon and the President came in with their opposition; so they have been taking some lessons in business sagacity very recently.

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

Mr. TRAMMELL. I only have a minute or two, and other Senators want to speak, if the Senator will pardon me.

Mr. President, I would like to see something done for the soldiers who served their country, and served it well and patriotically. I believe the Nation owes them some recognition. I am not going to support a motion which means absolutely the defeat of anything in behalf of our ex-service men. The whole



object and purpose of sending the bill back to the committee is to defeat it. Of course, some people promise what they will do in the future; but that is purely a matter of tactics for the purpose of defeating the measure.

There has been talk about the financial condition of the country. The financial condition of the country will not be any better in two or three years than it is now, so far as that is concerned. All this talk about the finances and the taxes will not prove a bugaboo to the people of the country who acquaint themselves with its finances, and who consider the facts in connection with the situation.

The estimates made for the Army and the Navy amounted to something like a billion dollars for the next year, and if those who are opposing this adjusted compensation bill could have succeeded in their efforts, the Government would have been pledged to something like a billion dollars for the support of the Army and the Navy during the next fiscal year. But it just happened that there were some Senators who said that as the Republican Party, which is now in power, had gone around over the country talking of economy, they would start in on the Army and the Navy, and as a result something like \$333,000,000 were trimmed off the estimates of those two items. But we never heard of anybody at that time thinking it necessary to intervene to keep the Treasury from being wrecked.

On the other hand, some of the interests in this country that are opposed to giving further recognition to the soldiers are heartily in accord with the idea that we should have big navies and big armies. Of course, if they had to be taxed for that, a great many of them would get back what they paid. There are \$333,000,000 trimmed off there, most of it by the men who think the soldiers ought to have some recognition; and there will be other economies which will assist in carrying on the finances of the Government successfully so that our Republic can give proper recognition to its soldiers.

I would not wreck the Treasury to assist the soldiers. I would not overtax the Government in its finances for any purpose. I would not, Mr. President, favor imposing undue taxes upon the people and overburdening them with taxation; but, in the light of the history of this country and in the light of the policy of the Government very recently in dealing with different problems, I am unable to take seriously to the idea that this is a case where the protection of the Treasury makes it necessary to withhold from the soldiers of the country a proper token and recognition of the services they rendered during the hour of peril of the Nation.

I think the bill could be improved, but so far as the matter of burying the measure by referring it to the Committee on Finance is concerned, I am going to oppose that motion.

Mr. LA FOLLETTE, Mr. FLETCHER, and Mr. FRELING-HUYSEN addressed the Chair.

THE VICE PRESIDENT. The Senator from Florida.

Mr. FLETCHER. Mr. President, I desire to say just a few words in giving the reasons which prompt me in opposing this motion to recommit. I shall be very brief, because I know the time is limited.

I regret that I am unable to agree with the conclusions announced by the President in his splendid address last Tuesday. It was very forceful, very earnest, and I do not see how it could be improved upon, either in substance or delivery, from his standpoint. There were in it just three points urged by him and stressed by those who favor recommitting this bill, and I will refer to them in a condensed sort of way.

First, the motion is supported on the proposition that to pass this bill at this time would mean to imperil the financial stability of the country.

Second, that action upon the pending measure should be postponed until the tariff bill has been enacted, and until the internal revenue laws have been modified or revised, with the idea of reducing taxes; and

Third, action upon a measure of this sort ought to await the settlement of the foreign loans.

Considering them very briefly and finding myself, to my regret, unable to agree in the conclusions reached regarding these points, I would say, first, that the settlement of the foreign loans ought to be reached before July, 1922, if the matter is given faithful and diligent attention.

Second, that it is logical and sound, in my judgment, to contend that the tariff bill, which is intended, in part at least, to raise revenue for the Government, and the action upon the modification or revision of the internal revenue laws, ought to be disposed of after this kind of legislation has been enacted. In other words, before we send the tax gatherers out to gather in the revenue, we ought to know what the obligations of the Government are going to be, and therefore, it seems to me, the

argument that we ought to await the enactment of those measures, is wholly unsound, and that all the strength of the argument is in favor of enacting a law of this kind before the tariff law and the revision of the internal revenue laws shall have been disposed of.

As to imperiling our Treasury, it seems to me a very gloomy picture of this country has been presented by those who favor the motion now made. The Senator from Indiana [Mr. New] challenged the statement this morning that this country was resourceful and wealthy and powerful, and could stand the further burden this bill, if enacted, would impose, and demanded some sort of proof to substantiate that claim. I have not time to go into a discussion of that, but we must not forget the indisputable fact that the United States, for instance, comprises about 6 per cent of the world's population and about 7 per cent of the globe land area; that we contribute to the agricultural products of the world more than one-fourth, and that we contribute one-third to the manufactured products of the world, and one-third of all the minerals of the world. It must not be forgotten that in 1914 we owed foreign nations \$5,000,000,000. We have paid that all back, and foreign Governments owe us to-day \$10,000,000,000, and the people of the foreign nations owe the people of this Nation over \$5,000,000,000 more.

It must not be forgotten that we have on deposit in the banks of the United States billions of dollars more than the deposits amount to in all the banks of the world outside of the United States. So, I can not concur in the contention that we would break down the Treasury of this Government if we enacted this piece of legislation.

Mr. President, the soldiers' adjusted compensation bill was very carefully considered by the Committee on Finance of the Senate, and favorably reported on June 20. In its report the committee stated:

The purpose of this bill in no sense seeks to express national gratitude by a money gift to our soldiers. It is not so intended by its supporters, and the veterans of the World War would not so accept it. It is just what its title reads, a bill to provide adjusted compensation for the veterans of the World War. It is not a bonus bill, and fairness to country and soldier alike requires that we should exclude the word "bonus" in referring to it.

In simple, plain English, the purpose of this bill is to give to the soldier who offered his life with his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger, and whose compensation increased from 200 to 300 per cent, and measured by the amount of labor actually performed, far beyond those figures.

The committee, recognizing the rights of the veterans to this adjusted compensation, feel sure that they in turn will recognize the condition of our national finances, and, with the same patriotism which impelled them to war, will cheerfully acquiesce in the extension of time for the beginning of the installment period.

Under the present depressed industrial and financial conditions of the country, with the Treasury facing a deficit for the fiscal years 1921 and 1922, any proposal calling for a considerable outlay should show not only a most satisfactory justification for the proposition, but should also present to the country as definitely as possible what the total cost of the proposed legislation will be and what must be appropriated each year during its continuance.

All these matters have received careful consideration by the Committee on Finance in reporting this bill for favorable action.

The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.

It will be seen that no payment of importance will be required until after July, 1922, giving ample opportunity to adjust the estimated Treasury deficits and, by reasonable economy, to meet the added liability incurred by this legislation without any increase in taxation.

The payments to be made after July 1, 1922, will be so divided as to add a comparatively small sum to our national expenses for each year.

This bill has the unanimous indorsement of the national legislative committee of the American Legion, who assisted the Finance Committee in framing and reporting it.

So far as I am advised, this bill meets the unanimous approval of every American Legion Post in my State.

I am informed that the Legislature of Florida memorialized Congress to enact legislation providing for additional compensation to those who served during the World War.

I have received numerous letters and telegrams favoring the passage of the pending bill, but only three in opposition.

It is my purpose, in these circumstances, to vote against the motion to recommit the bill. I believe the pending bill should be disposed of immediately, and if finally passed and approved by the President, Congress would then be in position to determine what changes, if any, it will be necessary to make in the present revenue laws.

I ask permission, Mr. President, to insert in the RECORD a letter from the department commander of the American Legion of Florida as a part of my remarks.

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

THE AMERICAN LEGION,  
DEPARTMENT OF FLORIDA,  
OFFICE OF THE DEPARTMENT COMMANDER,  
Tampa, Fla., July 2, 1921.

HON. DUNCAN U. FLETCHER,  
Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your letter assuring me that you will give Senate bill No. 506 careful consideration when it comes before that body.

This bill has been very carefully thought out by the Legion national legislative committee, and it has the unanimous indorsement of the service men of the State of Florida. At the Orlando convention this bill received the indorsement of the convention, and both houses of the legislature passed a bill memorializing Congress for the passage of Senate bill No. 506.

I know that there was a good deal of opposition to the cash feature of the adjusted plan when the bill was first agitated in Congress, but the fact that the cash payment is to be made on the installment plan nearly all those who objected to the feature have withdrawn their objection.

From information I can gather by talking with ex-service men in all parts of the State shows that the sentiment has crystallized in favor of the passage of this bill.

I sincerely trust that you will give this measure favorable consideration when it comes up for vote in the Senate.

With kindest regards, I am,  
Yours, very respectfully,

SUMNER L. LOWRY, JR.,  
Department Commander.

Mr. FLETCHER. I realize, Mr. President, that the stage is all set, that this motion will be carried, and that the bill will be recommitted. But, in the language of the world's greatest leader, "I would rather be defeated in a cause that some day will triumph than triumph in a cause that some day will be defeated."

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Gilbert Bettman, chairman National Legislative Committee, American Legion, and also three telegrams in relation to the so-called soldiers' adjusted compensation bill.

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

ADJUSTED COMPENSATION BILLS (H. R. 1 AND S. 506).

THE AMERICAN LEGION,  
NATIONAL LEGISLATIVE COMMITTEE,  
Washington, D. C., July 8, 1921.

The Hon. KEY PITTMAN.

DEAR SIR: The American Legion calls upon Congress to now pass the adjusted compensation measure for the benefit of those who were in the service of the United States during the World War.

THE AMERICAN LEGION AND ADJUSTED COMPENSATION.

The Legion has not, and does not now, come to Congress in the spirit of a selfish lobbyist for its own interest, but rather to aid Congress in the solution of its problem of how best to meet the just demands of the service men consistently with the country's welfare. At the Legion's first convention, November, 1919, the following resolution was unanimously passed: Be it

*Resolved*, That while the American Legion was not founded for the purpose of promoting legislation in its selfish interest, yet it recognizes that our Government has an obligation to all service men and women to relieve the financial disadvantages incidental to their military service—an obligation second only to that of caring for the disabled and the widows and orphans of those who sacrificed their lives, and one already acknowledged by our allies—but the American Legion feels that it can not ask for legislation in its selfish interests and leaves with confidence to Congress the discharge of this obligation.

Prior and subsequent to the above action there had been introduced in Congress some 75 bills bearing upon the question of soldier beneficial legislation, all of which were referred to the Committee on Ways and Means, and the Legion was advised that this committee desired the judgment of the Legion on what form of legislation would best meet the needs of the service man. In order to concretely answer this inquiry a Legion committee on soldier beneficial legislation drafted what became known as the fourfold optional plan of adjusted compensation, providing adjusted pay at \$1.50 for each day of service, if taken in cash, or about 30 per cent additional if taken in vocational training, home or farm aid, or as participation in land-settlement projects. This bill so drafted was introduced in the House by Chairman FORDNEY and later became the foundation of H. R. 14157, passed by the House in May, 1920, and was reported favorably in February, 1921, by a majority of the Senate Finance Committee. Upon reintroduction into the Sixty-seventh Congress as H. R. 1 and S. 506 this measure received the approval of the Senate Finance Committee subcommittee (Rept. 133) June 20, 1921.

JUSTIFICATION OF ADJUSTED COMPENSATION.

Adjusted compensation is due the service man, not as a bonus or gratuity for military service rendered but as an approximate adjustment of the economic losses he sustained by reason of his service. Congress drafted the soldier and ordered him to serve at \$1.25 a day. Wages during the war period doubled and trebled. Savings accounts increased on an average between \$300 and \$400. The soldier returned to find himself economically handicapped by reason of not having received the high pay which his brother who remained at home received, and further economically handicapped by being under the necessity of reattaching himself to industrial life when others had taken his job and advanced in the industrial scale. Our Government drafted the soldier, but did not draft labor. Granting the soldier a basic adjusted pay at the rate of \$1.25 a day is, therefore, not a bonus for military service, but an approximate adjustment of the economic loss suffered by the service man because of his days in service.

ACTION OF OUR ALLIES AND THE STATES.

Our allies have recognized their obligations to adjust the compensation of their service men. For example, France with twice the net war debt of the United States, has paid her men \$232.58; Great Britain, with a war debt more than that of France, has paid adjusted compensation ranging from \$140 for privates to \$7,290 for major generals; and Canada has paid privates \$600, major generals, \$4,578.

Thirteen of our own States have enacted adjusted compensation measures. Whenever the question has been put to a vote of the people by referendum, it has uniformly been approved, and this despite the fact that our soldiers were in the service of the United States, and not the separate States.

SMOKE SCREENS.

Opponents of adjusted compensation have raised certain smoke screens which should be dispelled:

A. INCREASE OF TAXES.

It is argued that though the claim be just, the Nation can not afford to pay it. This argument is a confession of national bankruptcy. All other war debts are being paid. Had the war gone on one and a half more months, the expense would have equaled that of the adjusted compensation bill. Surely the Nation would have met that expense. Moreover, is it just that the Nation should allow the service men to bear alone this particular war debt, while all other war debts are spread over the entire Nation? But the argument is cogently answered by the report of the subcommittee of the Senate Finance Committee, No. 133, that "if the debts due this country from our war associates should be funded into long-time, interest-bearing bonds, the interest thereon will far more than take care of the obligations created by the bill, without any increase whatever in our taxes." Surely, if our late allies can afford to adjust the compensation of their soldiers, it is not too much to require them to pay their debts to this country, the interest on which "will more than take care" of the adjusted compensation of our own soldiers.

B. CARE OF THE DISABLED.

Opponents argue that no bill granting adjusted compensation should be passed until the disabled are cared for. In reply it is unnecessary to say that the American Legion's first concern has been and now is for the disabled, and the prime energy of the Legion has always been directed to those measures of legislation and administrative reform designed to see that this obligation is met. But the Nation's obligations to the disabled and the nondisabled are not successive, but contemporaneous, obligations. It will be a generation and more before the last disabled soldier is cared for. Needed legislation for the disabled is in sight. Congress should now meet the Nation's obligation to the nondisabled.

C. LACK OF PATRIOTISM.

Opponents argue that it is unpatriotic for the service man to accept pay for military duty performed. The answer lies in this: The adjusted compensation measure does not provide a gratuity for military risks taken, but an adjustment of compensation for economic disadvantages suffered. The soldier should bear the military risk, but why should he bear the economic loss as well? Adjusted compensation will be given only upon application. Those who do not need it or who deem its acceptance unpatriotic need not apply.

D. THE LEGION UNANIMOUS.

Some propagandists against the bill have stated that it "represents the desires and determination of a highly organized and active minority." Congress will act upon established fact, not inspired rumor. The American Legion at its last national convention, September, 1920, approved H. R. 14157 without a dissenting vote. Undoubtedly here and there members of the Legion and service men will be found who, lacking information on the broad national scope of this measure, express a contrary opinion, but whenever the question has come to a vote in any department of the Legion at national executive committee meetings or at national conventions the vote is practically unanimous. The Legion and the service men are as unanimous upon this question as it is possible for a healthy organization to be upon any question. On June 14, 1921, the national executive committee unanimously passed the following resolution:

*Resolved*, That whereas the accomplishment of the American Legion legislative program in behalf of our disabled comrades, so dear to the heart of our beloved departed commander, due to his unceasing efforts, is now in sight; and

"Whereas, in the words of our late commander, 'There still remains another class of disabled, the financially disabled, who have patiently waited until their physically disabled buddies should be cared for'; and

"Whereas, whenever in any State of the Union the question of adjusted compensation for the service men has been submitted, it has met the approval of the people: Now, therefore, be it

*Resolved*, by the national executive committee of the American Legion, that we now urge upon Congress the immediate passage of the American Legion fivefold optional plan of adjusted compensation."

The adjusted compensation measure with its provisions for home and farm aid, its insurance and vocational training benefits, and its land-settlement features, constitutes a piece of constructive legislation of nation-wide interest. To view it merely as a measure giving a cash gratuity to soldiers is not only unfair but erroneous. The number of service men who will avail themselves of the home-aid, land settlement, and insurance options will be surprisingly large. The American Legion has pledged itself to make known to its members and the service men generally the advantages to them of these more productive options. By failing to pass this measure Congress will leave unsatisfied a just demand of the Nation's soldiers. By passing the bill Congress will not only have effected payment by the Government of its just obligations to the veterans of the World War, but will have done so in a manner to benefit the Nation at large by the establishment of hundreds of thousands of veterans as home owners and as settlers upon the land. The American Legion urges Congress to pass this measure without delay.

Respectfully, yours,

GILBERT BETTMAN,  
Chairman National Legislative Committee.

Indorsed:

JOHN G. EMERY, National Commander.

FALLON, NEV., July 14, 1921.

HON. KEY PITTMAN,  
Washington, D. C.:

Expressing our appreciation of your support of the American Legion four-way bill, this post urges you to do everything in your power for the bill when it comes up for a vote Friday.

CHURCHILL POST, No. 16, AMERICAN LEGION,  
HAROLD BELLINGER, Post Commander,  
J. B. LAVEAGA, Post Adjutant.



WINNEMUCCA, NEV., July 14, 1921.

HON. KEY PITTMAN,  
Washington, D. C.We know we can rely on you to support the compensation bill.  
VERNON ROBINS POST, AMERICAN LEGION.

RENO, NEV., July 14, 1921.

HON. KEY PITTMAN,  
Washington, D. C.

Telegram from all over State being sent ODDIE urging he support you in fight against recommitment of adjusted compensation bill. All posts notified telegrams to you unnecessary, as you are actively fighting for bill.

T. L. WITHERS.

Mr. WALSH of Massachusetts. I ask unanimous consent to have inserted in the RECORD a communication from the Veterans of Foreign Wars.

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

NATIONAL LEGISLATIVE COMMITTEE,  
VETERANS OF FOREIGN WARS OF THE UNITED STATES,  
Washington, D. C., July 14, 1921.The Hon. DAVID I. WALSH,  
United States Senate, Washington, D. C.

MY DEAR SENATOR: The following telegram received from the commander in chief of the Veterans of Foreign Wars of the United States is transmitted to you for your information and guidance:

Capt. EDWIN S. BETTELHEIM, Jr.,  
319 Metropolitan Bank Building, Washington, D. C.:

Serve notice on Senate that a vote to recommit will be considered by us as a vote against the adjusted compensation bill.

R. G. WOODSIDE,

Commander in Chief Veterans of Foreign Wars of the United States.

It expresses the sentiment of the ex-service men, especially those who were overseas, and is the result of an executive meeting representative of the veterans of the entire country.

It is urged that it be given your careful and earnest consideration.

Very truly, yours,

EDWIN S. BETTELHEIM, Jr., Chairman.

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

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Frelinghuysen	McCormick	Simmons
Ball	Gerry	McCumber	Smoot
Borah	Glass	McKellar	Stanfield
Brandegee	Gooding	McKinley	Stanley
Broussard	Hale	McNary	Sterling
Bursum	Harrell	Moses	Sutherland
Calder	Harris	Myers	Swanson
Cameron	Harrison	Nelson	Trammell
Capper	Heflin	New	Underwood
Caraway	Hitchcock	Nicholson	Wadsworth
Culberson	Jones, N. Mex.	Norbeck	Walsh, Mass.
Cummins	Jones, Wash.	Norris	Walsh, Mont.
Curtis	Kellogg	Oddie	Warren
Dial	Kendrick	Penrose	Watson, Ga.
Dillingham	Kenyon	Pittman	Watson, Ind.
Edge	Keyes	Poindexter	Weller
Elkins	Knox	Reed	Williams
Ernst	Ladd	Robinson	Willis
Fernald	La Follette	Sheppard	
Fletcher	Lodge	Shortridge	

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Pennsylvania [Mr. PENROSE] to recommit the bill.

Mr. KENYON. Mr. President, as an amendment to the motion in the nature of instructions I offer the following, which I send to the desk.

The VICE PRESIDENT. The amendment will be reported.

The ASSISTANT SECRETARY. The Senator from Iowa moves to amend the motion by adding:

And that the Committee on Finance is instructed to report on or before the first Monday in January, 1922, a new adjusted compensation bill.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. HARRISON. The first vote will come on the amendment?

The VICE PRESIDENT. It will.

Mr. HARRISON. And that carries with it the proposition that the bill shall be recommitted to the committee?

Mr. KENYON. It leaves a vote on both propositions.

Mr. HARRISON. May I ask unanimous consent that the vote shall first come on the motion to recommit, and if the motion to recommit prevails, then we can settle the question of instructions and vote on the proposition suggested by the Senator from Iowa?

The VICE PRESIDENT. The vote comes first on the amendment offered by the Senator from Iowa.

Mr. KENYON. On that amendment I demand the yeas and nays.

Mr. KNOX. Mr. President, a parliamentary inquiry. Is the motion to amend debatable?

The VICE PRESIDENT. The debate is closed.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MCCUMBER (when his name was called). On this question and all matters pertaining to the bill I have a pair with the senior Senator from Tennessee [Mr. SHIELDS]. Not knowing how he would vote upon this amendment I withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN]. In his absence I transfer that pair to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. NORBECK (when his name was called). I have a pair with the Senator from Louisiana [Mr. RANDELL], which I transfer to the Senator from Missouri [Mr. SPENCER] and vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). My colleague is absent from the Senate on account of illness in his family. He has a general pair with the Senator from Wyoming [Mr. WARREN]. If my colleague were present and permitted to vote he would vote "nay."

Mr. REED (when his name was called). On this vote I am paired with the Senator from Michigan [Mr. NEWBERRY] and am therefore not permitted to vote. If I were permitted to vote I would vote "yea."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence, being unable to obtain a transfer, I withhold my vote. If permitted to vote I would vote "nay."

Mr. WARREN (when his name was called). On the statement of the Senator from North Carolina [Mr. SIMMONS] concerning his colleague [Mr. OVERMAN], with whom I have a general pair, I vote "nay."

The roll call was concluded.

Mr. DIAL (after having voted in the negative). I desire to announce my pair with the Senator from Colorado [Mr. PHIPPS]. I understand if he were present he would vote as I have voted, and therefore I let my vote stand.

Mr. UNDERWOOD. I was requested to announce that the Senator from Ohio [Mr. POMERENE] is paired with the Senator from California [Mr. JOHNSON] and that if present the Senator from Ohio would vote "nay"; that the Senator from Tennessee [Mr. SHIELDS] is paired with the Senator from North Dakota [Mr. MCCUMBER] and if present the Senator from Tennessee would vote "nay"; and that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Connecticut [Mr. McLEAN] and if present the Senator from South Carolina would vote "nay."

Mr. EDGE (after having voted in the affirmative). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I have already voted, and in order that my vote may stand, I transfer my pair to the senior Senator from Colorado [Mr. PHIPPS].

The result was announced—yeas 7, nays 69, as follows:

YEAS—7.

Harrell	Kenyon	Shortridge	Willis
Kendrick	McNary	Stanfield	

NAYS—69.

Ashurst	Fernald	La Follette	Simmons
Ball	Fletcher	Lodge	Smoot
Borah	Frelinghuysen	McCormick	Stanley
Brandegee	Gerry	McKellar	Sterling
Broussard	Glass	McKinley	Sutherland
Bursum	Gooding	Moses	Swanson
Calder	Hale	Myers	Underwood
Cameron	Harris	Nelson	Wadsworth
Capper	Harrison	New	Walsh, Mass.
Caraway	Heflin	Nicholson	Walsh, Mont.
Culberson	Hitchcock	Norbeck	Warren
Cummins	Jones, N. Mex.	Norris	Watson, Ga.
Curtis	Jones, Wash.	Oddie	Watson, Ind.
Dial	Kellogg	Penrose	Weller
Dillingham	Keyes	Pittman	Williams
Edge	King	Poindexter	
Elkins	Knox	Robinson	
Ernst	Ladd	Sheppard	

NOT VOTING—19.

Colt	McLean	Phipps	Smith
France	Newberry	Pomerene	Spencer
Johnson	Overman	Ransdell	Townsend
Lenroot	Owen	Reed	Trammell
McCumber	Page	Shields	

So Mr. KENYON's amendment to add instructions was rejected.

The VICE PRESIDENT. The question now is on the motion of the Senator from Pennsylvania [Mr. PENROSE] to recommit the bill.

Mr. LA FOLLETTE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. McCUMBER (when his name was called). On this question I am paired with the senior Senator from Tennessee [Mr. SHIELDS], who would vote "yea." If I were permitted to vote I would vote "nay." Therefore I withhold my vote.

Mr. MYERS (when his name was called). I make the same announcement as to the transfer of my pair as on the last vote and vote "yea."

Mr. NORBECK (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I again announce the absence of my colleague [Mr. OVERMAN] on account of illness in his family. He has a general pair with the senior Senator from Wyoming [Mr. WARREN]. If my colleague were present he would vote "nay."

Mr. NICHOLSON (when Mr. PHIPPS's name was called). I wish to announce that my colleague [Mr. PHIPPS] if present would vote "yea."

Mr. BROUSSARD (when Mr. RANSELL's name was called). I have been requested by my colleague [Mr. RANSELL], who is unavoidably absent, to announce that if he were present he would vote "nay."

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. NEWBERRY] which precludes me from voting. If permitted to vote I would vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous vote in regard to my pair, and still being unable to secure a transfer, I withhold my vote. If permitted to vote I should vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the Senator from North Carolina [Mr. OVERMAN], which I transfer to the Senator from Vermont [Mr. PAGE] and vote "yea."

The roll call was concluded.

Mr. DIAL. Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. UNDERWOOD. I wish to announce that the Senator from Ohio [Mr. POMERENE] is paired with the Senator from California [Mr. JOHNSON], and if present the Senator from Ohio would vote "yea"; that the Senator from Tennessee [Mr. SHIELDS] is paired with the Senator from North Dakota [Mr. McCUMBER], and if present the Senator from Tennessee would vote "yea"; and that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Connecticut [Mr. McLEAN], and if present the Senator from South Carolina would vote "yea."

The result was announced—yeas 47, nays 29, as follows:

YEAS—47.

Ball	Frelinghuysen	McNary	Smoot
Borah	Glass	Moses	Stanfield
Brandegee	Gooding	Myers	Sterling
Calder	Hale	Nelson	Swanson
Cameron	Kellogg	New	Underwood
Cummins	Kenyon	Nicholson	Wadsworth
Curtis	Keyes	Norbeck	Warren
Dial	King	Oddie	Watson, Ind.
Dillingham	Knox	Penrose	Weller
Edge	Lodge	Poindexter	Williams
Ernst	McCormick	Shortridge	Willis
Fernald	McKinley	Simmons	

NAYS—29.

Ashurst	Gerry	Kendrick	Stanley
Broussard	Harrel	Ladd	Sutherland
Bursum	Harris	La Follette	Walsh, Mass.
Capper	Harrison	McKellar	Walsh, Mont.
Caraway	Heflin	Norris	Watson, Ga.
Culberson	Hitchcock	Pittman	
Elkins	Jones, N. Mex.	Robinson	
Fletcher	Jones, Wash.	Sheppard	

NOT VOTING—19.

Colt	McLean	Phipps	Smith
France	Newberry	Pomerene	Spencer
Johnson	Overman	Ransdell	Townsend
Lenroot	Owen	Reed	Trammell
McCumber	Page	Shields	

So the bill was recommitted to the committee.

Mr. McCUMBER, Mr. REED, and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. MOSES. Mr. President, will the Senator from North Dakota yield to me, to enable me to ask unanimous consent to call up the conference report on the Post Office reclassification bill?

Mr. McCUMBER. I will not take more than 5 or 10 minutes at most, and I will ask the Senator if he will not withhold the conference report until I am through.

Mr. President and Senators, by a vote of 47 to 29 the soldiers' compensation bill has just been recommitted to the Finance Committee. This has been done because of the urgent request

of the President of the United States and the Secretary of the Treasury for more time. The reasons which induced the head of the Nation and the head of the Treasury Department to make this request have been clearly stated by the President in his address to the Senate and by the Secretary of the Treasury in a letter which has been read into the RECORD.

Several days have been consumed in debate as to whether the fears expressed by the President and the Secretary of the Treasury are well founded. On this question each Senator holds his own individual views. I am satisfied, however, that many Senators who voted for a recommitment of the bill to the Finance Committee did so more in deference to the earnest wishes of the President than because of any deep-seated conviction that the enactment of the bill at this time would have as serious an effect on the Treasury and the country as that indicated in the Secretary's letter. While I may not be convinced that any grave and dangerous results would follow the enactment of the bill at this time, I recognize that the President and the Secretary of the Treasury are charged with the protection of the National Treasury and the maintenance of the national credit, and that it is most natural that great deference and consideration should be given to the anxieties and fears of these two guardians of our Federal bank account.

Therefore, Mr. President, while I regret that it is thought necessary to recommit this bill, and while I am unable to bring my judgment into exact agreement with that of the President and the Secretary of the Treasury as to the effect of this proposed legislation on any funding or refunding of the national obligations or debts due to the country, I have risen rather to correct an entirely erroneous impression as to what effect the action of the Senate in recommitting the bill will have on the bill itself. Several Senators have declared that it means the death of the bill. Telegrams from posts in my State indicate a like fear on the part of the beneficiaries of the bill.

Mr. President, while I can not join the chairman of the committee in a vote to recommit the measure, let me say most earnestly and positively to every veteran of the World War that no such result will follow. The bill will not be defeated. On a yea-and-nay vote to take up this bill and make it the unfinished business, the vote was 46 for to 4 against.

Mr. ROBINSON. Mr. President—

Mr. McCUMBER. I will not yield now, Mr. President. This vote very accurately, in my judgment, shows the proportion of those who favor the legislation to those who oppose it, and when 46 Senators favor the enactment of a proposed measure as against only 4 who oppose it, can anyone think for a moment that those 46 will not see to it that the legislation will ultimately be enacted? What effect, then, will its recommitment have on the status of the proposed legislation? Will it delay its enactment into law? Will it postpone the time within which in its present form the legislation would become effective? I assume, Mr. President, that these questions are now being asked by the American soldier, and I answer both questions: The recommitment will, of course, delay the date on which the compensation bill would in all probability have become a law. The recommitment, however, will not, in my opinion, postpone the time at which the legislation proposed will become effective.

Under the terms of the bill, the cash payment and the insurance plans are to come into effect as of July 1, 1922. Long before that date the bill, in its present or amended form, will be placed upon the statute books of the country.

The President, upon information furnished him by the Secretary of the Treasury, has asked that Congress defer action for a time on this bill. "How long defer?" you may properly ask. I answer, "Until the tax bill and the tariff bill are enacted into law, and the foreign indebtedness to the United States has been funded."

In the matter of the foreign debt, the President in his address to the Senate states:

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

In a nutshell, the President asks us to hold this matter in abeyance until we fund these foreign obligations; and, as I have said before, the interest on these obligations will more than doubly take care of the highest annual payment which will accrue when the bill becomes a law.

We will, of course, pass both the revenue and the tariff bills at this special session. A bill is now before the Finance Committee giving the Secretary of the Treasury all needful authority to fund into long-time bonds the principal and interest due us from foreign countries. That authority will be given. I can, therefore, see no reason in the world why this funding settle-



ment should not be completed by the time we have passed the other two bills.

So I can say with absolute assurance to the American people and the American soldier that this bill will be enacted into law, and I am certain that it will be enacted into law in sufficient time that the date at which it becomes effective will not have to be extended; in other words, that the delay will not deprive the veterans of a single important right they would otherwise obtain under the bill.

Mr. President, the justice of this measure is most strongly impressed upon my mind, as I know it is on the minds of the vast majority in both branches of Congress, irrespective of political affiliation, and I shall not abate my efforts to crystallize the bill into law at the earliest possible date.

So I plead with all the veterans of the World War for that soldierly patience which they have exemplified in camp and on battle plain, and all will end well.

During the delivery of Mr. McCUMBER's speech, Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

Mr. McCUMBER. I have declined to yield at this time.  
Mr. ROBINSON. The Senator is compelled to yield to a parliamentary inquiry.

Mr. McCUMBER. I am not compelled to yield.  
Mr. ROBINSON. I rise to a point of order, then.  
Mr. McCUMBER. That is a different proposition.  
Mr. ROBINSON. I demand the regular order, Mr. President.

I make the point of order—  
Mr. McCUMBER. I have the floor, and I decline to yield.  
Mr. ROBINSON. Mr. President, I make the point of order that there is no business before the Senate.

Mr. McCUMBER. I am giving the Senate some business now, Mr. President.

Mr. ROBINSON. It is very poor business; the Senator is arguing against the vote that he cast a moment ago.

Mr. McCUMBER. I decline to yield for a discussion of the merits of the matter; I merely yielded to the Senator to submit a point of order.

Mr. ROBINSON. I make the point of order that the Senator from North Dakota is proceeding to address the Senate without any measure of business coming before the Senate and that he is out of order. He can only proceed by unanimous consent, and he has not secured unanimous consent to address the Senate.

The VICE PRESIDENT. There is no business before the Senate.

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. NORRIS and Mr. STERLING addressed the Chair.  
Mr. McCUMBER. I will not yield for a motion.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. ROBINSON. I make the point of order that the Senator from North Dakota is out of order. There being no business before the Senate, the Senator from North Dakota can only proceed by unanimous consent, and that unanimous consent has neither been asked for nor given. I move that the Senate proceed to the consideration of executive business.

Mr. McCUMBER. Mr. President, I have not yielded the floor.

Mr. HARRISON. I ask for the yeas and nays on the motion of the Senator from Arkansas.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. WATSON of Georgia. He has no right to the floor.  
Mr. McCUMBER. I decline to yield.

Mr. ROBINSON. The Senator from North Dakota has no right to the floor.

The VICE PRESIDENT. The floor can not be taken away from the Senator for the purpose of making a motion.

Mr. WATSON of Georgia. I make the point of order that the Senator from North Dakota has no right to the floor.

Mr. ROBINSON. I insist upon the point of order that the Senator from North Dakota is out of order. There is no business before the Senate; he has not the floor. He has not secured the right to take the floor to make a speech, and he has no more right to the floor than any other Senator.

The VICE PRESIDENT. The Chair has already ruled that there is no business before the Senate.

Mr. NORRIS. Mr. President—  
Mr. REED. I should like to be recognized.

Mr. NORRIS. I move that the Senate proceed to the consideration of calendar number 207, being Senate bill 1915.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. NORRIS. But there is no business before the Senate.

Mr. McCUMBER. I do not yield for any purpose at the present time.

Mr. NORRIS. The Senator can not hold the floor.  
Mr. ROBINSON. Mr. President, if the Chair will hear me for just a moment. The Chair has held that there is nothing before the Senate, and yet the Chair has impliedly held that the Senator from North Dakota has the floor. The Senator from North Dakota can not have the floor when there is nothing before the Senate. That is the point of order that I make. I demand the regular order.

The VICE PRESIDENT. The Senator from North Dakota rose to address the Chair, and the Chair had every reason to suppose that he was proceeding by unanimous consent.

Mr. ROBINSON. The Chair may very well have supposed that until a Senator objected, but I made objection; I make objection now.

The VICE PRESIDENT. The Senator from North Dakota distinctly and plainly asked that he might address the Senate for a few minutes. No one objected. The Senator from North Dakota then proceeded for two or three or four minutes, when the point of order was raised that he was not proceeding in order. The Chair believes that the point of order comes too late. The Chair feels that, in all fairness, consent had been given the Senator from North Dakota.

The Chair is advised that the Vice President preceding the present incumbent universally held in such cases that silence had given the consent asked for, and that he defended Senators in their right to the floor in several instances when questions exactly similar to that now raised were presented.

The Chair has not been in the habit always of asking the Senate if its consent was given. It has been taken for granted that the consent was given where no Senator interposed an objection.

The Chair believes that the Senator, under the recent practices of the Senate, was entitled to proceed until he had concluded.

Mr. REED. Mr. President, the Chair will hardly say that unanimous consent was given.

The VICE PRESIDENT. The Senator from North Dakota asked at the outset that he be given a few moments to address the Senate, and was doing so without objection.

Mr. ROBINSON. I object, Mr. President.  
Mr. LODGE. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. LODGE. Mr. President, the Senator from North Dakota was recognized. Undoubtedly objection could have been made then, but equally undoubtedly no objection was made, and he was allowed to proceed by unanimous consent, and objection can not now be made.

Mr. ROBINSON. Upon that theory, Mr. President, under the Senator's point of order, if the Senator from North Dakota should choose to continue his speech indefinitely, then the Senate would be at his mercy and could not transact any business. The motion of the Senator from Nebraska is clearly in order, there being no business before the Senate. The motion that I made to proceed to the consideration of executive business is clearly in order, being a privileged motion. Does the Chair hold that, with nothing before the Senate, a Senator can take the floor and speak indefinitely, and that the Senate has no power to relieve itself from that absurd position? The Senate is entitled to proceed to its business, the Chair having held—and rightly so, in my opinion—that there is nothing before the Senate. We foreclosed debate on this bill by a unanimous-consent agreement two days ago, and the Senator from North Dakota now, without the consent of the Senate, is seeking to consume the time of the Senate in apologizing for his vote. I make the point of order that the Senator from North Dakota is out of order.

Mr. LODGE. Unanimous consent, when it has once been given, can not be taken back at the pleasure of any one Senator.

Mr. ROBINSON. Mr. President, the request for unanimous consent was never submitted to the Senate, and the Chair can not preclude the Senate from its right to transact business by himself giving consent to a Senator to address the Senate. Any other ruling would make the Senate powerless to have business before it.

Mr. REED. Mr. President—  
The VICE PRESIDENT. It has been ruled that silence gives consent in a case of that kind.

Mr. REED. Mr. President, there was no other kind of consent asked for or given in this case than occurs when any Senator rises and addresses the Senate. The Senator from North Dakota merely stated that he desired to address the Senate for a few moments, having first addressed the Chair. If that

amounts to unanimous consent, then any Senator who gets the floor and holds it for a moment is proceeding by unanimous consent. Personally, I am entirely willing for the Senator to continue his remarks, but it will never do to establish the rule in this body that any Senator who can address the Presiding Officer and get his eye and say "I desire to address the Senate" is thereby proceeding by unanimous consent. That has not been the rule. The only way in which this body can grant unanimous consent is to have the question put to it. The question was not put to the body; and if the Chair adheres to the ruling made we will establish a new precedent, and one which I am sure the Chair would not want to establish if it was revolutionary in its character.

I am quite willing that the Senator from North Dakota shall proceed with this canned funeral oration. It ought to be delivered at some time, and I am just as willing that he shall do it at this time as at any other time; but it is not in order.

Mr. McCUMBER. Mr. President, I think I have the floor yet, and if Senators are going to discuss the merits of this matter, I want to discuss it.

Mr. ROBINSON. Mr. President, I appeal from the decision of the Chair.

Mr. McCUMBER. Otherwise, I should like the ruling of the Chair.

Mr. WATSON of Georgia. Mr. President, it has been the custom in this Chamber for the Chair to ask if any Senator objects, and this time that question was not put. The cowardice with which the soldiers have been treated on this bill does not authorize the acting chairman who has charge of this bill, and who for two days has been out of sight, to proceed at this time. The cowardice with which he would kill this bill, if it had been displayed on the battle fields of France, would have led to defeat instead of to the victory of our soldiers. This bill has been killed by cowardice.

Mr. ASHURST. Mr. President, we can not hear a word that is being said.

Mr. ROBINSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. A parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. ROBINSON. A few moments ago I made a motion that the Senate proceed to the consideration of executive business. Did the Chair hold that that motion was out of order?

The VICE PRESIDENT. The Chair ruled that the Senator could not get the floor at that time for the purpose of making that motion because it would take the Senator from North Dakota off the floor.

Mr. ROBINSON. Then I respectfully appeal, Mr. President, from the decision of the Chair, and on that appeal I demand the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President—

The VICE PRESIDENT. The Secretary will call the roll.

Mr. NORRIS. Mr. President, I have a right, I think, to debate the motion. It is a debatable question.

The VICE PRESIDENT. It is debatable.

Mr. NORRIS. Now, Mr. President—

Mr. McCUMBER. Mr. President, I have not yielded, and until I do, I do not think there can be any question before the Senate.

Mr. NORRIS. Mr. President, there is an appeal pending, and I have obtained recognition on that appeal.

I want to state, particularly to the Senator from Arkansas, that I think the Senator from Arkansas was perfectly right when he made the point of order that the Senator from North Dakota could not proceed except by unanimous consent. There was no motion pending. There is not any doubt but that if objection is made no Senator has a right to make a speech unless there is something pending that is debatable. I have no objection to the Senator from North Dakota consuming an hour. I should be perfectly willing to submit the question of unanimous consent, and agree to it, and let him proceed as long as he wants to. It is not that I want to take the Senator from North Dakota off the floor, but it is a question of establishing a precedent.

The Presiding Officer had a right to recognize the Senator from North Dakota. He had a right to assume that he was going to make a motion. There were several of us trying to get recog-

ognition. He selected the Senator from North Dakota. When, however, it becomes apparent that the Senator is not going to make a motion, and is trying to make a speech when nothing is pending, then it is the privilege and the right of any Senator to object to it, if he wants to, for the reason that there is not anything pending.

Mr. BORAH. Mr. President—  
The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. In just a moment. That being the case, if the Chair had sustained, as he ought to have sustained, the objection, then the Senator from Arkansas had the right to make his motion. So it does not follow that he is making it when some other Senator had the floor, because nobody had the floor legally.

I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, as I understand, there is an appeal from the decision of the Chair.

The VICE PRESIDENT. That is the case.

Mr. NORRIS. Yes.

Mr. BORAH. Is that a debatable proposition?

The VICE PRESIDENT. It is.

Mr. BORAH. Very well.

Mr. NORRIS. That is what I was debating.

Mr. McCUMBER. Mr. President, I have the floor. I would just as soon finish what I have to say upon that question as upon any other.

Mr. NORRIS. Mr. President, I have the floor, as a matter of fact.

Mr. McCUMBER. I think not.

Mr. NORRIS. It is going to depend on whether the Chair is overruled as to whether or not the Senator from North Dakota is entitled to the floor.

Mr. McCUMBER. Not at all.

Mr. NORRIS. The pending question is going ultimately to determine that proposition.

Mr. President, I wanted to make it clear that I had no objection to the Senator from North Dakota making his remarks; but I do not want, in order to give my consent to his making his remarks, to trespass upon a well-recognized principle of parliamentary law that will come home to plague us if we violate it now.

Mr. McCUMBER. Mr. President, if the appeal is now debatable, I shall proceed to give my reasons why I think the Chair should be sustained, and why I should be allowed to explain to the American people and the American soldiers at this time just exactly what effect this recommitment will have.

Mr. LA FOLLETTE. It will take the Senator quite a while.

Mr. REED. Mr. President—

Mr. McCUMBER. Mr. President, I submit that I have the floor.

Mr. WATSON of Georgia. That is all the Senator has.

Mr. McCUMBER. If this question is now debatable, I am ready to debate it. The Senator from Nebraska did debate it.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. REED. A question of order. I am not asking the Senator to yield. I am raising a question of order, and I want to submit the rule to the President of the Senate.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. REED (reading):

If any Senator, in speaking or otherwise, transgress the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down, and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

The Senator has been called to order, and he should sit down.

Mr. McCUMBER. Mr. President, I call the Senator from Missouri to order for discussing a matter that is not now before the Senate, according to the ruling of the Chair. The ruling of the Chair is that the question is upon the appeal, and not what the Chair should have done with the Senator from North Dakota, who will probably take care of himself.

Mr. REED. I should like to have a ruling on this matter.

Mr. McCUMBER. Now, Mr. President, I desire to go on in my own way, as soon as the Senator from Missouri will do me the kindness to allow me to do so without further interruption.

Mr. REED. I do not desire to interrupt the Senator. I simply want the rules of the Senate conformed to, and the Senator can proceed in order at the proper time. I submit that when a Senator has been called to order, and it has been insisted



that he is not entitled to the floor, he is guilty of an infraction of the rules of the Senate if he proceeds.

Mr. McCUMBER. Mr. President, I raise the point of order that that matter is not now before the Senate and can not be discussed, and I refuse to yield for that purpose. I raise that point of order.

Mr. REED. Mr. President—

The VICE PRESIDENT. The Senator was not called to order by the Chair.

Mr. REED. He can be called to order by any Member.

The VICE PRESIDENT. The Chair does not understand that the rule has that application.

Mr. REED. "The Presiding Officer shall, or any Senator may, call him to order," is the language of the rule.

Mr. McCUMBER. Mr. President—

Mr. BRANDEGEE. Mr. President, I want to call the attention of the Chair to the fact that the Senator from North Dakota says he is addressing the Chair on the question of the appeal from the decision of the Chair, and was recognized by the Chair. Therefore he has the floor.

The VICE PRESIDENT. He is recognized for that purpose.

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

The VICE PRESIDENT. The Senator can not obtain the floor for that purpose.

Mr. McCUMBER. Mr. President, it is impossible for me to yield to several Senators at the same time, and I will not yield for any purpose.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

After the conclusion of Mr. McCUMBER's speech,

Mr. ROBINSON, Mr. REED, Mr. STERLING, and Mr. MOSES addressed the Chair.

The VICE PRESIDENT. The Senator from Arkansas.

The question is on sustaining the point of order. On that the yeas and nays have been ordered.

Mr. ROBINSON. Mr. President, a unanimous-consent agreement was entered into two days ago by which all debate on the adjusted compensation bill after 3 o'clock p. m. to-day was precluded. The Senate proceeded, in pursuance of the unanimous-consent agreement, to vote upon the motion to recommit the bill, and the bill was recommitted to the committee.

Immediately following that action the Senator from North Dakota [Mr. McCUMBER] took the floor and announced that he desired to submit some remarks to the Senate. The Chair did not submit the request to the Senate for its consideration and action, and the Senator from North Dakota proceeded for some moments, when an objection to his further proceeding was made on the ground that there was nothing before the Senate and that he was proceeding out of order.

It frequently happens, Mr. President, in the practice prevailing in the Senate, that a Senator takes the floor, is recognized by the Chair, and proceeds to deliver an address. Prior to the time that the matter is submitted to the Senate for a unanimous-consent agreement as to whether the Senator who has taken the floor may proceed, any Senator, according to the universal practice in the Senate, may object, and when an objection is made the Senator can not proceed further without the consent of the Senate. Any other rule would put the Senate at the mercy of any Senator who got the floor in any way whatever, and began an address about anything, and thus prevent the Senate indefinitely from transacting business.

The fact that the Chair permitted the Senator from North Dakota to proceed to discuss a matter that was not in order, a subject that was not before the Senate, could not preclude the Senate from its right to say that the time to talk on the subject had passed, and that the Senate would proceed to the consideration of business.

Mr. McKELLAR. Mr. President—

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

Mr. ROBINSON. I yield.

Mr. McKELLAR. I merely rose to ask the Senator if he thinks this rule goes so far as to prevent a Senator from preaching a funeral oration over a bill that has just been killed?

Mr. ROBINSON. It has not done it. Mr. President, the Senator from North Dakota is familiar with the rules. The Chair held that there was nothing before the Senate. Any Senator, then, by motion, had the right to bring something before the Senate, and any other rule is absurd, and violative of every principle of parliamentary law.

I made a motion to proceed to the consideration of executive business, and the Chair held that, notwithstanding the fact that there was nothing before the Senate, no motion could be

made because the Senator from North Dakota had chosen to take the floor to apologize for the defeat of a bill, when debate on that bill had been precluded by unanimous action of the Senate.

Who ever heard of such a proposition anywhere except in the United States Senate? A debating society composed of boys would know that when there was no business before the society any member could move to bring business before the assembly.

The absurdity of the parliamentary ruling is thus disclosed by the proceedings following the ruling. The Senator from Nebraska [Mr. NORRIS] made a motion to proceed to the consideration of an important bill. I sought to preserve the parliamentary issue by trying to ascertain whether, if there was no business before the Senate—and the Chair had held that there was none—a privileged motion of the highest order could be made, and the Chair said no, because the Senator from North Dakota had the floor, without the express consent of the Senate, and no power but the Almighty, impliedly, could deprive him of the floor; and, of course, considering the nature of the transaction, the Almighty was not going to take any interest.

What was the situation? On an appeal being taken from the decision, the Senator from Nebraska [Mr. NORRIS], who served in the body at the other end of the Capitol for a long period and has served in the Senate for many years, said, "Why, of course, the ruling is wrong. Of course the Senator from North Dakota could not keep the floor over an objection of a Senator who wanted to proceed to business." Of course, everybody familiar with parliamentary practice knew that to be true.

Then the Senator from North Dakota [Mr. McCUMBER], who had stood like a rock in a desert land insisting all the while that, come storm, come calm, he had the floor, proceeded to discuss the appeal from the decision of the Chair; and what did he do? He read from a manuscript, prepared some time ago, apologizing for the action of the majority in burying the adjusted compensation bill.

Ah, he said, the recommittal of the bill does not mean the defeat of the measure, because 46 Senators voted to consider the bill the other day, and only 4 against it; and yet of that 46 who voted to consider it, a large number voted to recommit it.

I said in this Chamber, immediately following the President's address on the subject, that nobody need be deceived by the nature and effect of the motion to recommit. It means the death of this bill, at least until the next congressional election is approaching in the United States, when it may be reported and held over for action until after the next election.

I now ask the Senator from North Dakota, in charge of this bill, who made a gallant fight until the last minute and then quietly and gently surrendered and gratified his love of valor by rising at the funeral and delivering a eulogy of the measure, which, by his indifference, he had assisted in killing—I ask the Senator from North Dakota when it is expected that this bill will be reported?

Mr. McCUMBER. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I yield to the Senator for an answer.

Mr. McCUMBER. If the Senator from Arkansas had listened to my statement he perhaps would not have had to ask the question, because I framed the question and gave the answer. I will give it again for the Senator if he will listen to me.

Mr. ROBINSON. I will listen a reasonable length of time, but I can not concede that the Senator has the floor.

Mr. McCUMBER. If the Senator does not want me to answer, all he has to do is to say so. If he wants me to answer, I am right here to answer this very minute.

Mr. ROBINSON. Mr. President—

Mr. McCUMBER. I do not intend to remain sitting while answering; I shall have to take the floor to do it.

Mr. ROBINSON. Mr. President, I yielded to the Senator to answer my question, and I am wondering why he does not do it. When does the Senator expect the bill to be reported for action?

Mr. McCUMBER. I will answer when the Senator stops talking and gives me a chance.

Mr. ROBINSON. I will stop any minute, if the Senator will pledge himself to bring that bill back into the Senate and give the Senate an opportunity to vote on it.

Mr. McCUMBER. Now, just wait until I can answer. I stated but a few moments ago that undoubtedly this would be delayed until we passed the tariff measure and the revenue bill, and undoubtedly until we secure the refundment of our foreign debts. I also told the Senator in my opinion how long that

would take. I have not the slightest doubt but what it will be reported probably before this session is over.

Mr. ROBINSON. Mr. President, I have the floor.

The VICE PRESIDENT. The Senator from Arkansas has the floor.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON. I yield.

Mr. REED. What I want to say is this, that the Secretary of the Treasury has discussed the question of a limitation of time in which to make these settlements and has said that he thought that anything under five years would be too short a time.

Mr. ROBINSON. Mr. President, I think, in the interest of harmony, that harmony which prevails among brethren here, I shall proceed a little in my own time.

The Senator from North Dakota seemed to become somewhat incensed because I asked him when he expected this bill to be reported from the committee. He could have answered that by saying the 1st of January, or, if he had in his mind a definite date, whatever that time was. But his answer was so indefinite as to give support to the statement that I made and the statement made by the Senator from Missouri [Mr. REED].

The Senator from Nevada [Mr. PITTMAN] this afternoon pointed out the fact that the purpose of recommitting this bill is not to perfect the bill. No one has suggested a very important amendment to it, although amendments of importance might have been suggested. But the purpose of recommitting the bill was to get it out of the way, to kill it for the present and for an indefinite time.

The answer which the Senator from North Dakota makes is that when we pass the tariff bill and the tax bill and adjust our controversies respecting foreign loans with other Governments, then the question may be brought to the front again. The Senator from Missouri has stated that the Secretary of the Treasury has no idea how long that latter performance will require, and thinks it might require as much as five years. I have no disposition to enter into any controversy as to veracity between my colleagues, but I know that the Senator from Missouri believed that statement to be true when he made it, and if we wait until our foreign loans are adjusted to bring out this bill, I now call on any Senator to say approximately when that will be.

Mr. STANLEY. Mr. President—

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. I think the Senator from Arkansas is taking the statement of the Secretary too seriously, that he will agree to allow this bill to come out in five years. That is too short a time. Those who are best advised would put that estimate at about 50 years.

Mr. ROBINSON. Mr. President, I am serious about this matter. I think there is bound up in the action of the Senate on this subject something in the nature of the enactment of a tragedy, and the manner in which the display or performance has been made in my opinion does not reflect great credit upon the Senate. For a year and a half the Congress has been studying this question and the result of its deliberation is the bill reported by the acting chairman of the Committee on Finance, the amiable Senator from North Dakota [Mr. McCUMBER]. When the first mutterings of opposition to the measure were heard in this Chamber, he acted as a gallant knight. He stood in his place and challenged the opposition to the bill, and since the President left the White House and came to the Senate and told Senators how to vote on the bill, instructed them to reverse their action and vote against the bill, which they were committed in honor to support, the Senator from North Dakota had courage enough to say he would support the bill and he went on until he was defeated. It is now said that the bill will soon come out just as it was and that then the Senate will be permitted to vote on the bill.

Mr. REED. What will be the change in the financial situation in the meantime?

Mr. ROBINSON. What will be the change, suggests the Senator from Missouri, in the financial ability of the United States between now and January 1 to meet the obligations created by the bill, particularly in view of the fact that the obligations do not mature or begin to mature for practically a year from this date?

Mr. JONES of New Mexico. Mr. President—

Mr. ROBINSON. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I call the attention of the Senator to one or two sentences in the letter of the Secretary of the Treasury which seem to me to have some bearing upon this question. I read those sentences:

Nor could the vast payment required by the bill be financed without introducing grave complications into the refunding obligations which will be necessary within the next few years.

Mr. ROBINSON. That statement would imply that it must be postponed for a few years, and that is about as definite as the statement of my amiable friend, the Senator from North Dakota [Mr. McCUMBER].

Mr. JONES of New Mexico. Another sentence I read:

I know of no one thing, for example, that would so greatly strengthen the market for Liberty bonds as the assurance that Congress had once and for all given up consideration of the soldiers' bonus.

Mr. ROBINSON. Mr. President, that is highly illuminating. The opposition to the bill first began to take form in the Senate upon receipt of the letter a part of which has just been read by the Senator from New Mexico. I wonder whether the friends of the bill are being deceived by this motion to recommit and the action that the Senate has taken.

I do not care to enter into the realm of prophecy, but in view of the indefiniteness of the date fixed by the acting chairman of the committee at which the Senate may again be permitted to consider the bill, I repeat a statement that has been already made in the press of the country, in many newspapers and magazines, that the recommittal of the bill means that it will not be brought out until the next congressional election is near at hand and votes are needed to carry that election. Let us wait and see.

In attempting to answer the very able argument of the Senator from North Dakota on the legal question before the Senate, I myself have been compelled to reply, or attempt to reply, to statements made by him which everybody knows have no relevancy to the point of order before the Senate. I leave the legal question involved in the matter on the very necessity for overruling the decision of the Chair, which is to the effect that if there is no business before the Senate and a Senator rises and states that he wishes to make an address and proceeds without immediate objection, that no objection can thereafter be made. I say that the rule of law, held by thousands of precedents, is to the effect that an objection may be made at any time before a request for unanimous consent has been submitted and agreed to by the Senate.

Mr. WATSON of Indiana. Mr. President, I move to lay the appeal on the table.

Mr. REED. On that I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MYERS (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. McLEAN] to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. REED (when his name was called). I transfer my pair heretofore announced to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WARREN (when his name was called). I transfer my pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from Maryland [Mr. FRANCE] and vote "yea."

Mr. WILLIAMS (when his name was called). First transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Ohio [Mr. POMERENE], the Senator from Pennsylvania being unavoidably absent, I vote "nay."

The roll call was concluded.

Mr. EDGE (after having voted in the affirmative). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Michigan [Mr. TOWNSEND] and let my vote stand.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Missouri [Mr. SPENCER] and vote "yea."

Mr. MYERS (after having voted in the negative). I learn that I am not permitted to transfer my pair on this vote to the Senator from South Carolina [Mr. SMITH]. I am not able to get another transfer and therefore ask leave to withdraw my vote.

Mr. DILLINGHAM. I transfer my pair with the junior Senator from Virginia [Mr. GLASS] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. JONES of Washington. The senior Senator from Virginia stated that he might be called away necessarily on official



business and I agreed to take care of him with a pair. I find, however, that I can transfer that pair to the Senator from New York [Mr. CALDER], which I do and allow my vote to stand.

Mr. DIAL (after having voted in the negative). I have a general pair with the Senator from Colorado [Mr. PHIPPS]. Being unable to obtain a transfer of that pair I withdraw my vote.

Mr. CURTIS. I wish to announce that the Senator from South Dakota [Mr. NORBECK] is paired with the Senator from Louisiana [Mr. RANSELL].

The result was announced—yeas 36, nays 27, as follows:

## YEAS—36.

Ball	Fernald	Lodge	Poin Dexter
Brandegee	Frelinghuysen	McCormick	Smoot
Bursum	Gooding	McCumber	Stanfield
Cameron	Hale	McKinley	Sterling
Capper	Harrell	McNary	Sutherland
Curtis	Jones, Wash.	Moses	Wadsworth
Dillingham	Kellogg	Nelson	Warren
Edge	Keyes	New	Watson, Ind
Elkins	Ladd	Oddie	Willis

## NAYS—27.

Ashurst	Heffin	Norris	Trammell
Broussard	Hitchcock	Pittman	Underwood
Caraway	Jones, N. Mex.	Reed	Walsh, Mass.
Fletcher	Kendrick	Robinson	Walsh, Mont.
Glass	King	Sheppard	Watson, Ga.
Harris	La Follette	Simmons	Williams
Harrison	McKellar	Stanley	

## NOT VOTING—32.

Borah	Gerry	Nicholson	Ransdell
Calder	Johnson	Norbeck	Shields
Colt	Kenyon	Overman	Shortridge
Culberson	Knox	Owen	Smith
Cummins	Lenroot	Page	Spencer
Dial	McLean	Penrose	Swanson
Ernst	Myers	Phipps	Townsend
France	Newberry	Pomerene	Weller

So Mr. ROBINSON'S appeal from the decision of the Chair was laid on the table.

Mr. STERLING, Mr. NORRIS, and Mr. REED addressed the Chair.

The VICE PRESIDENT. The Senator from South Dakota. Mr. STERLING. I move that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

The VICE PRESIDENT. The question is on the motion of the Senator from South Dakota.

Mr. REED obtained the floor.

Mr. FRELINGHUYSEN. Mr. President, will the Senator yield to me? I am compelled to leave the Chamber and I merely wish to make a request for unanimous consent.

Mr. REED. I yield to the Senator if I may do so without losing the floor.

Mr. FRELINGHUYSEN. I ask unanimous consent to have printed in the RECORD certain resolutions adopted by an American Legion post of my State.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolutions referred to are as follows:

*Resolved*, That Ambulance Company Thirty-three Association and its members go on record to this effect: "We, as veterans who have seen actual combat service in each and all of the three major offensive operations of the American Expeditionary Forces in the War with Germany, hereby demand that those branches or agents of the Federal Government responsible for the care of the men who were disabled as a result of the war be empowered and directed immediately to make sure that these men receive adequate and complete medical attention and just compensation. In consideration of the satisfaction of this equitable demand, be it further

*Resolved*, That we, the aforesaid members of Ambulance Company Thirty-three Association, do hereby declare that it is the consensus of opinion of this association that the proposition of a Federal bonus for able-bodied veterans of the War with Germany is neither necessary nor desirable, for the following reasons:

"We realize the purposes for which our Government entered the war; and as we enlisted in the Army in support of those purposes and with a vision of the high and true meaning of personal liberty and democracy, we do not wish to have this patriotism of ours assessed at such and such a valuation per month of blood money, because we believe that the work which we did is above all price or power of money to repay. We do not wish to hamper our fathers or our children with irksome taxation to pay for a bonus for us. We earnestly desire that our country speedily shall return to a normal, productive state, which we believe can be hastened in some small measure by this action of ours. And we believe that all sound and sensible men who have served in the military and naval forces of the United States neither require nor desire a bonus from the Federal Government."

Mr. STERLING. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Dakota?

Mr. STERLING. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. STERLING. I do not yield the floor unless the Senator from Missouri desires to speak on the pending motion, which I made, to proceed to the consideration of the bill H. R. 7294, supplemental to the national prohibition act.

The VICE PRESIDENT. The Senator from South Dakota made a motion. The Chair stated the motion and then recognized the Senator from Missouri. The question is on the motion of the Senator from South Dakota.

Mr. REED. Mr. President, the vote just taken, the ruling of the Chair, and the conduct of the Senator from North Dakota [Mr. McCUMBER], to my mind, present a very serious situation. I wish in advance to exculpate the President of the Senate from any purpose or thought of violating the rules of the Senate or setting aside its precedents. Any Presiding Officer, called upon suddenly to make a ruling, may make a mistake, but the Senate has deliberately, by practically a strict party vote, ratified that mistake.

I inquire how many votes there were on the Republican side against the motion?

Mr. LA FOLLETTE. There were at least two.

Mr. REED. It was almost a strict party vote to ratify the ruling of the Chair. It therefore becomes a precedent of the Senate, and it is important that the facts now should be stated, so that we may understand the precedent and know how to govern ourselves accordingly.

Mr. BRANDEGEE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. REED. I yield for a question.

Mr. BRANDEGEE. It is for that purpose I desire to interrupt the Senator from Missouri. I wish to ask the Senator what he understood the question was when we voted on the motion to lay the appeal from the ruling of the Chair on the table. From what ruling of the Chair was the appeal taken, in his opinion?

Mr. REED. I was about to state the facts as I understand them. The facts are that the Senate was proceeding under a unanimous-consent agreement which bound the Senate to dispose of the soldiers' bonus bill without further debate at 3 o'clock. That bill being disposed of, there was no business before the Senate. Thereupon the Senator from North Dakota [Mr. McCUMBER] arose in his place, addressed the Chair, and remarked in the beginning of his speech, "I desire to address the Senate for a few moments in regard to the future disposition of the bill." That is not his exact language, but that is the import of it. He then proceeded without any further action by the Chair, without any statement being made to the Senate, without any request for unanimous consent being made or granted, to proceed to make a speech.

In a short time a Senator observing that the Senator from North Dakota was making a general speech while no business was before the Senate rose to a point of order, and thereupon the Chair ruled that there was no question before the Senate, but he also ruled that the Senator from North Dakota had the floor. He subsequently ruled that the Senator from North Dakota had the floor by unanimous consent, although no request for unanimous consent was made, none had been submitted to the Senate, and none had been granted. That presents this situation—

Mr. BRANDEGEE. Mr. President, does the Senator understand that that was the ruling from which the appeal was taken?

Mr. REED. Absolutely.

Mr. BRANDEGEE. Mr. President, I will not interrupt the Senator if he objects to my stating my understanding of the ruling from which the appeal was taken, in order to show the Senator that there is a misunderstanding, as there very clearly is, between him and me as to the parliamentary situation.

Mr. REED. I shall not object to the Senator stating his understanding.

Mr. BRANDEGEE. I agree entirely with the Senator from Missouri that when the Senator from North Dakota proceeded with his remarks he did not in the formal, technical method known to the Senate for obtaining unanimous consent to proceed have such unanimous consent, because the question was not asked the Senate whether there was objection or not. The Chair stated, as I remember—and if I am at fault the RECORD will, of course, show that I am mistaken—the Chair stated that he had assumed from the fact that nobody had objected, the Senator from North Dakota did have unanimous consent. I do not agree with the Chair that he had unanimous consent, although I think it has been more or less loosely true in the Senate that where there was no objection when a Senator announced he wanted to make a short statement it has been assumed that unanimous consent has been given. However, I would not support that ruling as the action of the Senate.

But my understanding of what took place was this: The Senator from Arkansas, making a point of order against the procedure of the Senator from North Dakota, and doubting the

accuracy of the ruling of the Chair, then moved that the Senate proceed to the consideration of executive business. The Chair ruled that the Senator did not have the floor; that he had not recognized him for that purpose, and that he could not make such a motion without being recognized. Then it was that the Senator from Arkansas appealed from the decision of the Chair, and that is the appeal on which I thought I was voting, and, according to my understanding, that was the parliamentary situation.

Mr. ROBINSON. Mr. President, will the Senator permit a supplemental statement?

Mr. BRANDEGEE. Subject to the permission of the Senator from Missouri of course I yield.

Mr. ROBINSON. The Senator from Arkansas also made the point of order, which was sustained by the Chair, that there was nothing before the Senate. When the Chair sustained that point of order the Senator from Arkansas then moved, as he thought he had a right to move, that the Senate proceed to the consideration of executive business; and, as stated by the Senator from Connecticut, the Chair held that the motion could not be made because the Senator from North Dakota had the floor.

Mr. BRANDEGEE. That is the very point, Mr. President. I do not doubt that the Senator has stated his recollection of the occurrence, but mine differs from his. I am inclined to think I should agree with the Senator if I thought he was correct in his statement; but the Senator moved to proceed to the consideration of executive business, and the Chair ruled that he was out of order because he did not have the floor, and he had not been recognized. It is simply a question as to what the status was.

Mr. ROBINSON. But the Chair held that he could not recognize the Senator from Arkansas because the Senator from North Dakota had the floor. That was the whole subject matter of the discussion from beginning to end.

Mr. BRANDEGEE. That may be so.

Mr. ROBINSON. And in order to test the legality of the ruling I made a privileged motion which the Chair must have entertained, in my view of the matter, if there was nothing before the Senate.

Mr. REED. Mr. President, of course, it comes to this, and in my judgment this is fundamental:

If there was nothing before the Senate, then the Senator from North Dakota was out of order in delivering an address. When the Senator from Arkansas rose and raised that question of order, and when the Chair declared that there was nothing before the Senate, the Senator from Arkansas then had the right, having the floor and it being the duty of the Chair to recognize him because he had the floor, under the rules of the Senate, to make the motion he did make.

Mr. NORRIS. Mr. President, will the Senator permit an interruption there?

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

Mr. REED. Yes.

Mr. NORRIS. Perhaps I am repeating, but it seems to me this decision comes to this: Under the decision of the Chair that has now been affirmed by the Senate, when the Senate convenes at its next meeting, before any motion is made, if some Senator gets recognition and commences to talk, and nobody objects when he starts, he can talk for 10 days, if he can sustain himself that long, and no Senator can object; no Senator can get the floor, no Senator can make a motion, and nothing can be done. That is what the Senate has decided.

Mr. ROBINSON. If the Senator will permit me, that is exactly the application of the precedent. Of course, the Senate will not adhere to it in a case where it does not find it convenient to do so.

Mr. REED. That is exactly the point to which I was coming. I have been anticipated in making it, but that is the place at which we have arrived. It amounts to this: If a Senator gets the floor and is recognized—and, of course, he is always recognized if he rises when some one else is not demanding the floor—and begins his remarks with the statement, "I desire to address the Senate for a few moments," and nobody instantly objects, the Senate is then foreclosed.

I care nothing about the matter of this afternoon. I did not care whether the Senator talked or did not talk, but I am interested in maintaining the rules and maintaining the orderly procedure of this body. I have seen it happen I think I can say without indulging in hyperbole a thousand times that a Senator has been proceeding to make a speech, the question has been raised by some other Senator that there was nothing before the Senate, and immediately the ruling has been made that the Senator was out of order and that he could not proceed until some business had been laid before the Senate.

The pitiable part of it is to see a party vote, or almost a party vote, cast on a question of this kind. It is true that there is a majority upon the other side of this Chamber, and it is true that if it sees fit to act arbitrarily it can ride roughshod over the rules of this body. It can disregard anything, any precedent, any custom; but is it a wise thing to do? Is it a decent thing to do? Is it a manly thing to do? Does it reflect any credit on the Senate or upon the Senators who indulge in the practice?

I say it is disgraceful, and I say that if it is pursued this body will lose its present high standing before the people of the United States and the peoples of the world. We ought to adhere to our own rules. We ought to respect our own laws. If we expect the people of the United States to respect the laws passed this body and obey them, we ought to obey our own laws.

Mr. President, I hope that this precedent will be repudiated by the Senate, so that it will not stand here—I am referring to the ruling on this point of order—and that we shall know in the future that if any Senator is proceeding when there is no question before the Senate, at any time, unless unanimous consent has been expressly granted, that Senator can be called to order and the business of the Senate proceeded with.

Just a word further, Mr. President.

The Senator from North Dakota had prepared his address which he delivered. It was typewritten, and all he had to fill in was the vote, and we pretty well knew what the vote was to be. It is intended to go to the country as an assurance that there will be speedy action on the soldiers' bonus bill. That statement ought not to go to the country without reply.

To begin with, let it be remembered that it was not proposed in the present bill that payment should be begun until some time in the future. Will some Senator tell me the exact date?

Mr. McCUMBER. July 1, 1922.

Mr. REED. The 1st of July, 1922. Accordingly, all the time between now and the 1st of July, 1922, to wit, 12 months, lacking about 11 or 12 days, remains in which to adjust the finances of this country, if there is any purpose to adjust them. All of that time remains in which to adjust our foreign loans, if it is expected that they will be adjusted within a reasonable time.

The Senator from North Dakota states that he thinks this bill can be passed next January, which now is only about five months away. If it could be passed next January and become effective next July, what is the difference between that and passing it in this month of July to become effective next July?

The cold truth about the matter the people of this country are entitled to, and it is this: That under the present bill it was not proposed to pay any money out for a year's time, and the postponement of the passage of the bill must be regarded in the light of the declarations of the President and of the Secretary of the Treasury. Nearly all of them have been put into the Record, but my attention has been called to an additional statement by the President. I quote from his message:

If this measure could be made effective at the present time without disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes it would present an entirely different question than that which is before you.

A little later he made this statement:

In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action, if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

Mr. President, that language is susceptible of only one construction, and that is we should not pass this character of legislation, if we ever pass it, until all of the difficulties of the war, the readjustment of our domestic finances, the readjustment of our tax system, the readjustment of all of the finances of our Government, have taken place, and, on top of that, until there has been a readjustment of our business with all of the nations of Europe.

It is objected to by the President and, as I construe the language, by the Secretary of the Treasury, because it will interfere with the settlement of what European nations owe us. Indeed, it has been stated upon the floor of the Senate by those high in authority in the Finance Committee that we can not proceed with this until the refunding operations are over; that is to say, until we have settled our debts with Europe.

I would like to know what the settlement of the indebtedness with Europe has to do with this bill if they intend to collect the money from Europe and do it in a reasonable time in the future; I mean the interest, not the principal. It therefore must be in contemplation that there shall be a long delay in the matter even of the collecting of interest from those



foreign powers, and we are thus told, in effect, that the soldiers of the land shall await money due them until the convenience of foreign countries is consulted, and that we shall incur no obligation to them lest it might place us in a position to insist upon payment by foreign countries.

I want to state as accurately as I can my conversation with the Secretary of the Treasury, which I do not regard as in any sense confidential. It was being talked over whether a limitation of time within which the settlement should be made with foreign countries might not be inserted in this bill, and as I understood the Secretary of the Treasury the suggestion of five years' time seemed to him to be the limit that ought to be fixed.

When are we to expect these loans to be settled and how? There is correspondence that I think I shall lay before the Senate on another occasion; I am not going to hold the Senate in session to-night, and I am not certain, until I examine it, that I am at liberty to read it. But some part of the correspondence was made public, and I can comment upon that.

It has been made public that Great Britain did seriously suggest to the United States that she should entirely forgive her indebtedness, the proposition being that Great Britain would then in turn forgive debts of other countries. That that was seriously proposed there is no doubt.

Mr. LA FOLLETTE. Both by Chamberlain and Lloyd-George.

Mr. REED. It was proposed by two great British premiers. It is also true, and it ought to be said now—because the papers gave some statements about it this morning which seem to indicate that he had been saved from that disaster by the present Secretary, Mr. Mellon—that his predecessors in office repudiated that proposition. I think Mr. GLASS did. I know that Mr. Houston did.

Mr. LODGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. REED. I yield.

Mr. LODGE. The Foreign Relations Committee had a hearing on this subject, at which Mr. Houston was present, and at his request it was not made a public hearing, but the refusal to entertain the proposition of the cancellation of the debt was made by Mr. Houston, and I think I am correct in saying, speaking from memory, with the approval of President Wilson, if not by his direction. They took the same ground that has been taken by the present administration.

Mr. REED. I am glad to know that, and I simply state that as a matter of justice to President Wilson and to both of the Democratic Secretaries of the Treasury.

But I inquire again, When will the settlement be made? I am not at all easy about that when I find that on the 13th day of May, in a statement regarding the reduction of public expenditures, a statement which I have, and which bears the title, "Reduction of public expenditures—Copy of Treasury Circular, dated the 13th of May, 1921, relative to securing a large reduction in the estimates for the financial year 1922-23, presented to Parliament by command of His Majesty," I find this statement:

We have to provide next year for one considerable item not included in this year's estimates, namely, interest on our debt to the United States of America, which, at par of exchange, amounts to over \$40,000,000 a year.

This is what I am calling attention to:

It is possible that we may not require to provide more than half the whole year's interest on our debt to the United States Government in 1922-23.

Now, that would seem to indicate that instead of our proceeding to collect the interest that is due for the present year, it is not expected to pay it, and there is no item of that kind carried in the budget, but that the British Government hopes at least, and I presume it has something upon which to base that hope, that it will only be expected to pay one-half of its interest next year. That is a very significant thing. If the payment of interest by Great Britain is not to be expected for the current year, and then if there are negotiations pending looking to the collection of only one-half of it in the year 1922-23, I am wondering when this resurrection of the soldiers' bonus bill is going to take place. It seems to me that those who wait at the sepulchre until that occurs are liable to be old gray-haired men and gray-haired women, and that the wreaths which are being hung by the tomb to-day will have been withered and scattered to the winds.

This is what I have to say about the payment of interest by foreign Governments: I grant fully that the United States probably would not be justified in demanding the principal of these debts, and I suppose there are some of the smaller countries absolutely unable at the present time to pay their

interest; but I insist first that every one of these countries shall put its indebtedness in the form of a bond. It was required in the original act authorizing the loans that before the money should be paid over there should be deposited with the Treasury of the United States bonds similar in character and terms and times of payment to the bonds which the United States issued for the purpose of procuring the money to loan to the foreign countries, with the further provision that if the United States thereafter had to pay a larger rate of interest the rate of interest on the foreign bonds should be correspondingly increased. If that provision had been carried out in accordance with the law, there would be no question of adjustment remaining now except merely a question as to when the interest would be paid.

Mr. LA FOLLETTE. Mr. President—

Mr. REED. I will yield in just a moment. But we have no such bonds; not a single foreign bond written in accordance with this law lies in the Treasury of the United States to-day. In lieu of that there is a general agreement that these countries shall issue bonds in accordance with the terms of the Liberty loan act, and now when we come to ask for those bonds there has been a delay, first and last, of nearly three years' time.

I now yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Touching the matter of the deferred payment of interest, I merely wish to suggest to the Senator, who was absent from the committee meeting this morning, that he obtain a copy of the original notes of the testimony taken by the stenographer of the Committee on Finance to-day as bearing upon this question, not only deferred payments for the smaller nations that are debtors to the United States Government but for Great Britain, France, and Italy. I think he will find that the Secretary of the Treasury was reluctant to say that there might not be conditions and representations presented to this Government which might make deferment for 15 years a matter for consideration.

If the Senator will permit me further—

Mr. REED. Certainly.

Mr. LA FOLLETTE. There was read to the Secretary in connection with the hearing this morning the dispatches which appeared, as I now remember, in some London paper, which were presented to the Senate at its session yesterday by the Senator from Idaho [Mr. BORAH] and which led to the interrogatories to which I direct the Senator's attention.

Mr. REED. Mr. President, the question occurs to me, if the soldiers' bonus bill is a just measure and is to be passed, should it be deferred in order to accommodate these countries? Is it true that we can not pay our soldiers because it is desired to help the foreign countries get over their present financial difficulties? In my judgment, we ought to look after our own before we look after anybody else's. The soldiers of the United States ought not to be compelled to await whatever is justly coming to them in order that these other countries may do three things:

First, look after their own soldiers, and they are all doing it. Canada, I believe, paid a very large bonus to her soldiers, and England and France, of course, are providing for theirs as they should; but shall we hold ours back from that which the Senator from North Dakota asserts to be just until the others have all been taken care of? Shall we await the collection of these moneys in order that they may be able to take care of their soldiers? If there is any soldier who is to await the day of just settlement, let not the American Senate be responsible for picking out the American soldier as that one.

The second proposition seems to be—

Mr. WATSON of Indiana. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. WATSON of Indiana. Has any statement been made by anyone before the Finance Committee at any time to the effect that no disposition will be made of the bonus bill until all these foreign matters are settled?

Mr. REED. Why, Mr. President, the statement has been made upon this floor. The statement has been made, as I construe his remarks, by the Secretary of the Treasury. As I construe the remarks of the President, which I have just read, we should postpone action upon the bill until there is an adjustment or a refunding of the foreign loans. When we come to discuss the time when the foreign loans shall be refunded, when foreign nations will begin to pay, it occurs that the lapse of time will be anywhere from 2 or 3 years to 15 years, the circumstances being found in these documents which I have read, one of which I just read a moment ago in which Great Britain expresses the hope that she will not have to pay more than half of her interest in the year 1922-23.

Mr. WATSON of Indiana. The Senator will recall that the Secretary of the Treasury fixed no limitation of time as to when this might be accomplished. He will also recall that the President of the United States said that the matter should be postponed until the debt could be refunded. Does the Senator think that is going to take four or five years or any such period of time?

Mr. REED. I do not know. Funded how? Why shall we wait until it is funded? Let us be fair about that.

Mr. WATSON of Indiana. Certainly.

Mr. REED. We know the debt exists. They have not yet repudiated it absolutely. Nobody asserts that they will not give us bonds for it. Therefore, the only reason for awaiting the funding is to await the fixing of the terms. It must be in contemplation that the terms of payment will be of such a character that we can not pay these soldiers, and hence the necessity for awaiting the fixing of the terms. There is no other reason for awaiting the funding.

If the debt is to be paid, if there is no dispute about it, if the interest is to be collected, if it is all to be done promptly, then why should we await the terms? The only reason why we need to know the terms before we dare incur any liability is because the terms may be so fixed that we will get but a part of this money or we will not get it for a long time in the future. There is no use quibbling about this matter.

Mr. WATSON of Indiana. Mr. President, I have no desire to interfere with the Senator unless he is willing to yield.

Mr. REED. Oh, certainly, I yield to the Senator from Indiana.

Mr. WATSON of Indiana. The sole object of having the proposition recommitted to the Finance Committee is simply that the money could not be paid at this time out of the Treasury without creating great and additional burdens. We did not have the money. It was not desired to raise the money by additional taxation at this time, but that if this foreign debt is funded and placed in the shape of bonds, when it begins to draw interest and that interest is being paid, then in a measure at all events it will enable us to have the money out of which this bonus shall be paid, or at least a portion of the money, and relieve the great pressure that is on the Treasury.

The Senator understands well the situation as to our finances. He sat on the committee day after day and knows the amount of money we had in the Treasury, knows what our obligations are, knows the amount of money that is coming in, knows the amount of money that is going out, knows the amount of money that must be spent in the days that are to come. He knows it requires the very closest economy, unless we resort to additional burdens of taxation in order to meet the current expenses of the Government.

Therefore, no soldier can be injured by the postponement of this bill until those debts are funded. Not a dollar of this money was to be paid before July of 1922, and I have every reason to believe, and I believe the Secretary believes, and I believe the President of the United States believes, and they all believed when these statements were made that the funding will occur before that time, and that we shall have reason to know where we are with reference to the finances of the Government before that time.

Mr. REED. If the funding is going to occur before that time, why do we not pass the bill now?

Mr. WATSON of Indiana. Because we do not know, and on a money question we must know. It is not a question for speculation.

Mr. REED. No; we do not know. All these facts the Senator has referred to were known to the Finance Committee and were known to him when the bill was reported to the Senate, when it was debated in the Senate, and the change came over the spirit of their dreams when the Big White Chief walked in and said to them, "You do what I tell you to do." There was not a man in this body convinced by any of the arguments produced there. They had all been heard on the floor of the Senate.

Mr. WATSON of Indiana. If the Senator will again permit me—

Mr. REED. Certainly.

Mr. WATSON of Indiana. The statement of the Secretary of the Treasury was the first notice that the great body of Senators had as to the real financial condition of the Treasury. It was not universally known throughout the country what the condition of the Treasury was, and that caused every Senator to pause and reflect upon the situation.

Mr. REED. Does the Senator say the Finance Committee did not have these figures?

Mr. WATSON of Indiana. It has been said that President Harding came up here like President Wilson used to come. I

do not care to reflect upon that proposition or touch upon it. However, there is this difference between the two. President Wilson used to think out in the recesses of the White House what he wanted to have done up here, and come up and tell the Senators; but the real fact about the present situation is that Senators here, after many conferences and after much consultation and coming together on this proposition and realizing the situation, after the letter of the Secretary of the Treasury had been read, went to the White House and insisted that the President should come here and make the statement to the country. That is the difference between the two.

Mr. REED. I am glad to observe the difference, but first let me take these matters in order.

The condition of the Treasury had been reported and was known; the condition in regard to the foreign loans had been under investigation by two committees—the Judiciary Committee and the Foreign Relations Committee—and that was very well known. There was not anything new about it until the Secretary of the Treasury came in here and practically put the administration into this battle.

The Senator says that President Wilson used to think out a proposition and come and tell us about it. Well, the difference seems to be, as the Senator now puts it, that Senators thought out a proposition and then went down and told the President about it, and asked the President to come up here and tell them about it. If Senators had gone down and told the President about it again and he had come back and told them about it again, I suppose at the end of that performance, it being carried on long enough, we should have had a great deal of wisdom. If the Senate thought this out and agreed to this, why did they need the President to come and tell them? What was the necessity of the President coming to tell them?

Mr. WATSON of Indiana. I can answer that question, if the Senator will permit me.

Mr. REED. Certainly.

Mr. WATSON of Indiana. The President of the United States and many Senators on this side at some time during the campaign said that they favored a bonus to the soldiers. This bill was brought out here, I need not say by the entire Finance Committee, but those of us who were present on the occasion of its having been reported out, acting together in the spirit of harmony, as we ought to have done, and must do, if we are to get anywhere with legislation, after the Secretary had sent his letter of warning to the Senate we had many conferences about the questions. We then went down and talked it over with the President, as we had the right to do, and as he ought to have permitted us to do. Then we insisted that the President of the United States should come up here and make a statement to the country—not to the Senate, for we knew the situation—with reference to that condition and situation.

The President, largely in obedience to the request of those Senators, came and made a statement. I submit that it was an open, frank, manly statement. There was not anything secret about it. It was precisely a statement of the exact situation.

Mr. REED. An open statement is hardly ever a secret statement.

Mr. WATSON of Indiana. I say it was an open statement; there was nothing secret about it; there was nothing secret about the way in which it was accomplished. It was a statement by the President of the United States, made not alone to the Senate of the United States, but through the Senate of the United States to the country, on a very vital situation. Certainly there was nothing extraordinary about that.

Mr. REED. Oh, Mr. President, I am not discussing whether it was extraordinary or ordinary; but it now appears that this thought, this idea, was conceived in the brain of certain Senators. They had pledged themselves to vote for a bonus bill, and they arrived at a certain conclusion, which had never even occurred to the President or dawned upon him, and they went down and said to him, "Now, you must come up here and say something to the country to excuse us for failing to carry out our pledges." It was not very generous to President Harding to put him in the breach and make him stand as Horatius at the bridge, when the Senator from Indiana and so many other gallant Senators might have filled that breach.

Mr. President, I should like to ask the Senator from Indiana if there were any other negotiations; if there was not some word that came from the White House to certain Senators that this bill had to be stopped; if that did not stir the waters and trouble them; and then the Senators went down to talk the matter over, and then the President came over here and made his speech? Is not that just about what happened?

Mr. WATSON of Indiana. No; that is not what happened.

Mr. REED. Then the newspapers were at fault when they reported that Senators were going down to the White House for advice.



Mr. WATSON of Indiana. Senators did go down there; and I trust there will be no time during the present administration when Senators will not go down there. I trust they will go on their own initiative and on their own notion and that they will go after being invited by the President to come; not alone Senators on this side of the Chamber, but on the other side of the Chamber as well. I hope that during all of this administration the Senate of the United States will act in cooperation and in sympathy with the President of the United States.

Mr. REED. I, too, hope so.

Mr. WATSON of Indiana. Certainly. We all hope so.

Mr. President, the truth about the matter is that when the letter of the Secretary of the Treasury came here Senators on this side who did not know about the financial condition of the country were startled into action. As a result conferences were held. Then Senators began to go to see the President. I do not say that the President did not send for certain Senators, for I do not know. I know that I went to the White House to talk to the President personally, and I know that other Senators went there to discuss the matter with the President personally, as they had the right to do. There were conferences at the White House about the situation. It was a real, vital, pressing matter before us, and we had to deal with it. We thought we took the best method of dealing with it in a patriotic manner. There was not anything unusual about it; certainly there was nothing reprehensible in regard to it. It was simply the President of the United States and the majority party cooperating on a proposition that was before us for immediate action, a proposition which had to be settled at once.

Mr. REED. Mr. President, the Secretary of the Treasury had known about this legislation; the President had known that it was pending before committees and before Congress; the fact is that somebody convinced the Secretary of the Treasury that this bill ought to be killed. He sent his letter; it produced consternation; and then there may have been, I do not know how many, consultations with the President, but at last it was necessary to bring the President here to get the votes in this body, and everybody knows it.

Mr. President, there is another observation which I desire to make. I have been led a little aside from my line of thought. Are we to postpone doing what the Senator from North Dakota insists is an act of high justice—and the Senator from Indiana seems to echo the sentiment—until foreign countries shall do certain other things? Shall we postpone it and postpone the collection of the interest on the foreign debt when Great Britain is expending, according to the best estimates I can get, over \$700,000,000 a year to increase the size of a navy that is now nearly equal to the combined navies of the earth—increasing the size of her navy for what purpose and to fight whom? Austria has been dismembered; Germany is prostrate and her last vessel taken from her; France has a navy of not great size; and certainly Great Britain will not claim she is arming against France. Japan is building a navy, but Japan and England have an alliance which ties them together in a way that, as a Member of this body, I do not like to see. For whom, then, is this vast armament prepared? For what potential rival in world trade is it prepared? Why is it necessary for her to increase her fleet? Does she fear the United States? Does she believe that this country, that engages in no wars of conquest, that seeks to seize no territory, that undertakes the domination of no protesting people, will ever attack her? Why should it require long conferences to determine whether she is to expend \$700,000,000 this year on a navy, and yet not pay to the United States the interest due? I put it to you again, Senators, are the soldiers of the United States to wait for justice for themselves, first, until the bonds have been issued, and, second, shall they wait until Great Britain has completed her navy? Shall we forgive debts or postpone the payment of interest in order that the anvils may ring and the trip hammers may pound as they pound out the steel slabs for more English floating fortresses?

I say that this method of dealing with foreign countries smacks too much of favoritism to suit me. I think our Government should insist that any country that is able to build men-of-war ought to be able to pay the interest on its debts, and that our American soldiers should not be sidetracked in what is admitted by those who sponsored this bill is justice to them in order that navies may be completed or military programs carried out.

Mr. WATSON of Georgia. Mr. President—

Mr. REED. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I wish to suggest to the Senator from Missouri that our debtor nations are at greater expense in carrying on the dozen wars which they are now waging extensively in Europe, Asia, Africa, and Oceania than they are in building up their navies.

Mr. REED. I was just coming to that question. Sir, since the last battle flag was furled upon the frontier of France, since we set up by our ipse dixit, if you please, in connection with Great Britain and other countries, Poland, that country, as British statesmen have finally said, in violation of its obligations to those who had created it, without warrant, without right, invaded Russia for 300 or 400 miles, expended huge sums of money, kept her soldiers in the field and away from productive activities. To carry on that war we directly contributed in supplying the civil population of Poland with from something like \$57,000,000 to \$60,000,000 worth of goods. How much we contributed indirectly through the sale of war supplies I am unable to state. I say that it is time to tell the countries of Europe to quit fighting and to begin paying.

Greece obtained from the United States just 90 days ago, and under the present administration, the payment of over \$18,000,000. It was claimed that there was an old commitment. It is admitted that in that joint commitment were France and England, and that France and England refused to put up their part of the money, but we put up \$16,000,000. The Secretary of the Treasury now states he does not intend to pay the remainder of it because the terms of the loan have not been met.

But we paid that money; and what is Greece doing, pray, with that money? With that money, or other money of which it takes the place, Greece is keeping armies in the field, trying to enlarge her territory, trying to extend her domains, trying to take some more land from somebody. It costs money to organize armies to go out and take land; and so we have had troubles in other parts of the world that I am not going to weary the Senate at this late hour by discussing.

As long as we sit by and say to these people, "You need not pay us what you owe us," as long as we continue to contribute to them credit, so long they will continue in a state of turmoil. I am not in favor of postponing the payment of that which is just to the soldiers of the United States in order that we may continue a policy that was a mistake in its inception, has been a mistake all along the line, and is rapidly approaching a tragedy.

Moreover, while we are talking about paying our soldiers or not paying them, while those who sponsor this bill say that the debt is a just one and is immediately due and that it should be paid, we find that we must await the funding of foreign loans, and those loans are due from nations one or two of which have been loaning large sums of money to foreign Governments for the purpose of extending their own trade in those foreign countries and taking away a part of the legitimate trade of the United States.

Mr. President, how long can we continue that sort of policy? This much I want to say in concluding what I am talking about this afternoon. It is time to bring these questions of our foreign relations down to practical settlement, to insist upon the obligations being delivered, to insist upon payment as rapidly as it can be made, to demand that foreign Governments shall cease the expenditure of vast sums of money in creating armaments, and to conclude the transactions, so that we shall know exactly where we stand with reference to them; and I see no reason why we should postpone action upon this bill in order that we may get a settlement from abroad.

Mr. JONES of New Mexico. Mr. President, if the Senator will yield, I have heard some references in the debate to-day to the question of forgiving the indebtedness of the debtor nations to the United States, and the public press, I believe, has carried some articles or headlines which would indicate that an attempt was being made by the foreign Governments to get the United States to cancel the indebtedness, and that that was an open question until this administration took charge of governmental affairs.

I desire to call attention to the fact that the Senator from Virginia [Mr. GLASS] to-day asked to have printed in the RECORD, and it will be printed in the RECORD upon his request, a letter from Secretary Houston dated March 1, 1920, in which all idea of canceling such indebtedness was denied.

Mr. CURTIS. Mr. President, that letter was printed in the RECORD either this morning or last night.

Mr. JONES of New Mexico. I am just stating that it is in the RECORD to-day; but I merely wanted to call attention to it, as the Senator from Virginia, at the time he offered it for printing in the RECORD, had no opportunity to make any statement with reference to it.

Mr. REED. Mr. President, I shall conclude, in a very few minutes, what I have to say this afternoon.

A great deal of reference has been made to the fact that the President came here in person. I regret that fact. I regret the fact that the precedent established by Thomas Jefferson so many years ago has ever been violated. I am at liberty to make that statement from this side because I expressed the

same views when President Wilson reversed precedent and went back to the original custom; but I can see no greater objection to President Harding appearing in this body than I could to President Wilson appearing in this body. Neither can I see that there is any greater offense in asking the Senate to defeat a measure than in asking the Senate to pass a measure. To my mind, the distinction between the two propositions is absolutely immaterial; but this is the regret I feel now, and it is not the first time I have felt that regret.

I regret the spectacle of an independent, coordinate branch of the Government, charged with the high responsibilities and duties that are vested in this body and in the House of Representatives, subordinating its own judgment and its own opinion to the opinion of the Chief Executive. When this Government was founded, our fathers who created it were speaking from the very shadow of the thrones of despots. They had felt upon their backs the lash of autocratic power. They surveyed the then present history as well as the ancient history of the world, and they knew that power feeds upon power, and that there was no man ever born of woman so good that he could be trusted with unlimited power. They understood, also, that the Executive naturally draws to himself power, because, being a single individual, he acts with certainty and with full knowledge of his own purposes and intents, whereas a great legislative body is made up of a division of counsels and of numerous men; and so they gave to the Executive exceedingly limited powers.

They did not give him authority to originate a single act of legislation. They took away from him every kingly prerogative. They created a body of representatives, one branch of which must respond to the people once in 24 months, and pass their judgment at an election. They gave that body the sole power of originating legislation, the sole power of passing legislation, and they gave to the Executive only two powers with reference to legislation. One was the mere right to send or deliver a message to Congress, and the other was the right of veto. Then they provided that the veto could be overruled by a two-thirds vote of the respective bodies. They gave him no power to issue decrees. They made him the mere executor of the laws passed by their representatives. They did not give him power to raise an army. Not a soldier can he raise. That power is vested in Congress. They made him Commander in Chief of the Army, but Commander in Chief of the Army that Congress created, and that he could not create. They gave him no power to declare war. They vested that authority in the Congress of the United States, and by so doing they took away from the Executive the chief authority and the chief power that kings had exercised for the oppression of their people. They gave him no authority to spend a dollar of money until it had been appropriated by Congress, and they vested in Congress the sole power and authority to raise revenues for the support of the State; and yet, sir, with all the safeguards that they created, who is there, witnessing the history of this country for the past few years, who has not constantly seen the growing aggression of the Executive and the concentration of power in his hands?

The country will be safe only so long as the three coordinate branches function independently and within the limits of the Constitution. This body has no more right to coerce the President than the President has the right to coerce, directly or indirectly, the judgment of the Members of this body; and there has been presented all through the long course of the years no more pitiable spectacle of complete legislative subserviency, of legislative truckling, of legislative crawling upon the belly at the feet of a master and licking the boots of authority, than is presented in this body by the action it has taken to-day.

Whenever the legislative bodies of this country cease to function independently, exercising their own judgment unawed by authority and unseduced by patronage, the liberties of the people of the United States will be in peril. In part, we have been contributing largely to the present condition through creating powers in the President. Congress, for seven, or eight, or ten years, has been creating boards to be appointed by the President, to function under rules prescribed by those boards. Those rules have been construed by the courts, and sustained, and they almost amount to a delegation of legislative authority, as the courts have sustained those rules. I protest against any further march in that direction. I hope that the President of the United States—for whom I entertain the warmest personal friendship and the highest respect—will, in the future, communicate with this and the other body by written message. We can all read; we can all understand the English language; and there can be but one purpose in any President appearing before these bodies, and that is to throw into the balance personal influence, if not personal authority.

Mr. President, I have said this much, and a good deal more than I intended to say. So far as I am concerned, I do not

propose that my action in this body shall ever be changed by the mere appearance of an Executive in it.

Mr. LODGE and Mr. KING addressed the Chair.

The VICE PRESIDENT. The Senator from Massachusetts. Mr. KING. Mr. President, will the Senator yield for one moment?

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives by Mr. Overhue, its enrolling clerk, announced that the House had receded from its disagreement to the amendment of the Senate No. 3 to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, and that the House had concurred therein.

#### ADDRESS BY SENATOR POMERENE.

SEVERAL SENATORS addressed the Chair.

Mr. LODGE. Mr. President, the hour is now late and I was about to move to adjourn. I do not want to yield for business that will give rise to any debate.

Mr. KING. Mr. President, the Senator from Ohio [Mr. POMERENE] delivered an address this morning in Cleveland, Ohio, before the Ohio State Bankers' Association, upon the Federal Reserve Board, its functions and activities. It is a very excellent address, I think we shall all be glad to read it, and I ask that it may be inserted in the RECORD.

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

SENATOR POMERENE'S ADDRESS BEFORE THE OHIO STATE BANKERS' ASSOCIATION, CLEVELAND, OHIO, JULY 15, 1921.

#### READJUST AND HAVE FAITH.

Senator ATLEE POMERENE said:

"To-day if I were to echo the prophecies which were made by bankers concerning the Federal reserve act in 1913 when it became a law, I would be compelled to report that the Federal reserve system is a dismal failure; but if I were to make that statement it would not be true to history.

"In 1913, from a standpoint of scientific banking, the United States was the last in the list of commercial nations. Now in this year 1921 it stands first among all of the banking systems of the world.

"In 1913 we were a debtor Nation. Now we are a creditor Nation.

"On June 30, 1913, the entire gold supply of the United States was \$1,870,762,000. On June 30, 1921, it was \$3,223,352,000.

"I am not here to-day to say that the Federal reserve system is the last word in banking, but it is so much better than any system we have ever had in the United States that the American people will require strict proof before they will consent to any fundamental changes. A banking system which was able to finance the industries of the United States, and the operations of the Government during the great World War, and to loan \$10,000,000,000 to our allies, without asking aid from any other nation, must have been well conceived and well administered. Under it bank failures have been comparatively few.

"During the fiscal year ending October 31, 1918, only one bank failed. During the fiscal year ending October 31, 1919, two banks failed. During the fiscal year ending October 31, 1920, five banks failed. Since October 31, 1920, the number of failures have increased. Up to the present date there have been 26 failures, all of them small. Only three of the banks, two in Idaho and one in California, had a capital of \$100,000 each. Each of the others had a capital stock ranging from \$25,000 to \$50,000.

"In its early days we heard many complaints of its expense and of the large amount of reserves required. Many thought this reserve system unnecessary. They preferred to carry their own reserves in private banks where they could draw interest. Our experience during the war and since has changed the views of the most credulous.

"I have in mind the president of a large and well-managed bank in Ohio who criticized the law severely because he could no longer draw interest on his reserves. When I called his attention to the reduced reserves he was required to carry, the opportunities for rediscounting, and the protection the system was to every bank, he condemned rediscounting. He said he had no occasion to resort to rediscounting, as he had more funds in his bank than he could loan. That 60 per cent of the member banks have availed themselves of the privilege of rediscounting during the past year is a sufficient answer to his objection.

"Another big banker said if the bill became a law he would lose one-third of his deposits. Two years later I saw the finan-



cial statement of his bank. His increased deposits were twice what he predicted his loss would be.

"But while I have thus called attention to some of the objections made to the system by the bankers themselves when it was adopted, I want here to-day to pay my tribute to them for their splendid efforts toward making it a success and for the loyal and patriotic services they rendered in helping this Government to finance its great war operations. The Federal reserve system has been tested in the crucible of the World War and its aftermath. It is found to be pure gold and little dross.

"It has served the financial needs of the Government and of our people. It has never been the victim of political manipulation, and I shall never forgive nor forget either the person or the party that will ever attempt to lay political hands upon it. It must continue the servant of the Government and the whole people without fear or favor.

"One of our difficulties in the past has been that neither the bankers nor the country ever realized the extent of our resources or the strength of our credit when it was organized into one great system.

"Shortly after Secretary McAdoo issued his call for the first Liberty loan of \$2,000,000,000 a leading banker of the country, one known to most of you, called at my office in Washington to tell me of a meeting of the representative bankers of the United States, held the day before in New York, to canvass the situation and to make preliminary arrangements to aid the Government in placing this loan. He said: 'Senator, after going over the situation very carefully, we have come to the conclusion that we can not raise two billions of money. The best the bankers can do is to raise one billion, and we want you to go to the Secretary of the Treasury and ask him to limit the call to one billion.'

"My faith in my country was 'even as a grain of mustard seed.' I replied: 'More loans must follow this, and if we can not raise more than one billion now we had better stop the war, and at once.' The result—instead of \$1,000,000,000 only being subscribed, the total was \$2,800,000,000—thanks to the patriotism of the whole people.

"The trouble with all of us is we do not appreciate our national strength.

"One of the primary purposes of the Federal reserve act was to give the country an elastic currency which would respond to the demands of the commerce of the country. This is secured to the public by the system of rediscounting by the Federal reserve banks and by the issuance as needed of Federal reserve notes. Necessarily, the maximum of service consistent with safety requires the Federal Reserve Board, the Federal reserve banks, and the member banks to view financial problems from both sides of the counter. Too much inflation is perhaps worse than too great deflation.

"The member banks are the agencies of the system which serve the borrower and the depositor. The wisdom or the unwisdom of making loans lies with them. If credit has been too much curtailed in any given locality, it is the member bank that is primarily to blame, not the Federal reserve bank or the Federal Reserve Board. The Federal reserve bank is the immediate guardian of the reserves of the member banks. They rediscount the eligible paper of the member banks much the same as a member bank discounts the paper of the borrower. The sound discretion which controls the member bank in making loans in order to conserve the interest of the stockholders and depositors must control the Federal reserve banks when they rediscount the eligible paper of the member banks or call for the issuance of Federal reserve notes.

"The member bank owes it to its community to loan the necessary money for its financial needs to proper persons within reasonable limits, and in order to keep within the limit of safety it must have due regard not only to the credit of the borrower but to his collateral as well. Loans which it could make with safety on a rising market must be made with caution on an unsettled or a falling market. If a man by reason of his holdings is entitled to a line of credit of \$10,000 to-day and the values are actually rising, it may be increased. If the increase is purely speculative, or consists merely of book profits, an extension of the line of credit would be fraught with danger not only to the bank but to its depositors and the community as a whole. I know this thought is elemental with bankers, but some people do not seem to understand it. Some officials in Washington do not seem to understand it. Some of them never will be satisfied until the Federal Reserve Board installs a printing press and operates it according to the rules laid down by Lenin and Trotsky. They seem to think the more money the borrower wants the more the bank should lend him, and the more uncertain the value of the security the longer the loan should be extended.

"The same elements of caution must be exercised by the Federal reserve banks and the Federal Reserve Board in rediscounting paper of the member banks and in the issuance of Federal reserve notes. On the one hand they must have due regard to the community which the member bank serves and for which rediscounts are desired, but they must also have an eye to the safety of the member bank, its depositors, and the entire financial system of the country.

#### "REDISCOUNT RATES.

"The rediscount rate before the war was, I believe, 4 per cent. Still later this rate was increased to 4½, 6, 6½, and at times 7 per cent. Now it is 6 per cent, except in two banks where it is 6½ per cent. In several of the districts the rate for a time was graduated. The purpose of increasing the rediscount rate was not to make money for the Federal reserve banks. It was to prevent further inflation. The more money some men could borrow the more they wanted to borrow. They thought they were making money basing their estimates on book values. Many were so eager to invest further that they could only see the sun of rising prices. It dazzled their eyes and befogged their judgment. They forgot that the economic history of the world records that every era of inflated prices is always followed by deflation. Before some of them realized the danger confronting them they were on the brink of the precipice of declining prices. Men of this type are never ready for pay day, and it often happens that they forget the favors of past loans, only to complain because they can not get further loans.

"Let me not be misunderstood. Of course, I will be reminded by those who believe in approaching unlimited rediscount privileges and the unlimited issuance of Federal reserve notes that the Federal reserve banks can only rediscount 'notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or are to be used for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act.'

"True, the act requires the further definition that this language shall not be construed to prohibit such 'notes, drafts, and bills of exchange secured by staple agricultural products or other goods, wares, or merchandise from being eligible for such discount, but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.'

"The real purpose of this language which the Congress, the Federal Reserve Board, the Federal reserve banks, the member banks, and every sound-thinking man must have in mind was and is to prevent the using of these agencies of the whole people for purposes of speculation or investment.

"We must remember that the speculator or investor is not limited to the narrow confines of Wall Street. He may be the man who bought or held cotton during or after the war, hoping to unload it upon the European Governments at an exorbitantly high price, only to find that foreign exchange was so low in value that he could not sell much of it except at a loss. He may be the wheat broker in Chicago who bought at high prices the wheat of the country, anticipating that he, too, could sell it to the starving millions of Europe, but forgot that they had no gold, and he would not take their depreciated currency. He may be the man engaged in any line of industry who thought that the rising market was going to continue, only to learn later that there would be a buyers' strike and he could not unload at a profit that which he had accumulated for speculative or investment purposes.

"Let me go a step further. Whether a man raises or purchases wheat or corn or cotton or wool or live stock, whether a man fills his warehouses with his finished product, or whether a man mines and stores his coal and does all of these things without regard to the current demands of the country, it is speculation just the same. The difference is in degree and not in kind. It is the voice of Jacob, but it is the hand of Esau.

"I am not referring to these facts for the purpose of picking quarrels. I refer to them only to point out the truth that adorns the tale.

#### "PURPOSE OF FEDERAL RESERVE SYSTEM.

"The Federal reserve act created a Federal reserve system, and its ultimate aim was to aid agriculture, industry, and commerce. It was not intended to enable those who have to hold to an unreasonable extent or for an unreasonable time, though the entire country may suffer thereby. The Federal reserve system can and ought to take care of the legitimate needs of

the country. It is not an investment institution. It was never intended to, and it can not take care of the speculative demands of the country. No banking system can be devised that is bombproof against speculation.

"No member of the Federal Reserve Board, no director of a Federal reserve bank, and no president or cashier of a member bank has a right to jeopardize the financial condition of the country or the safety of the individual depositors by loaning without limit to those who speculate on values in an uncertain or a falling market.

"Some of my friends in the Senate have complained because the Federal Reserve Board approved certain increases in the rediscount rates. Of course, unreasonable increases might have curtailed credit, enforced sales, and thereby depressed prices. But while these distinguished gentlemen have been pointing out that the increases in the rediscount rates were concurrent with declining values they make bold to say they caused the declining values.

"The truth is that before these increases in the rediscount rates were made the inflation had been continuing for a period of months increasingly at an angle of 45 degrees. If the bank authorities had permitted this inflation to continue for a few months longer, our Federal reserve bank system would have been ruined and we would have approached the conditions prevailing in Germany, France, and other European countries. The truth is that at the very period that complaint was made that this deflation was going on there was no deflation. The Federal Reserve Board simply reduced the angle of inflation from 45 degrees to 2 degrees.

"On September 15, 1919, the invested assets of the Federal reserve banks amounted to \$2,350,000,000. Bank credits were constantly expanding. The discount rate continued at 4 per cent until December, 1919. Early that month it was advanced to 4½ per cent. During the latter part of January, 1920, the rates were advanced to 6 per cent.

"On January 23, 1920, the total rediscounts and earning assets of the Federal reserve banks amounted to \$3,300,000,000, an increase since September 15, 1919, of \$950,000,000.

"Gov. Harding is my authority for the statement that after the discount rates were raised to 6 per cent in January, 1920, the loans and invested assets of the Federal reserve banks continued to increase until November 5, 1920. This increase was steady and gradual by about \$400,000,000. The volume of Federal reserve notes in circulation increased during the period from January 16, 1920, to December 24, 1920, from \$2,800,000,000 to \$3,400,000,000, or about \$600,000,000.

"Wholesale prices began to decline about the middle of May, 1920. At that time they had reached about 272, as compared with a basic price of 100, for the year 1913. After the middle of May wholesale prices declined steadily, although the loans of the Federal reserve banks and the Federal reserve note issues increased until November 5 and December 24, respectively—six months after the great price reactions began.

#### "THE PROPOSED 5 PER CENT REDISCOUNT NOSTRUM.

"Many nostrums have been proposed to control those who are responsible for the sound administration of our finances, and to grant supposed relief to their constituencies. It is urged with very great earnestness that the rediscount rate should be limited to 5 per cent. It is then explained that the money thus obtained can be loaned to the member banks at 6 per cent.

"There are 10 States in the Union in which the interest rate is 12 per cent. There are 12 States in the Union in which the interest rate is 10 per cent. Some of our friends who are urging the 5 per cent rediscount rate come from these States. If they would cast their eyes toward the capitals of their own States and urge their legislatures to reduce the local rates to 6 and 8 per cent, they would in truth be granting a real service not only to their own people but to their own bankers as well. Of course, every one realizes that if we were to fix the rediscount rate arbitrarily at 5 per cent, it would have three effects.

"First, it would permit unreasonable inflation and consequent ruin.

"Secondly, it would withdraw one of the safeguards from our gold reserves.

"Thirdly, it would permit the bankers in these States to make the difference between the 5 per cent rediscount rate and the 10 or 12 per cent at which they loaned their money to the suffering farmers and stock raisers of the country. No farmer or business man in normal times can afford to pay such exorbitant rates.

"Again, even if the Federal reserve banks were to rediscount additional paper on the condition that it would only be loaned by the member bank at 1 per cent in advance of the discount rate, except in rare cases, the money would not be accepted. It stands to reason that if a bank loans \$500,000 to its clients at

10 or 12 per cent, it would not loan the proceeds of rediscounted paper at 6 per cent in the same community, to the same class of people, on the same security, at the reduced rate. That is too plain for argument.

"It may be that the Federal reserve banks and the Federal Reserve Board have made mistakes. I assume they have, but the finances of the country are now better managed than they would have been if they had been left to the wisdom of Congress.

"It may be that some banks have not done their full duty toward their respective communities in the way of financial aid. I can not pass judgment upon them. I do not know the conditions surrounding them. Sixty per cent of the member banks during the past year have availed themselves of the rediscount privilege. Forty per cent have not. But who shall say that they ought or ought not to have done it? If they have not done it, it is neither the fault of the Federal Reserve Board nor for the most part of the Federal reserve banks.

"Rediscounting has increased tremendously under the present reserve system. In the panic of 1907 the national banks rediscounted or borrowed only 1¼ per cent of their total loans. In 1914 they rediscounted or borrowed only 2½ per cent of their total loans. On June 21, 1921, the total rediscounts carried by the Federal reserve banks for the 60 per cent of the member banks which were rediscounting, equaled 15 per cent of the total loans and discounts of all the member banks.

#### "CAUSES OF PRESENT CONDITIONS.

"First. It can hardly be said that present conditions are due to a lack of currency. In 1896 the per capita circulation was \$21.44. In 1917, during the war, it was \$45.74. On July 1, 1921, it was \$53.42. And we must always remember that under the present system our credits are better assembled, and, if I may use the term, more liquid, so that barring the increase in values less currency is required to finance a given unit of a business than formerly. I am firm in the faith that the Federal Reserve Board is not responsible for the present decline of values unless to borrow a figure of speech it can be proven that giving the signal against the consequences of undue inflation is itself the cause of a storm. And if the Federal Reserve Board had failed to give a gentle warning and investors or speculators had lost by reason thereof, they would have accused the Federal Reserve Board with equal agility for not giving them timely admonition.

"Second. They are not due to the policy of the Federal reserve banks. I now speak generally. The rediscounting was theirs primarily to do and my belief is for the most part they acted with entire fidelity and with great intelligence in the administration of their trust.

"Third. They may be due, in part, whether rightly or wrongly, to the fact that 40 per cent of the member banks did not avail themselves of the rediscount privileges and thereby limited the extension of their usefulness in their communities. But no man can safely pass judgment upon these banks until he is put in possession of all the facts.

"Fourth. The primary cause, in my judgment, is due to the fact that prices have gone so high that whether voluntarily or involuntarily consumers, domestic and foreign, refused to buy. In other words, they struck.

"Fifth. Some member banks, particularly in the West and the South, exhausted their loaning ability by extending large loans to the buyer of land, of cotton, wool, wheat, corn, live stock, and other commodities, who were engaged in speculation, and as a result it curtailed their ability to extend further financial aid to the farmers and stock raisers who needed it.

"Sixth. But more than this: When prices were rising, or beginning to fall, many of the farm papers of the country were urging the farmers to hold on to their cotton, their wool, their wheat, their corn, their live stock, for a rise in the market, when every sign of the times indicated to the intelligent mind an approaching falling market. Certainly all such papers must bear their share of responsibility. Let me be specific.

"The editor of the Nonpartisan Leader, Minneapolis, September 20, 1920, speaking of declining prices, said:

"Farm organizations of Nebraska, Kansas, Oklahoma, and Missouri also are distributing literature showing that the cost of raising wheat in these United States is \$2.77 per bushel, and urging farmers not to sell until they get that price and enough additional to give them 23 cents a bushel profit.

"In other words, they urged holding for \$3 wheat. This is splendid advice. But how many farmers have storage facilities?

"Wallace's Farmer, October 8, 1920, says:

"About the only thing the farmer can do under present conditions is to avoid dumping his crop on the market in the time-honored way. The financial and business interests of the country will do everything they can still further to break prices of farm products during the next



six months, and the only way the farmer can meet this is by holding back his crops, most of which are already selling at less than the cost of production.

"In other issues it advises the farmers to hold.

"The Courier-News, Fargo, N. Dak., October 12, 1920, quotes from the Fargo Forum the following:

"Since you advised the farmers to hold their wheat when it was selling 60 to 70 cents higher than it is now, what advice have you now to give to the farmers who followed your previous advice? Should they continue to hold? Or should they take their loss and sell out now?"

"And then the Courier-News answers these questions in these words:

"Our advice, in one word, is 'Hold.'"

"An examination of agricultural and other papers will indicate that this counsel was pretty generally given by those who were advising the farmers. It would be good advice if it saved the farmer. It will prove bad advice if it results in greater losses to him.

"Seventh. Some of the loss is due to men in public life and others who advised against selling, anticipating, as they thought, a rise in the market instead of a fall that was bound to come in the proper readjustment in the financial and economic conditions from a war to a peace basis. I have in mind at the present moment one Senator who had a very substantial amount of cotton raised on his own plantation. He could have sold it at 40 cents a pound. He consulted an eminent friend in the South, who was both a manufacturer and a planter. He was advised to hold his cotton, because all of the signs of the times pointed to the fact that it would advance to 50 cents a pound. Cotton is now, I believe, 12 or 15 cents a pound, and he is still holding. He is a good friend. I hope he may get his 50 cents. But I am afraid he was badly advised.

#### "RAILROAD FINANCES.

"And may I, in this connection, say a word concerning our railroads, because they are so intimately related to our readjustment problem?"

"I am not unmindful of the many well-founded criticisms which are laid at the doors of our transportation system, but if at the same time we will compare it with the railway systems of the Old World, we are bound to pronounce it the best system in the world, furnishing transportation at the cheapest rates per ton or per train-mile in the world, and with the best paid labor in the world.

"In dealing with this subject we must bear in mind that the war reduced the morale of the railroads quite as much, if not more, than it did private industry. That it was necessary for the Government to take over and operate the railroads, I have no doubt. The entire activities of the country were organized into one great war machine. The problem was to hurry up the manufacture and transportation of war supplies for the boys who were on their way to the front to fight the battles of democracy and world freedom.

As a result of Government control, notwithstanding the increases in traffic rates, the railroads were left with a known and conceded deficit of over \$1,200,000,000, part of which has been and all of which must be paid out of the Public Treasury. This does not include most of the claims for depreciation. Many have been filed, and if the claims of the railroads which are not yet filed shall be proportionately as large as those already filed, the total of unliquidated claims will amount to between \$1,500,000,000 and \$2,000,000,000 additional. Of course, it would be but a wild guess to state what part of this amount must ultimately be paid. Enough is known, however, to make us realize that it will be no inconsiderable sum.

"It must be borne in mind that during the period of Government operation the Government fixed both the expenditures and the rates of traffic upon which the railroads were dependent for their receipts. That very substantial increases in wages were necessary all fair-minded men will admit. That increases in traffic rates were necessary, too, must also be conceded. Sound business judgment would have suggested that traffic rates should have been increased in anticipation of the increased scale of wages. Instead, the director general increased the wages and dated them back to the 1st of January, 1918, but the traffic rates were not increased until July 1, so that there were 12 months' increase in expenditures and only 6 months' increase in income.

"Time will not permit going into details. Suffice it to say that the Government itself is largely to blame for present conditions, and not the railroad executives, even if the present management may be guilty of shortcomings.

"According to the best estimate of the Interstate Commerce Commission the investment value of the railroads as determined for rate making was fixed at \$19,200,000,000. In determining the rental value to be paid the railroads the average earnings

for the years 1915, 1916, and 1917 were used as a standard of return. This average amounted to 5.24 per cent. The guaranty period was extended from March 1, 1920, the day on which private control was resumed, until September 1, 1920, for the very reason that the scale of wages was likewise continued and most of the expenditures for equipment and supplies had already been incurred under Government control.

"In the transportation act, approved February 28, 1920, the Congress of the United States sought to stabilize the finances of the railroads by laying down a rule for rate making. It provides for a 'fair return' on the railroad property, and during the two years beginning March 1, 1920, and ending March 1, 1922, Congress directed the commission to take as such 'fair return' a sum equal to 5½ per cent of the aggregate value of the railroads, but in its discretion the commission might add thereto one-half of 1 per cent of such value to provide for improvements, betterments, and equipment. It could not, however, under any circumstances be distributed as net earnings among the stockholders.

"Critics of the transportation act charge that the present high traffic rates are due to this provision. I can say to you that the Interstate Commerce Commission raised the rates last year because increased expenses, largely due to the advance in wages, required it, and without any regard whatsoever to the rate of return fixed in the transportation act. I have no doubt that the same rates would have been fixed under the old law if the rule of rate making had not been changed.

#### "FINANCIAL CONDITION OF RAILROADS VISUALIZED.

"Railroads, like every other industrial activity, have felt the effect of economic conditions, both in the volume of their traffic and in their financial returns. In weighing this subject remember that the average earnings of the railroads on the book investment for the years 1910 to 1916 was only 4.94 per cent. I have told you that the average earnings during the test period of three years was 5.24 per cent, but during the calendar year 1920 the entire net earnings of all the railroads of the country were only \$61,926,626 available for interest on bonds and dividends on stock, or less than three-tenths of 1 per cent. For the first year after their return by the Government, from March 1, 1920, to March 1, 1921, the net earnings of the railroads were less than three millions of dollars, or about one-twentieth of three-tenths of 1 per cent. It will be remembered that during most of this time wages and other expenses were at their peak.

"Let me see if I can visualize to you the financial condition of the railroads in another way. The total hours of duty of all employees in 1920 were only 7.68 per cent larger than in 1916, but the total wages paid in 1920 was 151.82 per cent greater than in 1916. The revenues received in 1920 over 1916 were 71.58 per cent greater, but the total expenditures increased 141.71 per cent.

"Or, let me state it in another form: The total operating revenue of 1916 was \$3,596,865,766. The net operating income for that year applicable for interest, dividends, and other corporation charges was \$1,040,084,517, the best recent year in the history of railroading.

"The total increase in revenue in 1920 over 1916, due both to increased traffic and increased rates and charges, aggregated \$2,574,627,535. But total wages increased \$2,229,639,957. The cost of fuel increased \$729,452,416. The total increase in expenses was \$3,411,321,601, or an increase in expenses in 1920 over 1916 in excess of increase in revenues of \$836,694,066. From this amount must be deducted the increase in taxes, hire of equipment, rent, etc., \$141,461,825, leaving the net operating income in 1920 available for interest and other corporate purposes, as I have heretofore stated, \$61,928,626, as compared with that earned in 1916 of \$1,040,840,517.

"How absurd, therefore, for anyone to attempt to say to the public that the present high traffic rates are due to the alleged guaranty in the transportation act. In truth there is no guaranty. Congress simply provided for a rule of rate making, which the Interstate Commerce Commission was instructed to have before it for the period of two years ending March 1, 1922, and this term will expire in seven and one-half months. And even if the railroads would have earned 5½ per cent on the total investment, who would say this is excessive in view of the fact that the Government of the United States is now obliged to pay 5½ per cent interest for short-time loans to take care of our floating indebtedness?"

"Or let me put the railroad problem up to you in still another form.

"The ratio of operating expenses to operating revenues for the year ending December 31, 1916, was 65.64 per cent; for the year ending December 31, 1917, 70.48 per cent. At the suggestion of Senator CUMMINS the figures were readjusted so as to make the year end with February. Thus readjusted, for the year 1918 the ratio of operating expenses to operating revenues

was 73 per cent; for 1919, 82 per cent; for 1920, 85 per cent; and for 1921, 94 per cent.

"I hope my discussion thus far has demonstrated the necessity for readjustment in every branch of our economic activities. I mean to apply this to every individual and to every class.

"CAPITAL AND LABOR.

"We are prone to divide human activities into two classes, capital and labor. In one sense—a very general sense—this is correct, but it leads to confusion of thought.

"I think we will all be better able to understand the economics of the present industrial crisis if we forget that distinction and remember that in another sense we are all capitalists, and in still another sense we are all laborers.

"The man who has saved some money organizes a bank, puts his money into it, and invites his neighbors and friends to deposit their savings with him so that they may be loaned out to another member of the community, who has a little manufacturing plant; surely he is laboring. And the manufacturer who borrows that money so that he can buy and assemble his raw material in order to fill the orders he has solicited, surely he is laboring just as certainly as the man in the shop who strikes his anvil with his hammer or rips the board with his saw. They are all laborers earning their bread by the sweat of their brow.

"But on the other hand and in another sense they are all capitalists, too. The skilled hands, the strong muscles, and the clear head of the workman form his capital, and when he contracts to use them in a shop he is contributing his capital to the enterprise just as surely as is the man who owns the plant, buys the raw material, and sells the finished product. And, again, this manufacturer with his investment is just as much a capitalist as is the banker who loans the money for the conduct of the business.

"War creates an abnormal condition. Labor and capital are both diverted from their usual routine. Their activities in war for the most part are of little value in time of peace. After the war comes readjustment for peace conditions. The unity of purpose which existed during the war is now dissipated. Each man and woman seeks to return to normal activities. It takes time for readjustment. All recognize the necessity of it. The basic trouble is few are willing to take the lead. Patriotic duty requires that every man and woman shall lend themselves to a proper readjustment with the same patriotic purpose which inspired their activities in time of war against the common enemy. Capital and labor, employer and employee, must remember that they are a part of the whole. They must not be antagonistic. They must do teamwork. Any man who in the name of capital or in the name of labor seeks to create an antagonism between the two is not the friend of either but the foe of both.

"Fundamentally, our country is as solid as the rock of Gibraltar. Our troubles are subjective rather than objective. They are from within ourselves rather than from without. A little common counsel will bring us together.

"We have gone through the biggest war of all civilization. We won the struggle not solely for our country but for humanity. As unitedly we won the war, so unitedly must we win the peace. As all stood shoulder to shoulder then, so must we stand shoulder to shoulder now. As every man made sacrifices then, so must he make sacrifices now. As no man had his way then, so no man shall have his way now. As no class ruled then, so no class shall rule now. Men who have studied the psychology of our country know without my telling them that no autocrat, whether he is of the capital, labor, or any other class, can rule for any length of time in this country. He may for a time gain temporary control, but it will be only temporary. He even will be rejected by his own class. The vast majority of all classes are fairminded. Their instincts are just. Some may for a time make exactions to which they are not entitled, but their purpose will be fathomed and their rule will be ended.

PRICE READJUSTMENT MUST COME.

"Let these facts be borne in mind, and we will have little difficulty in solving present problems. What is needed now more than anything else is a reasonable readjustment of prices. This applies to every man who has anything to sell, whether it is product or labor.

"I realize very fully that the readjustment of wages so as not to do an injustice must be made with great care. This for the very good reason that ordinarily when there is an advance in the cost of living wages unfortunately are advanced last. Justice requires that with the advancing cost of living, wages ought to advance first, but in the case of falling prices wages should be the last to fall. Nevertheless, they must rise and they must fall in proper proportion as the cost of living rises and falls.

And in whatever observations I may have made on this subject, it is with this thought, thus expressed, always in mind.

"During the war we were in a rising market. There was more of demand than there was of supply, and in the rising markets the seller's demands are limited only by his desires. Not so in a falling market. War prices can not obtain in peace any more than peace prices can obtain in war. There is only one way to keep up with high prices, and that is to bring on another war. Who wants that?

"Readjustment of prices is the first step to be taken in making the return to normal activity. This means, not that I must adjust my prices, or that you must adjust your prices. It means you and I must adjust our prices. This applies to every individual and to every class; and when this readjustment comes, prosperity will be here. Products which are made out of high-priced material and high-priced labor must be sacrificed, if not to-day, then to-morrow. Procrastination in price cutting now is the thief of our prosperity. The public will not continue to buy goods at war prices. They would not if they could. They could not if they would. It is better for the merchant—and for the community—to sell his high-priced merchandise at a small profit, or at no profit, than to keep it in his store until it is shelf worn, at a high profit on his stock books, without being able to sell it. It is better for him to have many sales at small margins than no sales at high book margins.

"The same principle applies to labor. It is better for the laboring man that he have work 300 days in a year at a reasonable wage than to have work part time each year at an extravagantly high wage. To the laborer no work at high wages means starvation for him and his family. Work at reasonable wages means comfort and happiness to him and his household. Intelligent men know these facts. Honest men admit them.

"To-day the one obstructor in the way of prosperity is he who is unreasonably keeping up high prices, whether it be of product or of labor, and the man who continues to preach against reasonable reductions in the prices of either is the worst enemy that labor or the country has.

"No man ever heard me say aught against a just wage. I believe not only in a fair wage, but in a good wage. I want our labor to continue to be the best-paid labor in the world. I love to see the workers' families well clothed, well fed, well housed, well educated.

"I have always felt, and I feel now, that the average man, whether he be of one class or another, wants to be just. I can not believe that as a citizen of this country he is going to allow his duty to it to be controlled by a selfish spirit.

"On the other hand, no employer is justified in taking advantage of labor's necessities in order to dictate to him the amount of his stipend. Wages should be determined by a reasonable adjustment between reasonable men, not by unreasonable exactions on one side or the other. No man and no set of men ought to be at the mercy of any other man or any other set of men. And neither shall the unorganized public be at the mercy, either of capital or of labor. The public wants, and I want, every man and every class of men to have their due. More than that no man or any class of men has any right to expect, and they can not have more than their due unless it is at the expense of the public.

"Less of arbitrariness and more of justice will bring the country to the right goal. I know this is what honest labor and honest capital want. It is what the reasonable employee and the reasonable employer want, and those who are unreasonable enough to want anything else will be run over by those who are reasonable. If during the coming winter there shall be suffering in this country, it will be the unreasonable employer and the unreasonable labor leader who will be responsible for it.

"I am not referring to present conditions in a faultfinding way. I know that during the period of the war the morale of the country was so disturbed that no one man or any one class of men was responsible for the conditions. All must accept their responsibility. It is one of the misfortunes that must be charged to war. I am referring to conditions with the hope I may help all classes to see conditions as they are and in order that we all may determine what should be done under present conditions.

"As I have stood in the past for reasonable increases in wages in order that justice should be done to those who were underpaid, so I feel it my duty to them, as well as to the public, when I am convinced that present high prices are retarding the industry of the country, to plead in the name of the whole country for reasonable and only for reasonable readjustments. The sooner they come the sooner the whole country will return to its activi-



ties with a smile, and the sun of prosperity will begin to shine again.

"Everyone admits that during the war there was an undue inflation of prices, but that was not all. There was an undue inflation of ideas also. The individual thinks in hundreds. He used to think in tens. The Nation as a whole thinks in billions. It used to think in millions. The Government at Washington used to be shocked when our appropriations reached \$1,000,000,000. Now the Federal Government is operating at an annual expense of \$5,000,000,000. What is the trouble?"

"Some weeks ago in order to help my study of our economic problems I sent out a questionnaire to the chambers of commerce and to the central labor organizations in every city of Ohio having a population of 10,000 and over, as well as to some others. I inquired among other things about industrial conditions, the state of unemployment, and the causes therefor. I received many answers. They were all helpful. One man in his answer gave the cause more tersely and more forcefully than all the rest. He said the explanation of present conditions is 'the country is just getting over a big drunk.' I am afraid he told the truth. Whether we are of the employer or the employee class, whether we belong to the idle rich or to those who are objects of charity, let us all take a strong cup of coffee, sober up, and work and save. It will clear our vision. It will help solve the problems that confront us. They will not be half so big as they now seem if we all accept a give-and-take policy in the spirit of the Golden Rule."

Let us readjust; work and have faith.

#### PETITIONS AND MEMORIALS.

Mr. CUMMINS presented a communication from Edwin S. Bettelheim, jr., chairman national legislative committee, Veterans of Foreign Wars of the United States, which was ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL LEGISLATIVE COMMITTEE,  
VETERANS OF FOREIGN WARS OF THE UNITED STATES,  
Washington, D. C., July 14, 1921.

VICE PRESIDENT OF THE UNITED STATES,  
United States Senate, Washington, D. C.

SIR: It is respectfully urged that the following telegram, received from the commander in chief of the Veterans of Foreign Wars of the United States, be brought to the attention of the Senate and placed on record for the Senate's information and guidance:

PITTSBURGH, PA., July 14, 1921.

Capt. EDWIN S. BETTELHEIM, JR.,  
319 Metropolitan Bank Building, Washington, D. C.:

Serve notice on Senate that a vote to recommit will be considered by us as a vote against the adjusted compensation bill.

R. G. WOODSIDE,  
Commander in Chief Veterans of Foreign Wars of United States.

This telegram is the result of an executive meeting representative of the ex-service men, especially those who saw duty in France, throughout the country.

Trusting that the matter be given kind and due consideration,  
Sincerely, yours,

EDWIN S. BETTELHEIM, JR.,  
Chairman.

Mr. MOSES presented a memorandum in the nature of a memorial of sundry citizens and organizations of citizens of Ukrainian ancestry, of Manchester, N. H., remonstrating against alleged Polish atrocities and persecutions in East Galicia and praying that the United States appoint a special commission to investigate conditions in East Galicia, and also that the United States, as one of the sovereigns of East Galicia, demand that the Poles evacuate East Galicia without delay, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a memorial of sundry members of the medical profession of Boston, Mass., and vicinity, remonstrating against the enactment of legislation supplemental to the national prohibition act, and also remonstrating against present onerous Federal restrictions on the manufacture, prescription, and sale of alcoholic beverages for medicinal purposes, and stating that in their opinion beer and wine have valuable medicinal qualities, etc., which was ordered to lie on the table.

Mr. CAPPER presented a resolution of the Women's Auxiliary, American Legion, of Russell, Kans., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

Mr. GERRY presented a memorandum in the nature of a memorial of sundry citizens and organizations of citizens of Ukrainian ancestry of Woonsocket, R. I., remonstrating against alleged Polish atrocities and persecutions in East Galicia, and praying that the United States appoint a special commission to investigate conditions in East Galicia, and also that the United States, as one of the sovereigns of East Galicia, demand that the Poles evacuate East Galicia without delay, which was referred to the Committee on Foreign Relations.

Mr. HARRIS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the

legislature of my State in regard to legislation now pending before the Senate.

The resolutions were ordered to be printed in the RECORD and referred as indicated:

To the Committee on Irrigation and Reclamation—

A resolution.

Whereas one of the greatest needs for the development of Georgia is the reclamation of its swamp and low lands and the irrigation of the arid or semiarid lands; and

Whereas the immense cost of such a proposition is a heavier burden than the State can assume without Federal aid and cooperation; and Whereas the reclamation of the waste lands of the State would mean the addition of hundreds of thousands of dollars of taxable property, and would materially increase the value of the holdings of every landowner in the State, and would mean the practical elimination of malaria and swamp fevers now prevalent in some sections of the State; and

Whereas there are now three bills pending before the Congress of the United States providing for Federal aid and cooperation with the States in the reclamation of swamp and waste lands; in the irrigation of said lands, and in the reforestation of cut-over lands, being House bills Nos. 3726, 6048, and 119: Therefore be it

Resolved by the house (the senate concurring), That the Congress of the United States be requested and urged to pass said bills at the earliest practical moment and that the Senators and Congressmen from Georgia be requested to lend their efforts in securing their passage: Be it further

Resolved, That a copy of this resolution be sent to each of the Senators and Congressmen from this State.

To the Committee on Banking and Currency—

A resolution.

Whereas the agricultural interests of the United States are facing bankruptcy on account of the scarcity of credits; and

Whereas it is of the utmost importance to the whole people of the United States who depend upon the farm for food and raiment that the farmers continue to produce, which is impossible unless financial aid is granted; and

Whereas the Federal farm loan act was enacted for the purpose of affording financial credit to the farming interests of the United States; and

Whereas Hon. GORDON LEE, Member of Congress from Georgia, has introduced a bill to authorize the Secretary of the Treasury to loan to the Federal Farm Loan Board the sum of \$200,000,000 to aid the farmer: Now, therefore, be it

Resolved, That the General Assembly of Georgia hereby urges the passage of the said bill and requests the Members of Congress from Georgia to support the said bill: be it further

Resolved, That a copy of these resolutions be sent to the Hon. GORDON LEE, Member of Congress, at Washington, D. C.

#### REPORTS OF COMMITTEES.

Mr. WARREN, from the Committee on Appropriations, to which was referred the resolution (S. Res. 109) to provide for payment of expenses of Joint Committee on the Reorganization of the Administrative Branch of the Government out of the contingent fund, reported it without amendment.

Mr. JONES of Washington, from the Committee on Commerce, to which was referred the bill (H. R. 1269) to make a preliminary survey of the Calaveras River in California with a view to the control of its floods, reported it without amendment and submitted a report (No. 227) thereon.

#### AMENDMENT TO NATIONAL PROHIBITION ACT.

Mr. WADSWORTH submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

#### AMENDMENT TO TARIFF BILL.

Mr. MOSES submitted an amendment intended to be proposed by him to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

#### RECLASSIFICATION OF POSTAL EMPLOYEES—CONFERENCE REPORT.

Mr. MOSES. Mr. President, I ask that the Senate proceed to the consideration of the conference report on the bill H. R. 6573, an act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

The VICE PRESIDENT. The Secretary will read the report. The Assistant Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

GEO. H. MOSES,  
THOMAS STERLING,  
KENNETH MCKELLAR,  
*Managers on the part of the Senate.*

H. STEENERSON,  
W. W. GRIEST,  
THOS. M. BELL,  
*Managers on the part of the House.*

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. NORRIS. Mr. President, has the conference report been printed in the RECORD?

The VICE PRESIDENT. It is in the RECORD.

Mr. NORRIS. Has the report been acted on by the House?

Mr. MOSES. It has.

The VICE PRESIDENT. It has been acted on by the House of Representatives.

Mr. NORRIS. I would like to inquire of the Senator from New Hampshire what amendment numbered 1 is?

Mr. MOSES. Amendment numbered 1 is the amendment offered by the Senator from Tennessee [Mr. MCKELLAR] with reference to restoring to the classification and former pay the postal cashiers and money-order cashiers.

Mr. NORRIS. Was that the amendment which it was claimed would result in including under the bill a large number of employees and increasing the expense?

Mr. MOSES. Yes; it is the item which the Senator from Georgia [Mr. WATSON] insisted would increase the expense \$600,000 a year.

Mr. NORRIS. That has been eliminated?

Mr. MOSES. It has been eliminated.

Mr. NORRIS. What is amendment numbered 2?

Mr. MOSES. Amendment numbered 2 is one including the laborers with clerks to receive the compensation for overtime work performed between June 5, 1920, and July 1, 1920.

Mr. NORRIS. That was a Senate amendment?

Mr. MOSES. It was a Senate amendment.

Mr. NORRIS. The effect of the Senate amendment was to include laborers as well as clerks?

Mr. MOSES. Yes.

Mr. NORRIS. The House has agreed to that?

Mr. MOSES. It has.

Mr. NORRIS. What is amendment numbered 3, which is still in disagreement?

Mr. MOSES. Amendment numbered 3, Mr. President, was an amendment to authorize the representation of this Government at the International Postal Conference, which opens in Buenos Aires on the 10th of August. It comprises a bill which had been passed previously by the Senate unanimously, but had not been acted on by the House, and in order to get action upon it it was put on as an amendment, a practice with which the Senator is thoroughly familiar.

Mr. NORRIS. That was a Senate amendment?

Mr. MOSES. It was a Senate amendment.

Mr. NORRIS. It provides that there shall be appointed by the Government of the United States delegates to this international conference?

Mr. MOSES. Two delegates.

Mr. NORRIS. Does the Senator know the objection made by the House?

Mr. MOSES. It was because of the rules of the House. But the House has now concurred in that amendment.

Mr. NORRIS. Then, it is not in disagreement?

Mr. MOSES. It is not now, because the House, by a separate action, has announced its concurrence.

Mr. NORRIS. The President will not be able to appoint all the conferees as delegates to this conference.

Mr. MOSES. If he appointed one of the conferees he will decline the honor, I will say to the Senator.

Mr. NORRIS. So I understood, and I was wondering, if that had not been passed upon, if we ought not to increase the number in order to provide a place for each one of the conferees.

Mr. MOSES. I know nothing as to that.

Mr. NORRIS. If this report is agreed to, the legislation will be completed?

Mr. MOSES. It will.

Mr. NORRIS. Have we received official notice from the House that they have receded on amendment numbered 3?

Mr. MOSES. We have. The House have now concurred in that amendment.

The VICE PRESIDENT. The question now is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT. The action of the House on amendment numbered 3 will be read.

The Assistant Secretary read as follows:

CONGRESS OF THE UNITED STATES,  
IN THE HOUSE OF REPRESENTATIVES,  
July 15, 1921.

*Resolved*, That the House recedes from its disagreement to the amendment of the Senate numbered 3 to the bill (H. R. 6573) entitled "An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes," and concurs therein.

#### ADJUSTMENT OF FOREIGN LOANS.

Mr. GLASS. Mr. President, if the Senator will yield to me just for a moment to make a statement which I did not feel at liberty to make at a more opportune time, there have been several references made in the Senate to the attitude of the previous administration upon the question of forgiving foreign indebtedness, and the Senator from Massachusetts [Mr. LODGE] made a brief statement to the effect that he thought the former President of the United States and a former Secretary of the Treasury opposed that.

Mr. LODGE. What I said was that Secretary Houston I knew had opposed it, and I thought it was on the direction of the President.

Mr. GLASS. I happen to know that the letter of Secretary Houston was submitted to the President before it was sent.

I will detain the Senate only a moment to read a cablegram which was sent from Paris December 23, 1918, by President Wilson to me, as Secretary of the Treasury, in response to a cable from me protesting against this talk of forgiving the foreign indebtedness. The President's cablegram reads:

I am trying to keep a close watch on the verdicts, plans, and maneuvers about the loans to which you refer and shall continue to do so with the distinct determination that none of the things to which you refer shall be accomplished. I am confident it will be possible to prevent them. Many such things have once or twice to be exposed to be disposed of. There can be no proper basis for a discussion of our foreign loans in connection with the peace conference.

WOODROW WILSON.

I desire to read also a cable that was sent to the finance minister of a foreign nation under date of March 8, 1919, by me, as follows:

I have to state most emphatically that the Treasury, which, as you are aware, is clothed by the Congress with full authority to deal with foreign loans which it has made, will not assent to any discussion at the peace conference, or elsewhere, of any plan or arrangement for the release, consolidation, or reapportionment of the obligations of foreign Governments held by the United States. You will appreciate also that the Treasury can not contemplate continuance of advances to any allied Government which is lending its support to any plan which would create uncertainty as to its due repayment of advances made to it by the United States Treasury. I should be obliged if you would communicate to your Government the views of the Treasury as expressed above.

CARTER GLASS.

Mr. President, I wanted these to appear in order to complete the record as showing that both the President of the United States, under the former administration, and the Secretary of the Treasury, as early as 1918, opposed any such adjustment of the indebtedness of foreign Governments as has been suggested.

#### ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. McCUMBER. Mr. President, I would not take a moment's time at this late hour were it not that I think there should be a little correction made in a statement in the RECORD, and that it should be made to-day, inasmuch as we shall not meet to-morrow. The Senator from Arkansas [Mr. ROBINSON] I know will not prolong the debate if I ask for a correction of one statement that I understood he made, namely, that after the Secretary and the President had been here I had lost interest in the matter of the soldiers' bill.

I think it was the very next day after the Secretary sent in his letter that I spoke about two hours and a quarter, presenting every argument I knew against the theory taken by the Secretary of the Treasury in reference to the dangers that would follow. I want to say that I was not consulted by those Senators who took the matter up with the President, as my views were well known, and perhaps consultation with me would not have served any useful purpose.

But, Mr. President, knowing that the bill would be recommended, for it was known several days ago, through a poll of the Senate, I thought many queries would come to me, as I had charge of the bill before, as to what I purposed to do now, and also as to what I thought the prospects of the final passage of the bill would be, and I felt it incumbent upon me at this time to make that statement, and I proceeded to make it, little



expecting that there would be objection on the part of any Senator because of the time taken when it was made.

I simply wanted to make this statement in order that my own attitude might not be misunderstood.

Mr. ROBINSON. Mr. President, I have no disposition to define the attitude of the Senator from North Dakota. He has always been able, and is still able, to define his own attitude. I recall that subsequent to the delivery of the message of the President he did deliver a lengthy address in support of the bill. I do think, however, that the statement which the Senator made to-day, following the defeat of the bill, would have accomplished more good, if it could have accomplished any good at any time, if it had been made before the bill was recommitted to the committee.

Mr. McCUMBER. I think, Mr. President, if I had said before that a recommittal would not injure it, there would have been more votes to recommit.

ADJOURNMENT TO MONDAY.

Mr. LODGE. I move that the Senate adjourn until Monday next at 12 o'clock.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate adjourned until Monday, July 18, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, July 15, 1921.

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

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious God, through Thy loving providence Thou hast given unto us the opportunity of another day. Grant that our bodies may be strong, our hearts brave, and our pleasures unclouded. May our daily walk be simple and sincere, free from useless discontent, idle fears, and foolish doubts. We thank Thee for a share in common life, common joy, common labor, common burdens, and even for a portion in common pain, for in all of these we shall find a compensation that shall make us rich, indeed. Through Jesus Christ our Lord. Amen.

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

RECLASSIFICATION OF POSTMASTERS—CONFERENCE REPORT.

Mr. STEENERSON. Mr. Speaker, I call up the conference report upon the bill H. R. 6573, to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Minnesota calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

The conferees have not agreed to the amendment of the Senate numbered 3.

H. STEENERSON,  
W. W. GRIEST,  
THOS. M. BELL,

*Managers on the part of the House.*

GEO. H. MOSES,  
THOMAS S. STEERLING,  
KENNETH MCKELLAR,

*Managers on the part of the Senate.*

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other

purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report as to each of said amendments:

On amendment No. 1: Added a proviso at the end of section 2 of the bill to restore money order and postal cashiers at offices of the first class having receipts of \$500,000 or less per annum and pay them the minimum salaries provided for such positions. The Senate recedes.

On amendment No. 2: Simply adds laborers to clerks and carriers, so as to include all cases intended to be provided for. The House recedes.

On amendment No. 3: Carries an appropriation of \$5,000 to pay the expenses of two delegates to the Pan American Postal Congress, to be held at Buenos Aires, Argentina, beginning August 10, 1921. On this amendment the managers were unable to agree because of clause 2 of House Rule XX.

H. STEENERSON,  
W. W. GRIEST,  
THOS. M. BELL,

*Managers on the part of the House.*

Mr. STEENERSON. Mr. Speaker, I move the adoption of the conference report.

The motion was agreed to.

Mr. STEENERSON. Mr. Speaker, I move to recede and concur in Senate amendment No. 3.

The SPEAKER. The gentleman from Minnesota moves to recede and concur in Senate amendment No. 3, which the Clerk will report.

The Clerk read as follows:

Senate amendment 3.

Page 4, after line 6, insert:

"Sec. 10. That the Postmaster General be, and he hereby is, authorized to appoint two delegates to the Pan American Postal Congress, Buenos Aires, Argentina, beginning August 10, 1921, and for the purpose of paying the expenses of such delegates the sum of \$5,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in the discretion of the Postmaster General and to be accounted for on his certificate, which certificate shall be conclusive on the accounting officers of the United States."

The SPEAKER. The question is on the motion of the gentleman from Minnesota to recede and concur.

The motion was agreed to.

On motion of Mr. STEENERSON, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

REPRINT OF TARIFF BILL.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent to have 500 copies of the tariff bill, H. R. 7456, printed for the use of the House.

The SPEAKER. The gentleman from Michigan asks unanimous consent that 500 additional copies of the tariff bill be printed for the use of the House. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I call the gentleman's attention to the fact that this bill contains 346 printed pages; that there are just five small items in all this whole bill that the Committee on Rules, our masters, permits us to consider. Why not ask unanimous consent to have merely those five items printed, and thus save the immense expense of printing 500 of this 346-page bill?

Mr. FORDNEY. I shall do nothing of the kind. The gentleman may object, if he desires.

Mr. BLANTON. Then, Mr. Speaker, I object.

Mr. FORDNEY. The Members of the House will be deprived of the opportunity to have the bill before them when it is being read for amendment because of the gentleman's objection.

Mr. MANN. Mr. Speaker, will not the gentleman from Texas reserve his objection for a moment?

Mr. BLANTON. Certainly.

Mr. MANN. The rule under which we are considering the bill authorizes the Committee on Ways and Means to offer an amendment at any part of the bill. As far as I am concerned, I have a copy of the bill in my office, but if an amendment be offered by the Committee on Ways and Means—

Mr. GREEN of Iowa. And there will be a great many of them.

Mr. MANN. Members will want to have the bill before them so that they may know what they are voting on.

Mr. BLANTON. While the leaders of the great Ways and Means Committee have that privilege, yet the distinguished gentleman from Illinois [Mr. MANN], who is not only the best-posted man in the House but the best-posted man in the Nation, has not that privilege, and he can not offer a single amendment, and none of the balance of the 400 Congressmen not on that committee can offer amendments.

Mr. MANN. That is true; but when an amendment is offered by the committee I shall be called upon to vote on it, and I shall