

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS FIRST SESSION.

SENATE.

MONDAY, July 25, 1921.

(Legislative day of Friday, July 22, 1921.)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. 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	Harrison	Moses	Simmons
Ball	Heflin	Nelson	Smith
Borah	Johnson	New	Smoot
Brandegee	Jones, Wash.	Nicholson	Spencer
Broussard	Kellogg	Norbeck	Stanfield
Bursum	Kendrick	Norris	Sterling
Capper	Kenyon	Oddie	Townsend
Caraway	King	Overman	Trammell
Culberson	Ladd	Phipps	Underwood
Curtis	La Follette	Pittman	Wadsworth
Dial	Lenroot	Poindexter	Walsh, Mass.
Edge	McCormick	Pomerene	Walsh, Mont.
Ernst	McCumber	Randsell	Warren
Fernald	McKellar	Reed	Watson, Ga.
Fletcher	McKinley	Robinson	Williams
Harrell	McLean	Sheppard	Willis
Harris	McNary	Shortridge	

Mr. McCUMBER. I wish to announce that the Senator from Pennsylvania [Mr. PENROSE] is engaged in a hearing before the Committee on Finance.

Mr. CURTIS. I desire to announce the absence of the Senator from New Hampshire [Mr. KEYES] on account of illness.

I am also requested to announce the absence of the Senator from West Virginia [Mr. SUTHERLAND] on account of a death in his family.

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented the memorial of L. J. Nelson and sundry other citizens of Mount Vernon, Ohio, remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. CAPPER presented a resolution adopted by the Benjamin Franklin Association for the Recognition of the Irish Republic, of Topeka, Kans., favoring the passage of the so-called La Follette and Norris resolutions relative to Ireland, which was referred to the Committee on Foreign Relations.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

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

By Mr. WADSWORTH:

A bill (S. 2299) to incorporate the Women's Overseas Service League; to the Committee on the Judiciary.

By Mr. BALL:

A bill (S. 2300) to provide for the examination of persons brought before the Juvenile Court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. REED:

A bill (S. 2301) granting the consent of Congress to Old Trail's Bridge Co. to construct a bridge across the Missouri River; to the Committee on Commerce.

By Mr. EDGE:

A joint resolution (S. J. Res. 88) granting consent of Congress to an agreement or compact entered into between the State of New York and the State of New Jersey for the creation of the port of New York district and the establishment of the port of New York authority for the comprehensive development of the port of New York; to the Committee on the Judiciary.

By Mr. LADD:

A joint resolution (S. J. Res. 89) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

DECLARATIONS AND ACTS OF WAR.

Mr. LADD submitted the following resolution (S. Res. 116), which was referred to the Committee on the Judiciary:

Whereas there is no question touching the life and welfare of the people of the United States of such importance as the making of peaceful relations with other Governments; and

Whereas the right of the people to a voice in the settlement of all questions of even less importance is asserted in the Declaration of Independence and guaranteed by the Constitution: Therefore be it

Resolved, That it is the sense of the Senate that no declaration of war by Congress and no act of war by the executive branch of the Government of the United States shall be taken except to suppress insurrection or repel invasion, as provided for by the Constitution of the United States, until the question at issue shall be submitted to a referendum of the voters of the United States.

THE SHIPPING BOARD.

Mr. LA FOLLETTE. Mr. President, I ascertain upon inquiry this morning that in so far as the Senator from Nebraska [Mr. NORRIS] is advised no one is prepared to speak upon the pending bill. I therefore avail myself of the opportunity, under the practices of the Senate, to address the Senate upon a resolution which I introduced some time ago. I ask the Secretary to read the resolution which I offered regarding the Shipping Board.

The VICE PRESIDENT. The Secretary will read as requested.

The reading clerk read the resolution (S. Res. 113), submitted by Mr. LA FOLLETTE on the 19th instant, as follows:

Whereas a controversy has existed since May 1 last, and still exists, between the United States Shipping Board and the men employed upon its ships and between the men and the private owners of American ships, whereby hundreds of ships, including those owned by the Government and those privately owned, and many thousands of men have been made idle; and

Whereas the loss to the owners of the ships as a result of the controversy has amounted to many millions of dollars, and the loss to the men in wages alone has amounted to several million dollars monthly; and

Whereas it is reported that as a result of this controversy large numbers of American seamen are leaving the sea to follow other pursuits, thus threatening the success of the program for the upbuilding and maintenance of an American merchant marine upon which billions of dollars of the people's money have already been expended; and

Whereas the people of this country, who are the real owners of the ships controlled by the United States Shipping Board, have the right to know fully all the facts respecting this controversy; and

Whereas the settlements recently made of strikes and controversies between seamen and ship owners and operators in Great Britain and other countries have released the full maritime resources of those countries to compete with the disorganized merchant marine of this country; and

Whereas the continued disorganization of our merchant marine must result in closing foreign markets to our agricultural and other products, except as they may be carried in foreign ships upon terms dictated by foreign rivals, and presents a situation which menaces the interests of all classes of our people; and

Whereas grave charges against the integrity and efficiency of the management by the Shipping Board of the public business and property committed to its care have been made in the press and in the public debate in the United States Senate; and

Whereas it has been charged in the press and on the authority of responsible men and organizations that in the present controversy the Shipping Board has used its great power in a manner inimical to the men and hostile to organized labor: Now, therefore, be it

Resolved, That the Senate Committee on Commerce, or any subcommittee thereof to be appointed by it, is hereby authorized and directed to make a thorough and complete investigation into the controversy above mentioned and the causes thereof, and into the questions of wages and working conditions involved in said controversy, and into the claims and contentions of the respective parties to said controversy and the merits thereof, and into the conditions existing in the maritime service of this country on both publicly and privately owned ships; and that said committee thoroughly investigate the methods and practices of said Shipping Board, including its attitude toward marine workers and their organizations, and the agreements, understandings, and relations, if any exist, between the shipowners or operators in the United States, including said Shipping Board, and all associations of shipowners among themselves and with the ship owners or operators or associations thereof in other countries, and any control or attempt to control the shipping interests or business of this country, or any portion thereof, or the regulation thereof, by any

foreign interests, concerns, or influences whatsoever, and to report its findings and conclusions thereon to the Senate with all convenient speed.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpoenas or otherwise, and to require the production of books, papers, and documents, and to employ counsel and other assistance and stenographers at a cost not exceeding \$1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses, sign subpoenas for witnesses; and every person duly summoned as a witness before said committee, or any subcommittee thereof, who fails or refuses to obey the process of said committee or appears and refuses to answer questions pertinent to said investigation shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. LA FOLLETTE. Mr. President, some weeks ago I introduced a resolution somewhat similar to that which has been read, but I did not press it for consideration at that time because about the time the resolution was introduced the new Shipping Board was appointed. I subsequently withdrew the original resolution and introduced a resolution in a somewhat modified form which has just been read by the Secretary.

The resolution provides for an investigation of certain practices of the Shipping Board and of the controversy which has existed since May 1 last between the marine workers and the various owners and operators of American ships, including the Government-owned ships under the control of the Shipping Board.

About the time of the introduction of the first resolution the personnel of the Shipping Board underwent a complete change with the exception of one member. I have waited during the several weeks since to learn whether the plans and policies of the new board promised a solution of the labor controversy and indicated an abandonment of those practices of the old board which I think should be justly condemned.

The present board has shown that so far as its labor policy is concerned it is apparently identical with that of its predecessor, and if its purpose is to change any of the deplorable practices of the old board such purpose has not manifested itself in action so far as I have learned.

I have, of course, no purpose to embarrass the present board by the resolution for an investigation which I have offered; nor in anything that I may say upon this subject is it my purpose to throw any obstacle in the way of any reforms in the practices of the predecessor of the present organized Shipping Board. It must not be assumed, it can not rightfully be assumed, that an investigation such as I propose is in any way hostile to the Shipping Board or its plans or purposes. On the contrary, it should be distinctly helpful to it.

Here is a board of seven men not one of whom, so far as I am aware, ever had any experience in the management or operation of ships or in the business of marine shipping until appointed to his present position. Yet these men are made responsible for the operation of something like 1,400 Government ships, and the disposal of hundreds of others. They are to supervise the construction of ships contracted for, open trade routes, establish trade agencies throughout the world, and generally to build up our maritime commerce.

Of the operation of these ships Admiral Benson said on April 27, last:

We are losing money every day, practically on every ship that we are sailing. We have, as you know, at least 50 per cent of the fleet tied up. We are spending millions every month to keep the ships going. The taxpayers of this country to-day are spending, as near as I can recall the figures, from \$14,000,000 to \$15,000,000 a month to keep our ships going—what we are running. (Stenographic report furnished by Shipping Board of hearing on wage reduction of seamen, pp. 48, 49.)

Sir, probably \$4,000,000,000 of the people's money have already gone into this enterprise, and hundreds of millions, and probably billions, more will be spent under the direction of this board. (See statement of former Commissioner Joseph N. Teal, CONGRESSIONAL RECORD, Mar. 3, 1921, pp. 4415-4427.) All this vast enterprise is taken over by the new Shipping Board in a condition of almost hopeless confusion and disorganization. Under these circumstances whatever information can be obtained by an investigation of the entire subject certainly ought to be welcomed by every person who wishes to see the Shipping Board succeed in the gigantic task which has been assigned to it.

But, more than this, there are two charges which have been constantly made against the Shipping Board almost from the time of its organization down to the present moment. One is that British influences have shaped or influenced the shipping policies of our merchant marine, and the other is that the Shipping Board has been hostile to the labor organizations of the sea. If these charges, or either of them, have any basis in fact then the facts ought to be fully known and the situation properly dealt with. If neither of these charges is true that

fact should be established and the Shipping Board freed from the suspicion entertained by millions of our people to-day that its policies are un-American and can never result in building up a genuine American merchant marine.

I propose briefly to examine both of these charges, not with the purpose of proving their truth, but with the purpose of showing that they both have sufficient foundation in fact to not only justify, but to require the investigation which I propose.

Let us consider the labor charge first.

AMERICAN SEAMEN ESSENTIAL TO THE AMERICAN MERCHANT MARINE.

I lay down this proposition that American seamen are essential to the American merchant marine.

I start this discussion with the proposition, which will not be controverted by anyone at all familiar with the subject, that we can never have an American merchant marine unless we can attract to the marine service and retain in it genuine American seamen and officers to man and operate the ships. I am not going to take the time to elaborate that proposition. Not only does the history of every maritime power in the world prove its truth but the manifest purpose of every country in the world to-day, except the United States, with any maritime pretensions, to man its merchant ships with its own citizens shows how universally the truth of the proposition I have just stated is recognized by the maritime nations of the world.

What good would a fleet of even 10,000 merchant ships have been to us during the late war if they had been manned by the nationals of some other country—possibly alien enemies. Such a fleet would have been a liability and not an asset, at least until such time as we could have trained up American seamen and officers to operate the ships, and this would have been a work of months or years. Even in time of peace we could not maintain American ships manned and operated by foreign seamen. The interests of such seamen would be foreign. If they were able to save a little money they would leave the service and return to their native land. Seamen are not made in a day or a month, but it is a process of years and means years spent on board ship. The officers necessary to navigate American ships could never be obtained except from American crews.

For a hundred years we have had the money; we have had the business; we could easily have had the ships. The reason we did not have a merchant marine was because we had not attracted American seamen to the service.

LABOR POLICY OF THE SHIPPING BOARD.

I now come, sir, to deal with the labor policy of the Shipping Board, not only the Shipping Board as constituted some weeks ago but the Shipping Board as reorganized under the present administration.

It follows from what I have already said that one of the most important and possibly the most important, duty of the Shipping Board is to adopt a labor policy which will attract to our ships genuine Americans of the kind which so largely predominate in our railroad service and other skilled and responsible employments. No matter what business reforms the Shipping Board may adopt, no matter what economies it may devise or what trade routes it may open, if it adopts a labor policy which drives American labor from the ships our attempt to build up an American merchant marine will be a colossal failure and the billions of dollars of the people's money will have been uselessly squandered.

The situation resolves itself into this: We can not have an American merchant marine without American seamen. We will not have American seamen unless we pay the wages and create the working conditions which approximate at least to American standards.

The present members of the Shipping Board when they were appointed a few weeks ago inherited the labor dispute then existing between the seamen and the Shipping Board. So important do I deem this subject that I am going to ask the indulgence of the Senate to make a brief statement of the principal points of difference in that controversy.

POINTS OF DIFFERENCE BETWEEN THE MEN, THE SHIPPING BOARD, AND THE SHIPOWNERS.

The seamen engaged in that controversy belong to two organizations. One, the National Marine Engineers' Beneficial Association; the other, the International Seamen's Union of America. The engineers' association numbers about 16,000 men. The bulk of them are on the Atlantic coast. The International Seamen's Union numbers about 100,000 men made up of three groups. The sailors or deck department constitutes one group; the firemen, oilers, water tenders, coal passers, and wipers make up the engine department, other than the engineers, and constitute another group; and the third group consists of the marine stewards, cooks, bakers, butchers, and

waiters, known as the steward or culinary group. A further group, not involved in the present controversy up to this time, is made up of the masters, mates, and pilots, and its organization is known as the National Association of Masters, Mates, and Pilots. Their contract does not expire until August 1, 1921. The word "International" is used in the name of the seamen's union because it has branches in Canada. Otherwise it is purely an American organization.

From May 1, 1920, to May 1, 1921, the agreement in force between the private owners, the United States Shipping Board, and the marine firemen, oilers, water tenders, and so forth (one of the groups of the International Seamen's Union), provided the following scale of wages, and I state it for the information of the Senate:

	Wages per month.
Deck engineers.....	\$100
Pumpmen.....	100
Donkey men.....	95
Storekeepers.....	95
Oilers.....	95
Firemen.....	90
Coal passers and wipers.....	75
Water tenders.....	95

This contract also provided that in port the working hours should be from 8 a. m. to 12 m. and from 1 p. m. to 5 p. m. It also provided for overtime work not necessary for immediate safety—which means practically work in port—at the rate of 60 cents per hour and subsistence for the crew when not fed on board the vessel at the rate of 75 cents per meal, and when compelled to sleep ashore each man was entitled to 75 cents per night for a room. It was further provided that the representative of the seamen's organization should be granted permission to visit vessels upon presenting a pass signed by the owner at the time of paying off and at such other times as were agreeable to the representatives of the owners, but under no consideration should the representative of the organization thereon interfere with the men at work. There were various other provisions designed to secure the health of the men and cleanliness of their quarters. This contract was typical of those made with the other seamen's organizations engaged in the present controversy, excepting that the wage scale is very different from the wage scale which I have just stated. The wage of able seamen provided in the agreement was only \$85 a month and \$90 a month for marine firemen. With this as a base, the wages were slightly higher or lower, according as the ratings of the men in the respective groups were higher or lower, than the able seamen or marine firemen.

Now, Mr. President, I come to the differences which arose between these seamen's organizations and the Shipping Board and the shipowners.

On January 25, 1921, the representative of the committee on wages and working agreements for the American Steamship Owners' Association wrote Mr. Pryor, secretary of the seamen's organization, urging a revision of the wage and working agreement mentioned and saying:

We now ask you if you will consent: (1) To immediate elimination of overtime; (2) to readjustment of subsistence and room allowance; (3) to a substantial reduction in wages to a basis which will enable American vessels to meet successfully the wage costs of our principal foreign competitors.

I continue to quote from that letter:

Because of the emergency we urge that you make a definite reply to us as soon as possible. Every week that passes sees more and more ships laid up, and we desire to check this process just as soon as our united efforts can accomplish it.

That letter, Mr. President, was dated January 25. On January 26 Admiral Benson, acting chairman of the Shipping Board, addressed a letter to the seamen, in which he urged acceptance of the terms laid down by the owners' association. The terms laid down were not very definite. They might have been definitely understood as they were to be worked out between the shipowners and Admiral Benson, who was then acting chairman of the Shipping Board; but there was nothing in the letter to indicate the extent of the reduction in wages or the changes that would be insisted upon in the rules and working conditions by the shipowners as communicated to the seamen in the letter which they received. Nevertheless, Admiral Benson, in his letter addressed to the seamen on the day following the date of the letter of the shipowners, urged the adoption of the plans proposed by the shipowners. In this letter he said:

I am in accord with the program which has been submitted to you in the attached letter and feel sure that we can count upon your hearty cooperation in taking such steps as are necessary to keep more of our ships in operation and more of our officers and men in the position to earn their livelihood by the practice of their profession.

I beg the attention of Senators to this correspondence. I venture to say that it shows a spirit on the part of the men

that should have worked out a solution of this trouble and insured our retention of American citizens in our so-called American merchant marine.

Now, sir, the letter addressed to the seamen's organization by the shipowners' association was dated January 25. The letter of Admiral Benson was dated January 26. On January 31, five days after the date of the letter of the shipowners' association, four days after the date of the letter of Admiral Benson, and probably within three days after those letters were received, the men replied to the steamship owners' letter as follows:

The AMERICAN STEAMSHIP OWNERS' ASSOCIATION,
Whitehall Building, 17 Battery Place, New York City.

GENTLEMEN: Your favor of the 25th instant signed by J. McCarthy, vice chairman of committee on wages and working conditions on board ship, received. After giving your communication the most serious consideration of which our joint grievance committee is capable, we respectfully submit the following to you:

You are urging a revision "at the earliest practicable date, of American wages and working rules," and you do this for the following reasons:

- "1. The general decline in the volume of sea borne commerce.
- "2. The intensifying competition of foreign ships operated at lower costs than American ships."

We respectfully beg to submit that your first reason seems to us to be of such a nature that any alterations in wages, overtime, or working rules will not meet the emergency. We are aware that a very large percentage of the tonnage of Norway, Sweden, Italy, and Great Britain are at present laid up. We, not knowing the real cause, have to accept as a cause, what seems to be the common understanding, namely, that the poverty of Europe, resulting from the war and peace, has made Europe unable to buy American products, either with gold or any other commodities, and that this has resulted in the stoppage of international commerce.

Your second reason—"intensifying competition of foreign vessels operated at lower costs than American ships"—seems to us to have some merit, and we feel that under certain conditions we could induce our membership to accept a revision of existing rules and conditions.

We beg to assure you that we are deeply and earnestly concerned about the development, the profitable operation, and the permanency of an American merchant marine and a real sea power for America. Feeling as we do, that in a large sense our interests are common, we shall be pleased to cooperate with you toward the ends sought to the utmost of our ability and in such a way as to retain under the American flag not only all the vessels but to man them with a sufficiently large number of citizen seamen, so as to make the merchant marine truly American.

You submit three concrete propositions. The first is immediate elimination of overtime; second, readjustment of subsistence and room allowance; third, substantial reduction in wages to a basis which will enable American vessels to meet successfully the wage cost of our principal foreign competitors. We assume that in making these propositions you are thinking of them as principles which you will be willing to modify upon a closer investigation of the facts as they exist here, in Europe, and in Japan. We further assume that you are willing to go into and examine all the facts and that, having thus examined the facts and come to some reasonable understanding that would be constructive and helpful to the building up of an American merchant marine, you would be willing to enter into an agreement for another year based on such facts and understanding.

We beg to assure you that we have from original sources some concrete and late information dealing with wages, subsistence, and overtime paid in European countries. We find that there is none of them who do not pay overtime for certain overtime work, and we find further that our own laws and our own decisions here in the United States run in the same direction. If it be your idea to revise the rules under which overtime is being paid, we shall be pleased to cooperate with you. We feel the same way about subsistence and, to some extent, about wages, but all these would have to be based upon a mutual understanding arising out of mutual good will and mutual and cooperative work for the building up of an American merchant marine.

We respectfully suggest that a conference be called at the earliest possible date, to go into the whole subject matter with a view of such revisions as can be agreed upon and as will then be made the basis for an agreement to carry us through another year.

Again assuring you of our utmost concern and our willingness and desire to cooperate with you on the propositions which we both have in view, and awaiting an early reply, we beg to remain,

Very respectfully, yours,

EASTERN AND GULF SAILORS' ASSOCIATION,
By PERCY J. PRYOR.
GUS. ERICSON.
MARINE FIREMEN, OILERS, AND WATERTENDERS' UNION,
By OSCAR CARLSON.
JAMES LYNCH.
MARINE COOKS AND STEWARDS' ASSOCIATION,
By P. H. GRIFFIN.
D. E. GRANGE.

The same day, mark you—January 31, 1921—the men also wrote Admiral Benson as follows; and I ask the Senate to let me tax their patience to listen to this letter. I think it very important, Mr. President, that the Senate—which is going to be called upon shortly to deal with the matter of increased appropriations for the Shipping Board, and legislation of the greatest importance concerning that organization—should understand in their entirety the details of the differences which have arisen between the American seamen and the Shipping Board; because, sir, I take it that it is almost axiomatic that we can not have an American merchant marine unless we can have American seamen, and we can not have American seamen unless we can preserve such relations with the men who could naturally be called to the sea as will invite and insure their retention upon the sea.

Therefore it seems to me that there must be a proper spirit—there must be such a recognition of the relations between the men who operate the ships, the men who own them, and the Government in whose interest they are run as is manifested at least by Great Britain, our principal rival, and before I finish I shall have occasion to contrast the attitude of Great Britain toward and her treatment of the organizations representing those who run the ships, man the ships, and operate them over on the other side and the attitude of our Shipping Board here and of our shipowners here toward our seamen.

The same day, on January 31, 1921, the men also wrote Admiral Benson as follows:

Hon. WILLIAM S. BENSON,
Chairman United States Shipping Board, Washington, D. C.

DEAR SIR: Your favor of the 26th instant received and same has been submitted to our joint grievance committee, together with the letter which you mentioned in your communication. Inclosed please find copy of letter which we have this day felt it our duty to send to the American Steamship Owners' Association.

In addition to what we have said in the letter to the American Steamship Owners' Association, we respectfully beg to call your attention to the fact that, as chairman of the United States Shipping Board, you are operating about 2,000 American vessels, or those vessels are at least operated under regulations insisted upon and issued by you.

Six years ago there was about 5 per cent of American citizens sailing before the mast, in American vessels. The latest census taken—in the only way it could be taken—indicates that 51 per cent are native Americans. We have no means of accurately ascertaining the number of naturalized Americans, but we do know that there is a considerable number of them.

Six years ago the difference in wages of foreign vessels sailing in competition with American vessels was in some instances so great that competition was impossible, and American vessels went under foreign flags.

The changing of the law—of the status—and of general conditions has brought this large number of native Americans to sea. They are now leaving. We don't know what they are saying when they arrive back home. They are leaving because of lack of work—the disposition of a large number of American shipowners to employ foreigners in preference to Americans—and further because of the strong rumor that wages are to be cut and existing conditions destroyed.

As stated in the letter to the American Steamship Owners' Association, we stand ready, eagerly ready, to cooperate for the upbuilding of a real American merchant marine and of a real sea power for America. We hoped, and still hope, to have the cooperation of the shipowners. We felt sure, and we still feel sure, that we shall be permitted to cooperate with you and the American Government, even though we should not be permitted to cooperate with the American shipowners.

The number of vessels which the Shipping Board controls will determine the wages and conditions for other ships, if the Shipping Board shall so desire. We beg to remind you that the shipowners and seamen of Europe, and it may include Japan, are now meeting at Brussels, Belgium, in an endeavor to arbitrate the hours of labor in maritime commerce and to come to an understanding about such other things as may be possible, and we do not feel that they are seriously considering the interests of the American merchant marine. We feel that in the coming year or two, perhaps three, it will take all the cooperation, good will, and strength of all the different factors constituting the American merchant marine to defend the interests of the growing merchant marine and sea power of the United States.

In the earnest hope and expectation that such cooperation may be arranged for and that such meeting will be called for that purpose and that such meeting will be successful, we beg to remain,

Most respectfully, yours,

EASTERN AND GULF SAILORS' ASSOCIATION,
By PERCY J. PRYOR.
GUS. ERICSON.
MARINE FIREMEN, OILERS, AND WATERTENDERS' UNION,
By OSCAR CARLSON.
JAMES LYNCH.
MARINE COOKS AND STEWARDS' ASSOCIATION,
By H. P. GRIFFIN.
D. E. GRANGE.

Mr. President, how were those letters received by the Shipping Board and the Shipowners' Association? Admiral Benson merely replied, acknowledging receipt of the letter, and the Shipowners' Association did not reply at all to the seamen's letter.

Now, mark you, the last letter I read was dated January 31. Not until some time in April, 1921, was a conference called at New York between the men, the owners, and the Shipping Board; and, mark you, sir, under the existing arrangements the contracts with the men terminated with the last day of April, with such tenders on the part of the seamen's organization as I have presented to the Senate, showing good will, showing a spirit of loyalty to the upbuilding of an American merchant marine.

This matter was permitted to drift along to within a few days of the expiration of the contracts under which they had been working for a year, and then a conference was called in New York. At that conference the owners finally delivered their ultimatum by presenting the form of a reduced wage scale which they would require all men to sign if they were to continue service on the ships after the 30th day of April, 1921.

A copy of the wage scale proposed for the firemen, oilers, and water tenders is herewith submitted, and this, with the contract to which I shall make reference later, was typical of their attitude toward the other organizations. I submit this wage scale because I have already stated to the Senate the scale of wages paid to the firemen, oilers, and water tenders.

It will be remembered by Senators that the wages under the existing contracts were as follows, and I repeat this scale in order that it may be in the minds of Senators when I state the changes which the shipowners, backed up by the Shipping Board, proposed to enforce:

	Wages per month.
Deck engineer.....	\$100.00
Pumpman.....	100.00
Donkeyman.....	95.00
Storekeeper.....	95.00
Oiler.....	95.00
Fireman.....	90.00
Coal passer and wiper.....	95.00
Water tender.....	95.00

The wage scale which they proposed was as follows:

	Wages per month.
Deck engineer.....	\$75.00
Pumpman.....	75.00
Donkeyman.....	70.00
Storekeeper.....	70.00
Oiler.....	70.00
Fireman.....	67.50
Coal passer and wiper.....	55.00
Water tender.....	70.00

It amounted to a cut of a little more than 25 per cent in the wages of the men—that is, what is called the base wage as applied to this schedule. This proposed wage scale reduced the base pay over 25 per cent and abolished all overtime pay, making, in fact, a total reduction of from 40 to 60 per cent in the wages of the men at one stroke.

But that was not all. To the proposed wage cut there was added an equally harsh and drastic revision of the rules, to which I will direct attention later.

It was proposed that the men should accept the slashing cut in wages, together with the revision of the rules, which imposed intolerable working conditions, and sign a new contract binding them to these proposals. But the shipowners reserved the right to abolish the contract at any time on 30 days' notice. Of course, this form of contract was rejected by the men. The proposals of the men were either all rejected or not considered at all, and the meeting ended. It should be stated in this connection that before men take service on board ship they are called up and individually required to sign the articles which contain the substance of the contract. If they refuse to sign, they are ordered off the ship. It was for failure to sign this proposed contract that the men were ordered off the ship by the officers. The so-called strike of the men, therefore, is really a lockout by the owners.

At the New York conference in April between the owners, the Shipping Board, and the men it was specifically stated by the seamen's delegation that the matter of first importance was the development of the American merchant marine. The second was wages and working conditions. It was pointed out that when the so-called seamen's bill became a law it was generally admitted that there were less than 7 per cent of native Americans sailing under the American flag, licensed officers excepted. On the 1st of December, 1920, there were 51 per cent of native Americans, licensed officers excepted, sailing under the American flag, and there was at least 10 per cent additional of naturalized citizens in the same service. This included the Lakes, coastwise, and ocean vessels.

Subsequently a meeting was called by Admiral Benson in Washington, in which he met the seamen's representatives, and after some discussion it was proposed by the seamen to submit the matters in controversy to the President of the United States, who, under the law, exercised large control over the board. This proposition was rejected. The men, however, as a last resort did address the President on the subject in a communication dated April 29, 1921, which contains a complete but brief review of what had occurred in the conferences to which I have referred.

Now, Mr. President, I read this letter, because in it the men submitted the whole matter to the discretion of the President, with the distinct statement that their interests were so great in the maintaining of a truly American merchant marine that they would accept any conditions that he imposed, to continue for a year. The letter reads:

WASHINGTON, D. C., April 29, 1921.

MR. PRESIDENT: This is a report and a prayer. All the agreements and arrangements between shipowners organized in the American Steamship Owners' Association, the United States Shipping Board, the organized marine engineers, sailors, firemen, marine cooks and stewards, these last three constituting the International Seamen's Union of America, will cease with to-morrow night.

The shipowners offered us a reduction amounting to 25 per cent on wages and subsistence, and the abolition of all pay for overtime work. This took place in the month of January. We wrote them a letter offering to meet them to do the utmost possible to come to an understanding, to take effect immediately, and to run until April next, 1922. There was no meeting until the 19th of this month. Then they offered us conditions that were utterly impossible for us to accept. We

countered with certain propositions which we deemed of absolute necessity for the upbuilding and preservation of the personnel of the merchant marine of America. They refused. We met them again on the 25th, and they refused to consider our proposals. This ended the meetings in New York.

Admiral Benson, chairman of the Shipping Board, called everybody interested to meet here in Washington on Wednesday, the 27th. There was a 10 per cent reduction in the cut proposed to us here, making it 15 per cent of the actual wages signed for on the articles; but the total cut would, under the rules proposed, be from 40 to 60 per cent of the actual income of the men employed; but no other change in the other things, except that in so far as the carrying out of the law was concerned, the admiral declared himself entirely in favor of the carrying out of the law and that he would do what he could to have the law enforced.

We submitted as a proposition that in the matter of employment the American citizen would have the preference for any rating which we would be qualified to fill and that men with intention papers should have the next chance of employment, basing their preference amongst them upon the length of time that such intention papers had been held. This was refused. There were several other propositions made and refused. Whereupon we made the offer to submit the entire question to you, declaring ourselves willing to accept whatever you should deem most advantageous to the building up of a merchant marine for the United States, and that in order to prevent any stoppage at all the present condition should remain until you had an opportunity to act upon the situation. This was first refused by Admiral Benson, stating that he would not burden you with this matter. It was then peremptorily refused by the shipowners. We renewed our offer and again were refused. Whereupon, it was stated by us that we felt that we did not burden you by submitting our judgment to yours. We felt that we were doing our duty to you and to the merchant marine.

We now respectfully submit the matter to you in the firm faith that you will act for the development and maintenance of the merchant marine.

(Signed) W. S. BROWN,
President Marine Engineers' Beneficial Association.
(Signed) ANDREW FURUSETH,
President International Seamen's Union of America.

To the PRESIDENT OF THE UNITED STATES,
The White House, Washington.

Without waiting for the President's answer to the seamen's letter, or to take any action in the premises, the owners on the next day, April 30, when the existing contracts had expired, excluded the men from the ships and the lockout was on.

An examination of the history of these negotiations shows that there was never any serious objection on the part of the men to accept a cut of 15 per cent in wages. The men refused to accede, however, to the proposals in which the Shipping Board and private owners agreed, to wit:

(a) Denial of the right of the men to have a representative of the unions present when they sign on or are paid off. That is on shipboard, and is only intended to insure a perfect understanding on the part of the men who sign as to what they are signing.

(b) Abolition of the three watches or 56-hour week for the men. That was one of the conditions that was imposed by the new rules and regulations—that the three watches should be taken away—and that meant an extension of the length of time that men should be required to serve on shipboard in maintaining two watches instead of three.

(c) Abolition of all pay for overtime.

(d) Reduction of subsistence allowance.

(e) The refusal to enter into any contract with the men exceeding six months or which was not subject to termination on 30 days' notice.

That the Shipping Board, as charged by the men, used its great power through the allocation of ships to prevent the men making more favorable terms with shipowners is shown by the orders which it issued.

Even where shipowners were willing to pay these men the then existing wages and continue them the power of the Shipping Board was exerted everywhere with shipowners who desired to secure the allocation of American ships to prevent their paying the men according to their own idea of what was fair.

I quote from the Journal of Commerce, May 7, 1921, mail edition, page 20:

WASHINGTON, May 5.

Admiral Benson declared to-day that any operating companies which violate instructions not to sign on men at the old wage scale will have their vessels withdrawn. These statements from the Shipping Board chairman also declare between 45 and 50 ships cleared to-day from various ports. Immediately following statement in the press this morning that several companies have taken on men at the old rate wage scale Admiral Benson started an investigation to determine the truth of the report. It was said that the Polish-American Navigation Co., United States Transport Co., and the C. W. Morse Co., operators of Government vessels, had agreed to pay the former wages. "There will be no leniency for these companies," Admiral Benson said, "if it is found that the reports are correct."

When it is remembered that at the time this order or statement was issued a number of the lines were ready to sign up with the men on terms more favorable than those offered by the Shipping Board it is readily seen how this threat, which amounted to notice that allocations of ships would be withdrawn from such companies, operated to prevent a settlement.

Besides this the American Shipowners' Association, chambers of commerce, and other institutions of great financial power combined to destroy the resistance of the seamen by all means in their power. For example, here is a telegram, under date of May 4, 1921, sent by the executive officers of the seamen in San Francisco to their New York office, which reads:

Seafarers' Council interviewed Frey of steamers *Yale* and *Harcard*. Is paying scale and overtime as of 1920 and in some instances more. Not member of American Shipowners' Association. Stands alone in that respect on Pacific coast. Is desirous of meeting all demands of organization, but fears to sign 12 months' agreement on account of chamber of commerce in Los Angeles and San Francisco, who would bring influence to have his fuel supply stopped. Immense pressure is being brought to bear on Vice President and General Manager Frey from American Shipowners' Association and other sources, as shown us by telegrams. Council favors operation on these two boats only, with no other exceptions, in view of knowledge at their hands and existing circumstances.

In addition to this, I have in my possession original affidavits, which, if they are true, show coercion and deception on the part of the agents of the Shipping Board in procuring men to sign up for sea duty. I also have a blank form of a letter purported to be signed by a representative of the Shipping Board and used in sending nonunion men, with their expenses paid from Chicago to Seattle, to take the place of union seamen. I do not care to put these original documents into the Record, but will be glad to submit them to the committee which undertakes the investigation under the resolution I have offered.

Not only have the new members of the Shipping Board done nothing of which I am aware to repudiate the acts of their predecessors, but they appear to have ratified and confirmed them. In the report of the proceedings of the convention of the American Federation of Labor held in Denver I find the following, purporting to be a press dispatch from Washington under date of June 17, 1921:

The "open shop" will be strictly enforced in the American merchant marine, Chairman Lasker, of the Shipping Board, announced Thursday. Mr. Lasker emphasized that there will be no discrimination against union seamen, provided they make no attempt to harass nonunionists or men who were hired to fill their places in the recent strike.

In the same report appears a telegram sent from the seamen's representatives in Washington to the president of the International Seamen's Union, at Denver, which says:

Representatives of the Atlantic district union this morning officially met with O'Connor and Benson as subcommittee for the new Shipping Board, at which undersigned were present. Both commissioners stated plainly that the new board would not give unions' agents privilege of visiting docks or ships. They also definitely stated that no new agreements would be ratified for longer than six months.

As illustrative of the attitude of the great labor bodies of this country, I quote further from the resolutions adopted by the American Federation of Labor at its annual meeting at Denver and contained in the published reports of its proceedings, in which it is directly charged:

That the Government, with its power and money, is to create, foster, and perpetuate the nonunion shop, proscribing the union men; and, second, that there is to be a further general reduction of wages in January, 1922.

Again, in the same resolution, it is said:

The United States Shipping Board is now, while hiding behind the smoke screen of hostility to trade-unions, torpedoing the merchant marine and sea power of these United States.

It will be said by some that this is prejudiced testimony. I am not discussing that. It is the testimony of all organized labor in this country concerning the United States Shipping Board. If it represents an erroneous view, it should be corrected by giving the widest publicity to the truth. If it represents the correct view, then certainly the public is entitled to know it.

That this view is not peculiar to organized labor appears from the article of Horace B. Drury in the Journal of Political Economy, volume 29, January, 1921, where, in the course of a most friendly discussion of the workings of the Shipping Board, he said:

The practical operations of the Shipping Board have, to a very large extent, been in the hands of a small group of shipping men, who represented in their former associations a group particularly hostile to trade-unionism.

Since the new members of the present Shipping Board took office the marine engineers—who must be distinguished from the so-called deck engineers—have signed a six months' agreement accepting a 15 per cent cut in wages and agreeing substantially to the other conditions laid down by the Shipping Board and the private owners respecting the union which I have enumerated. Marine engineers are, of course, really licensed officers, and their pay is about double that of the ordinary seamen. This so-called settlement, of course, means that the whole question will be reopened by this organization in January. There has been no settlement, however, with the groups constituting the International Seamen's Union. The strike has merely been declared off on the Atlantic coast, which means that many thousands of the seamen

will leave the sea service, in fact already have done so, and that others will make the best terms for themselves possible, renewing the struggle at a more opportune time.

Our entire force of seamen is therefore dissatisfied and smarting under a sense of wrong and injustice. Those who intend to continue in the marine service are only waiting the time when the demand for seamen will enable them to open the battle again with greater hope of success.

How different is the situation presented by our chief maritime competitor, Great Britain, and in fact every other country with which we must compete upon the seas. The responsible authorities in Great Britain adopted exactly the opposite course from that pursued by our Shipping Board. Instead of making war upon the seamen's organizations she has fostered and encouraged them. The Government, with the assistance of the unions, has established training schools from which the boys are sent on board ships to serve their apprenticeship in order to become able seamen. This practice of shipping boys or young men on board ship to learn the business was adopted to some extent in our merchant marine by agreement with the unions during the war, and the United States Shipping Board abandoned the practice at the first opportunity.

The result of the British policy is that British seamen have accepted a wage cut of £2 10s. per month, amounting to about 15 per cent of their war-time wage, other conditions remaining unchanged, and as a consequence the seamen's unions of that country are working in harmony with the shipowners to extend British maritime trade.

I am permitted to quote from a letter under date of June 14, last, written by J. Havelock Wilson, member of Parliament, president of the Sailors' and Firemen's Union of Great Britain and Ireland, and also a member of the maritime board, in which, writing to Mr. Furuseth, president of the International Seamen's Union of America, he said:

It seems strange to me that the owners in America are so strong on the "open shop," whereas the owners on this side are doing everything they can to make it the "closed shop." As a matter of fact the great majority of the owners have turned the entire shipping of men over to us and many of them have expressed the view that they do not know how they could do without us.

This is one particular, at least, in which we could well afford to learn from our great maritime rival.

A careful review of the controversy between the American seamen and the shipowners shows that the question of wages was secondary; that the men were at all times willing to sit down with the owners and revise the working rules; that it was the conditions on board the vessels and the conditions attendant upon the signing on and paying off of the men that were the primary points of dispute, for in this was involved the question whether or not the men would remain at sea and whether or not we could have a merchant marine manned by American sailors. The fight which the seamen have been making is much more than a fight for themselves. They have been making a fight upon the issue of which depends the question whether we shall have an American merchant marine or not.

The wages which they have offered to accept are far below that necessary to maintain an American standard of living. According to the Monthly Labor Review for December, 1919, the cost in August and September of 1919 of maintaining a family of five at the health and decency level was \$2,126.47.

Of the budget referred to, the Monthly Labor Review said:

It was intended to establish a bottom level of health and decency, below which a family can not go without danger of physical and moral deterioration. This budget does not include many comforts which should be included in a proper American standard of living.

The cost of maintaining a family in 1919, as shown by the Department of Labor, was \$2,126.47. The latest figures furnished by the Department of Labor, based upon its investigation of prices in 32 leading cities in the United States, establishes the fact that the reduction in the cost of living in this country since December, 1919, and down to May, 1921, six weeks ago, is exactly 18.9 per cent. Applying this percentage of reduction to the cost of maintaining a family at the health and decency level in 1919, establishes the cost at \$1,724.57.

While it is true that the seaman is furnished his food on shipboard, it is to be remembered that he is never employed more than 9 or 10 months out of the year and is often out of employment half the time, no matter how efficient and industrious he may be.

While the above and all similar figures are more or less approximations, they demonstrate conclusively that the wages received by seamen, even their war wages, if you please, do not permit a decent standard of living. On such wages no sailor could hope to maintain a home, however humble, or support a wife and children.

I am aware that it is said that seamen's wages must be reduced in line with the policy of economy demanded of the Shipping Board. Look at the facts for a moment. Admiral Benson, testifying before the Subcommittee on Appropriations, May 9, 1921—see page 551 of the hearings—said:

I think that the question of wages is always a little exaggerated, because under any system it is not much over 10 per cent of the total cost of operation.

I think the figures usually given are from 7 to 8 per cent, but accepting Admiral Benson's figures, it follows that out of every thousand dollars cost of operating a ship 10 per cent, or \$100, would represent the seamen's wages. Fifteen per cent of this, which is the reduction insisted upon by the Shipping Board and agreed to by the men, is \$15. Therefore it follows that the proposed reduction in wages would only amount to \$15 out of every thousand dollars cost of operation, or \$1,500 out of every hundred thousand dollars cost of operation.

The mistakes of an unskilled or inefficient crew in looking after the machinery or in the amount of fuel unnecessarily consumed would more than offset this so-called wage saving in a single voyage. It is not a question of wages at all. It is a question of destroying the men's organizations and of subjecting them to working conditions which they will not stand, and ultimately a question of driving the American seamen and the American merchant marine from the sea, enabling the shipowners to employ cheaper foreign labor and make still larger profits.

Think for a moment of the profits made and the surplus accumulated by every steamship company that has been engaged in business during the last five years. I have before me the figures showing the profits made and surplus accumulated by the principal ones. I am not going to stop to read them all, but they are fabulous. I ask leave, Mr. President, to insert them in my remarks.

The PRESIDING OFFICER (Mr. LENROOT in the chair). Without objection, permission is granted.

The matter referred to is as follows:

TABLE I.—Profits of Great Lakes passenger and package freight-boat companies.¹

Name.	Capital stock, 1921.	Net income, 1916-1920.	Rate on capital.	Annual average.	Dividends paid, 1916-1920.	Added to surplus, 1916-1920.
			<i>Per ct.</i>	<i>Per ct.</i>		
Ashley & Dustin, Chicago, Duluth & Georgian Bay.....	\$215,500	\$149,249.35	69.3	13.9	\$111,060.00	\$124,344
Cleveland & Buffalo Transit Co., Detroit & Cleveland Navigation Co., Goodrich Transit Co.,.....	\$857,900	316,817.68	35	7	16,712.50	203,538
	2,000,000	714,614.70	35.7	7.1	395,000.00	141,335
	\$6,038,000	3,849,574.34	76.8	15.4	\$4,304,091.50	\$413,445
	500,000	417,082.63	67.6	13.5	171,105.14	333,812
Great Lakes Transit Corporation.	3,500,000	4,895,777.66	139.9	28	3,839,375.00	\$311,721

¹ Compiled by the People's Legislative Service from the sworn reports of the companies on file with the Interstate Commerce Commission.

² \$253,100 worth of stock has been reacquired during the past five years and held alive.

³ Increased from \$3,862,750 in 1915 by the issuance of two stock dividends of 25 per cent each.

⁴ Includes two stock dividends of \$2,174,287.50.

⁵ Decrease.

Mr. LA FOLLETTE. During the pendency of a bill which seeks to undermine the seamen's act, which was passed in 1915, there appeared before the committee of the House of Representatives certain witnesses, who were either themselves the owners or representing the owners of two of the lake steamship companies, who stated that it was impossible for them to operate with any profit their companies under the existing condition. They put up in their testimony there a most pitiful appeal as to their hard financial situation. Mr. President, under the law those steamship companies were required to submit to the Interstate Commerce Commission sworn statements with respect to their earnings, and since having my attention called to their testimony given before the House Committee on the Merchant Marine and Fisheries, I have had occasion to look into the sworn statements which they filed with the Interstate Commerce Commission. I name in the tables which I have asked to have inserted in my remarks the important companies which are typical of the lake service, and show what they earned upon their capital stock and what they were able to carry as surplus, in addition to the enormous earnings which

they made. I merely call attention now to the profits of two of the companies who stated their sad plight before the House committee:

The Ashley & Dustin Co., having a capital stock in 1921 of \$215,500; a net income from 1916 to 1920 of \$149,249.35; rate on capital, 69.3 per cent; annual average rate, 13.9 per cent. Besides that, they carried over and added to surplus from 1916 to 1920, \$124,340, or more than half of their total capital.

The Goodrich Transit Co. is one of the companies testifying as to the hard conditions under which they find themselves in operating their vessels. They are capitalized at \$500,000; net income from 1916 to 1920, \$417,082.63; rate on capital, 67.6 per cent; annual average rate, 13.5 per cent; dividends paid, \$171,105.14; and carried to surplus, \$333,812 in that period of time. I will not take the time of the Senate, Mr. President, to go into that matter more fully.

I have also here a table showing the profits of certain overseas lines which I ask to have printed in the RECORD without taking the time to read them.

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

The tables referred to are as follows:

TABLE II.

Profits of some of the principal steamship lines on the Atlantic, Pacific, and Gulf coasts.¹

Name.	Capital stock, 1921.	Net income (total net profit), 1915-1920.	Rate on capital.	Annual average.	Dividends paid, 1915-1920.	Added to surplus, 1915-1920.
Atlantic, Gulf & West Indies..	\$28,706,300	\$29,088,983	101.3	25.3	\$7,243,641	\$19,014,944
International Mercantile Marine.....	101,597,500	77,417,472	76.2	12.7	37,242,360	41,826,877
Pacific Mail Steamship Co.....	1,500,000	8,067,133	365.3	60.9	3,997,500	5,224,383
United Fruit Co.....	100,000,000	94,147,500	136.6	22.8	77,080,277	66,176,490

¹ Compiled from data furnished by the Standard Statistics Service to the Labor Bureau (Inc.).

² 1916-1919 only.

³ The outstanding preferred stock (\$1,700,000) was retired on Sept. 1, 1918, at 110 and accrued dividend.

⁴ Increased from \$50,000,000 by the declaration of a stock dividend of 100 per cent in 1920.

⁵ Included \$50,000,000 stock dividend.

TABLE III.

Profits of some of the steamship lines, 1920.

	Net income.	Rate on capital.
Atlantic, Gulf & West Indies.....	(1)	Per cent.
International Mercantile Marine.....	\$7,500,000.00	73.8
Pacific Mail.....	1,277,470.00	85.2
United Fruit.....	29,008,307.00	29.0

¹ Not available.

Profits of some of the lake companies, 1920.

	Net income.	Rate on capital.
Ashley & Dustin.....	\$27,270.75	12.7
Chicago, Duluth & Georgian Bay.....	99,757.86	11.6
Cleveland & Buffalo Transit Co.....	263,105.31	12.2
Detroit & Cleveland Navigation Co.....	897,132.05	15.6
Goodrich Transit Co.....	165,461.48	33.1
Great Lakes Transit Corporation.....	815,079.55	23.3
All lake companies.....	2,267,807.00	17.3

Mr. LA FOLLETTE. Compare these profits with the \$75 or \$100 a month received by even the able seamen—\$85 a month, however, was the maximum for able seamen, even in war time—and it is obvious that the real controversy does not hinge upon saving a few dollars by cutting the monthly wages of the men. Besides all this, American shipowners are already given a subsidy by their exemption from taxation, providing only they will put the money back into new construction, which far more than equalizes any difference in wages that may exist between this and other countries. I refer to section 23 of what is commonly called the Jones Act. (See CONGRESSIONAL RECORD of Mar. 3, 1921, p. 4425.)

I am not aware that American seamen have ever claimed special credit for helping to win the World War. They are entitled, none the less, to great credit for the heroic and patriotic part they played in that work. Early in the war the representatives of all American seamen joined with the Shipping Board, with the Secretary of Labor, and with the private owners in an earnest appeal for all American seamen to return to American ships. More than that, at their convention in Buffalo, N. Y., December 3 to 12, 1917, they issued and gave nation-wide publicity to the following call:

A CALL TO THE SEA.

To all seafaring men ashore or afloat:

The International Seamen's Union of America, in annual convention assembled, representing the organized seamen of America, submits the following to all men of seafaring experience, ashore or afloat:

The Nation that proclaimed your freedom now needs your services. America is at war. Our troops are being transported over the seas. Munitions and supplies are being shipped in ever-increasing quantities to our armies in Europe. The bases are the ports of America. The battle fields are in Europe. The sea intervenes. Over it the men of the sea must sail the supply ships. A great emergency fleet is now being built. Thousands of skilled seamen, seafaring men of all capacities who left the sea in years gone by as a protest against the serfdom from which no flag then offered relief, have now an opportunity to return to their former calling, sail as free men, and serve our country.

Your old shipmates, men who remained with the ship to win the new status for our craft, now call upon you to again stand by for duty. Your help is needed to prove that no enemy on the seas can stop the ships of the Nation whose seamen bear the responsibility of liberty.

America has the right, a far greater right than any other nation, to call upon the seamen of all the world for service. By responding to this call now you can demonstrate your practical appreciation of freedom won.

All men of seafaring experience can get further information on this subject by applying to any representative of the United States Shipping Board or to any officer or representative of the International Seamen's Union of America or any of its district organizations. It should be understood that this statement is not issued because of any real shortage of men at this time. We must be prepared, however, to man the great new merchant fleet now building. Men must be ready and in training. It is in recognition of this need that we, as a duty to the Nation, submit this call to all seamen.

INTERNATIONAL SEAMEN'S UNION OF AMERICA.

After the war was over and the victory won, Robert P. Bass, director of the Industrial Relations Division, in his report to the United States Shipping Board under date of February 1, 1919, had this to say of American seamen:

The most serious aspect of the marine and dock labor situation, however, was not the expansion or the danger but the extreme need for continuous and efficient labor and the ease with which groups or individuals might have delayed traffic. As time passed the possibility of any interruption of traffic became constantly a matter of greater and greater national concern. The whole situation, indeed, was such as to afford unusual temptation to the men to try to take things into their own hands, and there were few industries where there were better opportunities or more dangers in the matter of enemy propaganda. * * *

Fortunately for the success of the allied cause, no such disaster occurred. * * * The burden placed upon marine and longshore employees was carried loyally and successfully. * * * Not only was a tremendous volume of material handled effectively but in the whole field of marine and dock labor there was no serious disaffection or interruption of traffic during the period while the United States was at war. As far as the licensed officers and seamen on vessels were concerned, the elimination of strikes was practically complete, which was also true of the crews on harbor craft and barges. * * *

The successful operation of America's merchant fleet during the war was to a very large extent due to the patriotism and sound leadership which prevailed among the men.

These, sir, are the men who now justly complain that the Government which they labored so heroically and patriotically to serve has through the United States Shipping Board denied them the opportunity to work on American ships at a decent wage and under decent conditions. One of the first results of the labor policy of the Shipping Board is that the extremely turbulent element of the seamen's organizations, encouraged thereby, are now trying to secure control of the seamen's union. The struggle has already begun on the Atlantic coast and is threatened on the Pacific coast. When the leaders to whose "patriotism and sound leadership" Mr. Bass paid such a high compliment are unable to secure from the United States Shipping Board either recognition for their union or reasonable working conditions for the men, a state of feeling is created on the part of the men of which the irresponsible and turbulent element among them is quick to take advantage. If our bitterest enemies had dictated the labor policy of the Shipping Board during the present controversy with the men, the board could not have done more than it has done to drive American seamen from our ships, thus nullifying our efforts to maintain a truly American merchant marine.

In conclusion, I again remind Senators that at the close of the year 1913, shortly before the seaman's law was passed, less than 7 per cent of the crews, exclusive of officers, on our merchant ships was made up of native Americans. The reason for this is plain. The American would not live and work under the conditions of service which obtained on board our ships.

All this was changed in a few years by the passage of the seaman's law. Though this law has never been properly enforced and has been constantly under fire by those concerns in this country and abroad who are interested in getting the cheapest possible sea labor, nevertheless it has worked a transformation in the personnel of American seamen. The best estimates I have been able to get indicate that just prior to May 1 of this year, when the ill-advised conduct of the Shipping Board precipitated the trouble with the men, there was in excess of 50 per cent of native Americans in the crews sailing under the American flag. In addition to this there was a very considerable number of naturalized Americans in these crews. The war probably added somewhat to these numbers, but the other opportunities for service to the country were so numerous the young American would never have been attracted to the seaman's life on board our ships except for the seaman's law that made it a decent and responsible occupation. For several years, also, prior to May 1 we had followed the English plan and established contractual relations between the seamen's organizations and the shipowners, and this had brought about a large measure of cooperation between the owners and the organizations of the men. All this is now changed, and changed primarily as a result of the mistaken policy of the Shipping Board.

In Great Britain the National Maritime Board, organized during the war to adjust maritime labor disputes, is still continued in successful operation. The National Sailors' and Firemen's Union of Great Britain and Ireland, which is the great seamen's union of Great Britain, is officially recognized and dealt with, and is working in perfect harmony with the shipowners. A reduction in the seamen's pay has been agreed upon between the British unions and the shipowners, and for approximately the same percentages of decrease the seamen were willing to accept in this country, but otherwise the conditions are unchanged. Great Britain is not making war upon her seamen's organizations, as the Shipping Board and private owners are doing in this country, but is strengthening her unions in every way, thus making British labor feel that it is an important factor and shares in the responsibility of maintaining Great Britain's merchant marine.

The same leadership which Mr. Bass extolled so highly in the report from which I have read was available to the United States Shipping Board in peace as well as war. That leadership was just as patriotic in peace as in war, and its supreme desire was to see American ships manned by American seamen under working conditions which made the seamen's calling an honorable one in which the best class of American labor might be enlisted. Accordingly the unions asked that preference be given to the American citizen in obtaining sea employment. Think of that for a moment! Not that preference be given to the unions but to American citizens in employment upon American ships! That was denied by the Shipping Board and the shipowners' association. The unions then asked that the men might have, as previously, the help of the regular representative of the union when the men were paid off and signed on. This was denied. The three watches or 8-hour day was withdrawn by the shipowners. Subsistence allowances were reduced, and in fact everything done which could be done to restore the old régime on board our ships. Plainly it was felt by the shipowners that the present dull period of shipping presented an excellent opportunity to enforce hard conditions on the men. The seamen's organizations in this country are anxious to cooperate with the shipowner and with the Government as heretofore to maintain the American merchant marine. They have established schools at their own expense to increase the skill and efficiency of the men. When all attempts to reach an understanding with the private owners and the Shipping Board had failed they proposed to leave the entire question and all questions involved with President Harding and to abide by his decision.

Find, if you can, anywhere in controversies between labor and capital a broader, more liberal spirit than that—a spirit more loyal to the best interests of the country. These men, when they could get no consideration and arrive at no understanding with either the Shipping Board or the owners, took this controversy to the President, and said: "You decide it, and we will continue at work upon whatever conditions you fix." But the forces, whatever they were, that were determined to bring on a crucial contest between the men and the shipowners of this country were too strong to be resisted. The lockout was put into effect, and we find our sea labor to-day disorganized, dissatisfied, and rebellious. The conditions exist which every enemy of the American merchant marine must desire to have exist.

But I believe it is not too late to change the labor policy of the Shipping Board. Whatever the Shipping Board does the

private owner must do. I think I have shown that the men made every reasonable effort to come to terms with the board. Their efforts were unavailing because the Shipping Board returned to the reactionary labor policies of a generation ago, and refused to follow in this respect the enlightened policy of Great Britain or to learn from our own experience during the last few years. It is simply robbing the people of this country to continue appropriating hundreds of millions of dollars for the use of the Shipping Board if it is committed to a labor policy that spells disaster to our merchant marine.

Mr. President, in my discussion so far I have dealt simply with the labor question as it is involved in the building up and maintaining of our merchant marine. I have not touched upon, directly at least, the charge that British influences are shaping the shipping policies of our merchant marine and our Shipping Board. I shall take up that question very soon—very soon—in connection with my resolution for an investigation. I shall speak of that when I can call up that resolution and have it laid before the Senate. We do not know, we can not know without an investigation, the extent to which British influences and propaganda are interfering with our efforts to build up and maintain an American merchant marine. I propose, however, when I discuss that branch of the subject, to lay before the Senate certain facts which will demand the most serious attention of every Senator and every person who is a friend of the American merchant marine.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. FLETCHER. Mr. President, in reference to the unfinished business, S. 1915, I wish to submit a few observations and take a little time just now, since there seems to be nothing particularly pressing on the attention of the Senate, to refer to some of the considerations which have led me to favor very cordially this bill.

I know there is some talk about "class legislation," and it would be almost amusing, if it were not so serious, to observe that that sort of talk comes mainly from people who are constantly urging legislation for the benefit of some particular interest. It seems to me that agriculture is such a vital, fundamental, and extensive industry that it can scarcely be separated from every interest affecting the people of the whole country. It is, of course, the largest single industry in the country, but it concerns not only the people directly engaged in agriculture, possibly exceeding 30,000,000 of our population, but it concerns every individual who wears clothes and eats food; every person who is not indifferent regarding the welfare of the people and the prosperity of the country.

Therefore we can not reasonably charge those who are making an effort to promote the interests of those engaged in agriculture, to encourage them, stimulate them, and to bring about a healthy agriculture in this country with advocating measures for the benefit of some particular class or interest.

We are now being furnished with the printed reports of the Department of Commerce giving the census figures for the year 1920. I have before me some of those figures. It appears from a statement sent out by the Department of Commerce, under date of July 1, that the number of farms in the United States in 1920 was 6,448,366; that the number of farms operated by tenants in the United States in 1920 was 2,454,746, about 38.1 per cent of the farms being operated by tenants. The remainder are supposed to be operated by the owners of the farms.

From this it appears, estimating five people on every farm, which is an underestimate rather than an overestimate, that there are some 32,000,000 people who live nearest the fountain of life in the divine economy, and they ought not to be the most burdened and the least compensated of all the people engaged in the undertakings of life under our Government.

That is not a very satisfactory condition, either—for 38.1 per cent of all the farms to be operated by tenants. One of the objects of the farm loan act was to provide a means whereby every man who cultivates a farm might own that or some other farm. One provision was that he could borrow 50 per cent of the actual value of the farm he desired to purchase, give his mortgage to the Federal land bank, and obtain the money at 5½ per cent, with the privilege of paying off the principal at the rate of 1 per cent per annum; and if it was found impossible to furnish one-half of the purchase price of the farm, in many instances it was presumed, and undoubtedly was true, that the proposed purchaser could arrange with the seller of the land to take a second mortgage for his half of the

purchase price, giving the first mortgage to the Federal land bank, thereby acquiring his own home.

Undoubtedly the ideal condition in any country is to have every man live under his own vine and fig tree, and I hope the time is not far distant when the number of these tenants will be decreased and the ownership of the farms will be invested in the men who operate the farms.

These figures are interesting further, Mr. President. The circular to be issued on the 27th of July gives us the value of farm property in the United States in 1920, and the figures are as follows:

All farm property, Jan. 1, 1920.....\$77,925,989,073
Land and buildings.....66,334,309,556
Implements and machinery.....3,595,317,021
Live stock on the farms.....7,996,362,496

Other items were separated, as land alone, buildings, and so forth. I will ask to have that statement inserted in the Record precisely as it appears in the circular issued by the Department of Commerce, Bureau of the Census. This gives us an idea of the extent and the importance of this great industry, involving farm property amounting to \$77,925,989,073.

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

Value of farm property in the United States, by classes, for geographic divisions and States: 1920 and 1910.

Division and State.	Value of all farm property.		Land alone.		Buildings.	
	1920	1910	1920	1910	1920	1910
United States.....	\$77,925,989,073	\$40,991,449,093	\$54,903,453,925	\$28,475,674,169	\$11,430,855,631	\$6,325,451,523
Geographic divisions:						
New England.....	1,173,019,594	867,240,457	488,125,250	382,134,424	429,343,334	336,410,381
Middle Atlantic.....	3,949,684,183	2,959,589,022	1,681,676,107	1,462,321,005	1,840,461,647	980,628,098
East North Central.....	17,245,412,555	10,119,128,095	12,046,118,684	7,231,699,114	2,891,572,987	1,642,292,480
West North Central.....	27,084,547,351	13,535,309,511	21,395,033,051	10,052,560,913	3,074,326,148	1,562,104,957
South Atlantic.....	6,132,917,750	2,951,200,773	4,000,681,904	1,883,349,675	1,201,091,568	603,086,799
East South Central.....	4,419,466,237	2,182,771,779	2,916,141,232	1,326,826,894	747,552,131	411,570,975
West South Central.....	7,636,237,632	3,838,154,337	5,426,145,973	2,716,098,530	882,669,924	412,498,352
Mountain.....	4,077,692,301	1,757,573,368	2,802,552,673	1,174,370,096	361,369,294	145,026,777
Pacific.....	5,307,011,460	2,780,451,777	4,166,943,043	2,246,313,548	502,468,688	231,832,705
New England:						
Maine.....	270,526,733	199,271,998	114,411,871	88,481,395	89,697,100	73,138,231
New Hampshire.....	118,656,115	103,704,196	47,425,331	44,519,047	42,570,539	41,397,014
Vermont.....	222,733,620	145,399,728	82,938,253	58,385,327	76,178,903	54,202,948
Massachusetts.....	300,471,743	226,474,025	127,653,607	105,532,616	119,934,221	88,636,149
Rhode Island.....	33,636,766	32,990,739	14,509,073	11,878,853	12,922,879	12,922,879
Connecticut.....	223,991,617	159,399,771	101,187,115	72,203,053	89,083,712	66,113,163
Middle Atlantic:						
New York.....	1,908,483,201	1,451,481,495	793,335,558	707,747,828	631,726,182	476,998,001
New Jersey.....	311,847,948	254,832,665	142,182,493	124,143,167	108,141,488	92,991,352
Pennsylvania.....	1,729,335,034	1,253,274,832	726,158,051	630,430,010	600,593,977	410,638,745
East North Central:						
Ohio.....	3,095,666,336	1,902,694,589	2,015,112,999	1,285,894,812	646,322,950	368,257,594
Indiana.....	3,042,311,247	1,809,135,238	2,202,566,336	1,328,196,545	451,077,637	266,079,051
Illinois.....	6,666,817,235	3,905,321,075	5,250,333,752	3,090,411,148	747,708,814	432,381,422
Michigan.....	1,763,334,740	1,088,858,379	959,186,533	615,258,348	477,499,672	285,879,951
Wisconsin.....	2,677,252,997	1,413,118,785	1,618,913,059	911,938,261	568,968,914	289,694,462
West North Central:						
Minnesota.....	3,787,420,118	1,476,411,737	2,750,323,432	1,019,102,027	550,839,893	243,339,399
Iowa.....	8,525,270,956	3,745,860,544	6,679,020,577	2,801,973,729	922,751,713	455,405,671
Missouri.....	3,591,068,085	2,052,917,488	2,594,193,271	1,445,982,399	468,774,429	270,221,997
North Dakota.....	1,759,742,995	974,814,205	1,279,313,627	730,390,131	209,207,868	92,276,613
South Dakota.....	2,824,413,768	1,168,096,980	2,286,421,792	902,676,751	186,275,299	102,474,058
Nebraska.....	4,193,825,242	2,079,818,647	3,393,153,180	1,614,539,313	382,048,200	198,807,622
Kansas.....	3,802,809,187	2,039,389,910	2,475,635,172	1,537,976,573	354,428,745	199,579,599
South Atlantic:						
Delaware.....	80,137,614	63,179,201	42,115,802	34,938,161	22,639,829	18,217,822
Maryland.....	463,638,120	286,167,023	259,901,017	163,451,614	126,692,803	78,285,507
District of Columbia.....	5,927,987	8,476,533	4,158,148	7,193,950	1,421,221	1,037,393
Virginia.....	1,196,555,772	625,055,383	756,354,277	394,658,912	268,080,748	137,399,159
West Virginia.....	496,439,617	314,738,540	307,309,704	207,075,759	103,473,702	57,315,195
North Carolina.....	1,250,166,995	537,716,210	857,815,016	343,164,945	218,577,941	113,459,662
South Carolina.....	953,034,742	392,128,314	647,157,209	268,774,854	166,326,991	64,113,227
Georgia.....	1,356,904,895	580,546,381	897,444,961	370,333,415	240,853,666	108,850,917
Florida.....	339,301,717	143,183,183	228,424,740	93,738,065	53,024,661	24,407,921
East South Central:						
Kentucky.....	1,511,901,077	773,797,880	1,050,752,680	484,464,617	254,403,256	150,994,755
Tennessee.....	1,251,964,585	612,520,836	807,782,296	371,415,783	217,197,598	109,106,804
Alabama.....	690,848,720	370,138,429	415,763,882	216,944,175	127,893,893	71,309,416
Mississippi.....	964,751,855	426,314,634	641,842,394	254,002,289	148,054,384	80,160,003
West South Central:						
Arkansas.....	924,395,483	400,089,303	607,773,440	246,021,450	145,337,226	63,145,363
Louisiana.....	589,826,679	301,220,988	383,618,162	187,803,277	90,420,631	49,741,173
Oklahoma.....	1,690,435,973	918,198,882	1,171,458,741	649,066,663	192,409,153	89,610,556
Texas.....	4,461,579,497	2,218,645,161	3,263,296,630	1,633,207,539	454,502,914	210,001,293
Mountain:						
Montana.....	985,961,308	347,828,770	691,912,265	226,771,302	84,855,264	24,854,628
Idaho.....	716,137,910	305,317,185	511,865,899	219,953,316	69,648,095	25,112,509
Wyoming.....	328,964,952	167,189,081	211,788,093	88,908,276	23,694,131	9,007,001
Colorado.....	1,076,794,749	491,471,806	763,722,716	362,822,205	102,290,944	45,696,656
New Mexico.....	325,185,999	159,447,990	196,341,050	98,806,497	25,473,162	13,024,502
Arizona.....	233,592,989	75,123,070	156,562,606	42,349,737	15,762,715	4,935,571
Utah.....	311,274,728	150,795,201	210,997,840	99,482,164	32,753,918	18,063,188
Nevada.....	99,779,666	60,399,365	59,362,239	35,276,599	6,892,975	4,332,740
Pacific:						
Washington.....	1,057,429,848	637,543,411	797,651,020	517,421,998	122,741,321	54,546,459
Oregon.....	818,559,751	528,243,782	586,242,049	411,696,102	88,971,235	45,880,207
California.....	3,431,021,861	1,614,694,584	2,783,054,977	1,317,193,448	290,755,132	133,406,040

Division and State.	Implements and machinery.		Live stock.		Value of all farm property per farm.	
	1920	1910	1920	1910	1920	1910
United States.....	\$3,595,317,021	\$1,265,149,783	\$7,996,362,496	\$4,925,173,610	\$12,085	\$6,444
Geographic divisions:						
New England.....	92,387,525	50,798,826	163,163,485	97,896,823	7,492	4,591
Middle Atlantic.....	359,152,336	167,480,384	583,394,093	349,159,555	9,290	6,319
East North Central.....	786,076,796	268,806,550	1,521,644,088	976,329,922	15,898	9,007
West North Central.....	1,163,341,332	368,935,544	2,361,816,820	1,551,708,097	25,511	12,193
South Atlantic.....	283,930,857	98,230,147	647,163,431	369,514,152	5,292	2,654

Value of farm property in the United States, by classes, for geographic divisions and States: 1920 and 1910—Continued.

Division and State.	Implements and machinery.		Live stock.		Value of all farm property per farm.	
	1920	1910	1920	1910	1920	1910
Geographic divisions—Continued.						
East South Central.....	\$176,064,886	\$75,339,333	\$579,707,988	\$369,034,607	\$1,203	\$2,094
West South Central.....	311,245,074	119,720,377	1,016,175,661	589,837,078	7,695	4,060
Mountain.....	190,710,423	49,429,975	723,059,996	388,746,520	16,704	9,581
Pacific.....	232,357,792	66,408,647	405,236,934	235,926,876	22,664	14,643
New England:						
Maine.....	26,637,660	14,490,533	39,780,102	25,161,839	5,609	3,320
New Hampshire.....	9,499,322	5,877,657	19,160,923	11,910,478	5,782	3,833
Vermont.....	21,234,130	10,168,687	42,385,331	22,642,766	7,661	4,445
Massachusetts.....	19,359,755	11,503,894	33,524,157	20,741,366	9,389	6,135
Rhode Island.....	2,408,561	1,781,407	4,840,279	3,276,472	8,238	6,234
Connecticut.....	13,248,097	6,916,648	23,472,693	14,163,902	10,019	5,944
Middle Atlantic:						
New York.....	169,866,766	83,644,822	313,554,695	183,090,844	9,879	6,732
New Jersey.....	25,459,205	13,109,507	36,064,757	24,588,639	10,499	7,610
Pennsylvania.....	163,826,365	70,726,055	238,774,641	141,480,032	8,530	5,715
East North Central:						
Ohio.....	146,575,269	51,210,071	287,655,118	197,332,112	12,090	6,994
Indiana.....	127,403,086	40,999,541	261,264,188	173,860,101	14,831	8,396
Illinois.....	222,619,605	73,724,074	446,154,064	308,804,431	28,109	15,505
Michigan.....	122,389,927	49,916,285	204,258,603	137,803,795	8,976	5,261
Wisconsin.....	167,088,909	52,956,579	322,312,115	158,329,483	14,143	7,978
West North Central:						
Minnesota.....	181,087,968	52,329,165	305,163,825	161,641,146	21,221	9,456
Iowa.....	309,172,398	95,477,948	614,326,268	393,003,196	39,942	17,259
Missouri.....	138,261,340	50,873,994	389,839,045	285,839,103	13,654	7,405
North Dakota.....	114,186,865	43,907,595	157,034,635	108,249,893	22,651	13,109
South Dakota.....	112,749,913	33,786,973	238,969,764	127,229,200	37,833	15,018
Nebraska.....	153,165,871	44,249,708	328,460,931	222,222,004	33,707	16,038
Kansas.....	154,716,977	48,310,161	318,025,292	253,523,577	19,982	11,467
South Atlantic:						
Delaware.....	6,781,318	3,206,095	8,600,665	6,817,123	7,903	5,830
Maryland.....	28,970,020	11,859,771	48,071,259	32,570,134	9,678	5,849
District of Columbia.....	104,252	92,350	246,366	152,840	29,059	39,062
Virginia.....	50,151,466	18,115,883	121,969,231	74,891,438	6,425	3,397
West Virginia.....	18,395,058	7,011,513	67,261,153	43,339,073	5,087	3,255
North Carolina.....	54,621,363	18,441,619	119,152,672	62,649,984	4,634	2,119
South Carolina.....	48,062,387	14,108,853	\$91,518,155	45,131,880	4,946	2,223
Georgia.....	63,343,230	20,948,056	155,043,349	80,393,993	4,357	1,995
Florida.....	13,551,773	4,446,007	35,300,540	20,591,157	6,116	2,863
East South Central:						
Kentucky.....	48,354,857	20,851,846	158,387,264	117,486,662	5,587	2,936
Tennessee.....	53,462,556	21,292,171	173,522,135	110,706,078	4,953	2,490
Alabama.....	34,366,217	16,290,094	112,824,748	65,594,834	2,098	1,408
Mississippi.....	39,881,256	16,905,312	134,973,821	75,247,033	3,546	1,554
West South Central:						
Arkansas.....	43,432,237	16,864,198	127,852,589	74,058,292	3,974	1,864
Louisiana.....	32,715,010	18,977,053	83,072,876	44,699,485	4,354	2,499
Oklahoma.....	80,639,827	27,088,866	215,928,252	152,432,792	8,649	4,828
Texas.....	154,458,000	56,790,280	589,321,953	318,646,509	10,232	5,311
Mountain:						
Montana.....	55,004,212	10,539,653	154,189,567	85,663,187	17,095	13,269
Idaho.....	38,417,253	10,476,051	95,208,693	49,775,309	17,008	9,911
Wyoming.....	11,772,699	3,668,294	81,710,029	65,605,510	20,889	15,217
Colorado.....	49,804,509	12,791,601	160,976,589	70,161,344	17,966	10,645
New Mexico.....	9,745,369	4,122,312	93,625,418	43,494,679	10,896	4,469
Arizona.....	8,820,667	1,787,790	52,447,001	26,050,870	23,418	8,142
Utah.....	13,514,787	4,468,178	54,008,183	28,781,691	12,130	6,957
Nevada.....	3,630,927	1,576,096	29,893,525	19,213,930	31,546	22,462
Pacific:						
Washington.....	54,721,377	16,709,844	82,316,139	48,965,110	15,952	11,346
Oregon.....	41,567,125	13,205,645	101,779,342	59,461,828	16,304	11,609
California.....	136,069,290	36,493,158	221,141,462	127,599,938	29,158	18,308

Mr. FLETCHER. Mr. President, it may be that the condition of the farmers in this country is not altogether as distressing as we have sometimes had it pictured here. Unquestionably, however, agriculture is languishing. Unquestionably the condition is such as to cause the abandonment of farms. There can be no doubt that under present conditions there is no future offered to the young man who would undertake farming as an occupation and a life work. We must do what we can to change that situation, because the prosperity of the country, the prosperity of every other industry, the welfare of the people, depend upon a prosperous and a healthy agriculture.

The number of mortgages on farms in this country is given also in this bulletin of July 1, 1921.

Mr. CURTIS. Mr. President, does the Senator intend to make that a part of his remarks? I think that information is very valuable.

Mr. FLETCHER. Yes; I am just putting in these figures separately.

The total number of farms mortgaged in 1920 was 1,611,378. The aggregate amount of the mortgages on farms in this country was \$4,112,711,213.

In 1910 the aggregate of the mortgages upon farms in this country was \$1,726,172,851. There has been an increase in farm mortgages of 132.5 per cent in the last 10 years.

We endeavored to meet the financial needs of those engaged in agriculture by establishing the only system ever in operation

here providing for long-term credits, the law being known as the farm loan act. There is not any question but what the operation of that act has been of immense benefit to the farmers of the country.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER (Mr. STANFIELD in the chair). Does the Senator from Florida yield to the Senator from Connecticut?

Mr. FLETCHER. I yield.

Mr. BRANDEGEE. Did I hear the Senator correctly to state that the farm mortgages had increased 132.5 per cent in the last five years?

Mr. FLETCHER. That is according to the figures here.

Mr. BRANDEGEE. Has the Senator any figures to show the increase in value of those farms during the same period?

Mr. FLETCHER. I think the census report does show that the value has increased. I think I can furnish that: The total value of all farm property on April 5, 1910, was \$40,991,449,090. The land and buildings are now worth \$66,334,309,556, and were estimated to be worth on April 15, 1910, \$34,801,125,697.

Mr. BRANDEGEE. So the value of the lands and buildings has more than doubled, as well as the mortgages?

Mr. FLETCHER. Very nearly doubled; yes.

Mr. BRANDEGEE. More, is it not?

Mr. FLETCHER. No; the difference between sixty-six billion and thirty-four billion. It has very nearly doubled. Under the farm loan act the financial needs of the farmer could be met

to a certain extent and upon practically his own terms, and there have been loans to farmers in the United States, according to the statement just furnished by the Farm Loan Board, in pursuance of that legislation, the following amounts, according to this statement of June 30, 1921:

Net mortgage loans by the Federal land banks, \$356,106,112.48; and by the joint-stock land banks, established under provisions in the farm loan act, \$78,255,961.84 have been loaned, making a total of loans to those actually engaged in farming—because the money can not be loaned to anybody else, according to the very terms of the act—in pursuance of provisions of the farm loan act, \$434,362,074.32.

Mr. POMERENE. How many borrowers were there?

Mr. FLETCHER. I have not here a statement of the number of borrowers; but, of course, the act limits borrowing from the Federal land banks to \$10,000 by any one individual. The joint-stock land banks can loan more than that.

In spite of the litigation that was instituted in order to destroy that system by those who had benefited by making loans to farmers at much higher rates of interest, and getting commissions on those loans, foreclosing, and so on, renewing every three or five years, in spite of that litigation, which paralyzed the operation of this system for from 12 to 18 months, it has found for the farmers of this country this amount of money which I have mentioned, at 5½ per cent per annum, with the privilege of paying off the principal at the rate of 1 per cent per annum, and with the further privilege of paying off any or all of the principal at any interest period after five years.

It has been proposed. The Senator from Iowa [Mr. KENYON], as I recall, has introduced a bill to raise to \$25,000 the limit of \$10,000 to each individual borrower. I think that should be done, because land values have increased enormously since the law was enacted, and now there are plenty of farmers in the country owning farms worth \$50,000, and I see no reason why they should not be allowed the advantage of the system.

Mr. POMERENE. Mr. President—

Mr. FLETCHER. I yield to the Senator from Ohio.

Mr. POMERENE. Some of the farm organizations have recently taken a census of the farmers on that subject and the majority have voted in favor of an increase of the amount that might be loaned to \$25,000. I have not been entirely satisfied in my own mind that that was a wise thing. Perhaps it is. I have come to no definite conclusion, but this thought has occurred to me.

It necessarily follows that there is a limit on the amount of money which can be raised for this specific purpose. It has seemed to me, assuming that to be so, that it would be a good deal better to loan \$25,000 to three men than to loan \$25,000 to one man. I realize that there are many men who would like to have \$25,000, but I have been just a little bit fearful that if that amount were advanced it would be the big farmer who would get the benefit of the farm loan bill and not the small farmer. If I am wrong about that, I should like to be set right.

Mr. FLETCHER. My idea is that there ought to be found money enough under this system to serve all those actually cultivating farms and making that their business or occupation. Of course, if we can not get the money and it is impossible to raise sufficient funds to make the loans that are applied for and needed, then, I think, the Senator is perhaps correct in what I assume to be his present view, that we ought to loan that to the small farmer and allow the big operator to go into the commercial world, like other business men, and find his money there.

Mr. SHEPPARD. Mr. President, may I ask the Senator what is the position of the Federal Farm Loan Board on the matter?

Mr. FLETCHER. My understanding is that the bill was referred to a subcommittee, and the subcommittee called the members of the Farm Loan Board before it, and they took the position that it would not be wise now to increase the limit. They did so for the very reason indicated by the Senator from Ohio, that there is difficulty at this time in finding sufficient funds to meet the needs of those applying for loans.

Mr. KENYON. Mr. President, the statement by the Senator is correct. I heard the testimony given by them before the subcommittee, but they have heretofore twice recommended the increase.

Mr. FLETCHER. Yes; I think it will eventually come, and I am not so certain that it should not come now. I have prepared a bill which, in my judgment, will solve the problem. That bill was introduced, and is now before the Committee on Banking and Currency. I have asked for its reference to a subcommittee, and we propose to go into hearings on it. It provides that short-time negotiable paper having farm-loan

bonds attached as collateral security shall be eligible for rediscount in the Federal reserve banks.

What does that mean? It means that the instant that is written into our law the banks themselves all over the country will be calling for these farm-loan bonds. They can use them for reserve. They can use them as money, because if we make them eligible for rediscount the transaction would simply be this: You would take your note to a bank, a member of the Federal reserve system, with a farm-loan bond attached as collateral security to the amount of the note. That member bank can then take it to a Federal reserve bank and get Federal reserve notes for it. Therefore, the banks themselves will want to buy the farm-loan bonds. It at once creates a demand and a market for the bonds, practically unlimited, in addition to the demand and the market which we now have.

Mr. KENYON. I should like to ask the Senator how the Federal Reserve Board stands on that proposition?

Mr. FLETCHER. They have so far advised against it. I hope to convert them, but I do not know whether I can or not. Thus far they think it is not a liquid paper, and they base their position upon its lack of liquidity.

I will say to the Senator that I am prepared to meet that proposition. I am not going into an argument of the question this afternoon, however. We have simply branched off upon it for the moment. It is important, and important in this very connection, and I hope to show and expect to show that negotiable notes with farm-loan bonds as collateral are just as liquid, certainly just as safe and just as secure, as a promissory note which I might make to the Senator from Iowa for \$500 in the purchase of a horse from him. Why not?

The situation is perfectly absurd when you come to think about it. Under the present practice and system and laws, if I buy a horse from the Senator for \$500 and give him my note, he can take that note to his bank and that member bank can send that note to the Federal Reserve Bank and get reserve notes for it. I might sell that horse the next week to the Senator from Idaho [Mr. BORAH]. He might part with the horse, trade it off to the Senator from Kansas [Mr. CAPPER] for an automobile. The horse is then gone. The theory that my note originally given is to be made good by the sale of that horse is ridiculous. There is no security in connection with it.

The whole proposition is that the member bank takes the responsibility when it indorses that note and sends it up to the Federal Reserve Bank for rediscount. That note is to be paid first by the member bank when it falls due. It looks to me and to my indorser, the Senator from Iowa [Mr. KENYON], for instance, to make good that note, and has no regard whatever for the horse that originally entered into the transaction. The horse has disappeared.

Mr. BORAH. Mr. President—

Mr. FLETCHER. I yield to the Senator from Idaho.

Mr. BORAH. I hope when the Senator comes to look over his remarks he will change the figure a little. I do not wish to be charged in the Record with trading a horse for an automobile. [Laughter.]

Mr. FLETCHER. I shall try to make that satisfactory to the Senator. I ought to have changed that around and had the automobile come from the other direction, since the Senator from Idaho is so fond of horseback riding and appreciates a good horse. I am sure he would not trade a \$500 horse to the Senator from Kansas [Mr. CAPPER] for any automobile.

Mr. KING. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. Certainly.

Mr. KING. Does not the Senator's argument, however, go a little too far; and is it not destructive of the theory of commercial paper entirely, because the Senator supposes that the validity or the strength of the note rests upon the article, in this instance the horse, for which the note was given? The Senator knows that commercial products and commodities are purchased and notes or acceptances are executed and the commodities are destroyed or consumed. Nevertheless, the consumption of the commodity does not diminish the security, so far as the Federal reserve bank is concerned, because they look to the member bank which guarantees the note in payment.

It occurs to me that the Senator in using his illustration seems to stress too much the article which is in existence at one time, in one instance the horse and in another instance a commercial commodity, and does not give sufficient consideration to the maker of the note or the drawer of the draft or the bank itself, which guarantees the payment.

May I further call the Senator's attention, for my own information, to this query. It seems to me the Senator's argu-

ment with respect to farm paper and mortgages is not quite accurate if he bases his contention upon long-time paper. There is but little liquidity to a mortgage upon real estate extending over a period of five years, but a note for which a mortgage is given as security and which is due in a few months would possess liquidity that a 5-year note and a 5-year mortgage would not possess. Does the Senator distinguish between the long-time mortgages and short-time paper?

Mr. FLETCHER. Undoubtedly. I am referring now to short-time paper. Long-time accommodation is provided for under the system where the mortgages are made payable at the rate of 1 per cent per annum on the principal and the interest at 5½ per cent. That extends over a period of 35 years, say. Those are the provisions for long-time accommodations; but now I am interested in raising money whereby these loans can be made, and the money is to be raised by the sale of the farm-loan bonds issued against those mortgages.

Mr. DIAL. Mr. President—

Mr. FLETCHER. I will yield to the Senator in just a moment. Every issue by every bank is guaranteed by every other bank. The issue of one bank is just as valid and just as good as the issue of another bank anywhere in the country. The rate of interest is the same, the terms are the same, and every farm-loan bank among the whole 12 guarantee the issue of every other bank so that the bonds are perfectly good and in every way secured, no matter what bank issues them.

In my judgment there is no more sound security offered to the public in the country than these farm-loan bonds issued by authority of the board by the Federal land banks. They have back of them the mortgages that are given upon land at 50 per cent of the value of those lands appraised by the Government. They have back of them the bank that issues the bonds as well as the other 11 Federal land banks throughout the country. They have back of them in addition to that the obligation of the local Farm Loan Association and in addition to that the obligation of the individual borrower. If there is any security that is sound and safe in this country, it is the Federal farm-land bank bonds, known as farm-loan bonds.

I propose to attach that, not to a note running over five or six years at all, but to the 60 or 90 day note. I suggest that in answer to the query of the Senator from Utah. I propose to make that paper 60 or 90 days or 6 months, not over 6 months, so that it is liquid paper, just as liquid as the note given for the horse in the instance I have mentioned. It is a note given for a debt secured by the farm-loan bond attached to it, which is the very safest security that could be given, it seems to me, in any transaction. It certainly is a safer transaction for the bank to take a note secured by farm-loan bonds for the face value of the note than it is to take a note that arises out of the purchase and sale of a lot of goods or a horse, as I have indicated.

I now yield to the Senator from South Carolina.

Mr. DIAL. Mr. President, what we should like to do would be to accommodate as many borrowers as possible. In a conversation to-day with a member of a farm-land bank he stated to me that out of \$40,000,000 of bonds recently issued, the amount allotted to some of the branches would not realize over \$10,000 per county.

Mr. FLETCHER. That is the very trouble I am trying to cure, and if Congress will pass the bill which I have introduced and which is now before the Committee on Banking and Currency, a note having these bonds as collateral will be made eligible to rediscount in the Federal reserve bank, and then we will get the money, because the bonds will be readily sold and the demand will be many times extended over and over again. There will be no limit practically to the demand for those bonds. Every bank in the country will want them and seek them. We will have also the same people who are now willing to buy the bonds, the farmers themselves where they have the money to invest, and others who have money to invest, still purchasing those bonds, and in addition to that we will create a market coextensive with the limits of the country, and capital everywhere will be seeking these bonds. It is the proceeds of those bonds that are loaned to farmers under the farm loan act. The Federal land bank can not make loans unless it has money, and it can only get money by the sale of the bonds. If we create a demand for those bonds, if we create a market for those bonds, we at once solve the problem of selling the bonds, and we shall at once have provided a fund which will be ample to meet the needs of the farmers of the country.

Notwithstanding the splendid work which the Federal Farm Loan Board has done thus far and the magnificent results therefrom, notwithstanding the fact that the farmers of the country for the first time in their lives, in the history of the

country, have already obtained what appears to be the large sum of \$434,362,074 at 5 per cent, with the privilege of paying off the principal at the rate of 1 per cent per annum—notwithstanding that great achievement, when we remember that the mortgages on the farms in this country to-day amount to more than \$4,000,000,000, it may readily be seen that the surface has scarcely been scratched in the administration of the Federal farm loan act. We have not even begun to meet the needs of agriculture. We can not meet those needs unless we find a market for the farm-loan bonds. When we pass this legislation I have proposed, we shall have a demand, we shall have a market for these bonds, and we shall be able to sell the bonds and thus to procure the money with which to make the loans.

It is a shame that we can not at least raise enough money to pay off the farm mortgages, which are now bearing from 8 and 10 to 20 per cent, including commissions and other charges and costs, and allow the farmers who are burdened with these high-interest rates to get their money at 5½ per cent under the Federal farm loan act. That is a question to be thoroughly considered. When it is considered I believe Senators will agree that we must solve the problem in that way; that we must create a market for the bonds in order that they may be readily sold and in order that ample funds may be on hand to be loaned by the Farm Loan Board and thus to meet the demands of agriculture. The board can not accommodate the applications which are now on file with them; they can not begin to pay off the mortgages on the farms in this country to-day. They are hampered for lack of funds. The Senator from Kansas [Mr. CURTIS] recently introduced a measure whereby there was provided \$50,000,000 additional. That legislation has helped to some extent; but that is only a small amount, comparatively. We realize that, as I have said, when we remember that the farmers of the United States themselves are now carrying mortgages to an amount of over \$4,000,000,000.

Mr. KING. Mr. President, I should like to inquire of the Senator from Florida if in his study of this question he has reached a conclusion as to a safe ratio between farm values and farm loans that might be maintained in this country?

Mr. FLETCHER. I find no very serious objection to the present ratio adopted under the act, and that is 50 per cent of the actual value of the land and 20 per cent of the improvements thereon. That is the basis upon which the act is now being administered, and it certainly ought to be safe, it seems to me. So far the Farm Loan Board are having no trouble about collecting all of the amounts due them. I do not believe they have had any foreclosure suits or any defaults worth mentioning, and they have had but very few requests for extensions, according to my information.

The Senator from Georgia [Mr. WATSON] suggests that tax assessments would be a good basis for valuations on which to make loans. Of course, the assessment is made by State authority, and it might not be quite feasible to accept it. In some instances the assessment is away below the value; it is, I think, about one-third of the value of the land, usually. Farm land is ordinarily assessed at something like one-third of its value in a good many of the States and counties. However, in the case of loans under the farm loan act the Farm Loan Board appoints appraisers of the land. They are the representatives of the Government, the loaning authority. They go out and look at the land; they actually go upon it and examine it and appraise it; and it is upon the basis of that appraisement that the loans are made. The agents of the party making the loan themselves estimate the value of the land under the present system. If they find a farm is worth \$1,000 they say to the owner, "We will loan you \$500." It does seem that that ought to be safe. They do not accept the estimate of the local association or of the borrower or of any committee. They themselves send their own appraisers who appraise the value of the farm.

Mr. KING. However, it must be conceded that those appraisers are usually, and, indeed, always residents of the State in which they are appointed and of the districts which they represent, and too often, perhaps, they may respond to the inflated ideas as to the value of property which are possessed by its owners and by the local communities; but, in the main, I agree with the Senator from Florida that the appraisements have been very fair, and the Government is not in a position to sustain any losses.

If the Senator from Florida will pardon me, if it is not a digression from the point he is making, I should like the Senator's view as to whether or not the Government should issue any more tax-exempt securities. I invite the Senator's attention to the fact that recently, when I was in New York, I was told that many of the large real estate holders, some of the Astors and Vanderbilts, were disposing of their real estate because of the heavy burden of taxation—municipal, State, and

otherwise—and were using the proceeds derived from the sale to purchase tax-exempt securities. The Senator from Florida will realize that if that policy shall be continued and we continue to issue municipal, State, and national tax-exempt securities we shall soon have, perhaps, from thirty to forty billion dollars of tax-exempt securities.

They will be accumulated in the hands of the rich, who will dispose of real estate and other property subject to taxation and invest in tax-exempt securities, and thus vast sums will be withdrawn from taxation.

Does the Senator think that we ought to continue the policy of issuing tax-exempt securities? Does he not think that perhaps we ought to appeal to the States, and, if they fail to respond, then to amend the Constitution of the United States, so that they may not issue tax-exempt securities, at least securities that would be exempt from Federal taxation, to the end that there shall not drift into the hands of the rich billions and tens of billions of property which will be exempt from taxation, thereby imposing the burden of maintaining the States and the National Government upon what the French would call the bourgeoisie class.

Mr. FLETCHER. I will say in answer to the Senator, although his suggestion is quite aside from the line of argument that I had in mind, that I think perhaps we will have to take steps to limit the issuance of tax-exempt securities in this country. I know of no way by which we can prevent the States from doing as they please about it except by some constitutional amendment, and perhaps it will have to be reached in that manner, but we are not able now to sell the farm-loan bonds in sufficient quantities to supply the needs of the farmers. I do not see that we are being oppressed very greatly by capitalists who invest in farm-loan bonds which are tax exempt. As I have said, we are having difficulty in selling the bonds in sufficient quantities, and I do not know that we have any right to complain or criticize as to that feature of the bonds issued under the farm loan act.

I will say further that, whatever may be done in that connection hereafter, so far as relieving the bond issues from tax exemption of any sort is concerned, the farm-loan bonds ought to be the last ones from which the privilege of exemption should be taken away, because it is only by reason of the fact that they are tax exempt they are sold at the low rate at which they are sold; and that means that the borrower is able to get his money at the low rate for which he now gets it. If we at once relieve the bonds of the tax-exempt feature the farmers of the country must pay a higher rate of interest on their loans.

Speaking generally, there are two sides to the question, and we will hear very strong arguments on both sides when the subject is reached.

Mr. WATSON of Georgia. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Georgia?

Mr. FLETCHER. I yield to the Senator.

Mr. WATSON of Georgia. I had not intended to say anything at all concerning the exempt feature, Mr. President, but I will suggest that the great trouble now is the exemption of invisible property, such as notes, mortgages, trust funds, shares in stock and bonds. We are struggling in the State of Georgia now, where there is a deficit of about \$3,000,000, to provide a stamp tax to compel those hidden securities to come from their places of concealment and pay their taxes.

As to the suggestion made by my friend the Senator from Utah—

Mr. KING. I will ask the Senator to bear in mind that I expressed no opinion.

Mr. WATSON of Georgia. I said "suggestion"—I should like to say to him, as a matter of actual experience, that when I was a young lawyer practicing my profession the farmers had no way of borrowing money at all, except from cotton factors, to whom they had to give mortgages on their property, generally on their land, at the rate of interest which was then permissible, running as high as 12 per cent. In addition thereto, they had to sign what was called a cotton contract to send one bale of cotton for each \$10 advanced, and in default of sending a bale of cotton for each \$10 borrowed they had to pay a dollar and a half storage and commission, just as if the bale of cotton had been shipped, stored, and sold. Consequently the interest charge amounted to away over 20 per cent.

Just at that time the Corbin Banking Co., of New York, for instance, came down into the South with a land-loan banking system, a farm-mortgage system. I represented that company in my local territory. One of the requirements of the company was not to lend more than a certain amount above the estimate which the taxpayer had been previously placing upon his land for purposes of taxation, conclusively presuming that he would

not return it for taxation at a higher value than was justified by the circumstances.

I will say, Mr. President, for the information of Senators, and in support of what the Senator from Florida is saying, that having represented that company for years and loaned out thousands and thousands and thousands of dollars of its money on that basis, I never knew it to lose a single loan, not one; and the company was of great benefit to the farmers, because they got money at about 8 per cent, plus the necessary expense of recording the mortgage.

Mr. FLETCHER. I am very glad the Senator has given us that information. Now, of course, those were not unreasonable terms. The fact is, as I have numerous letters in my office to show, that the farmers are paying all the way from 8 to 20 per cent on loans; but under this system those same farmers ought to get their money at 5½ per cent, with no commissions to be added, no fees, no charges except some small items for abstracts of title.

But, Mr. President, I must hurry on, because there are other Senators who desire to discuss this bill.

There is another proposed measure, which I have introduced and to which I would invite the Senate's attention, now before the Banking and Currency Committee, which would effect some economy. We hear very much in this Chamber about economy, and we are often told that it is very important that we should curtail expenditures, and we have no evidence that the meaning of the word economy is understood. The bill that I mention now proposes to save the Government at least \$25,000 a year, and to do so without any harm or injury or crippling to any service. I have introduced this bill to change the membership of the Farm Loan Board from four members, as now constituted, together with the Secretary of the Treasury ex officio chairman, to two members to be appointed by the President and confirmed by the Senate, the Secretary of the Treasury still to be ex officio chairman, and adding the Secretary of Agriculture as an ex officio member, so that the board would be composed of two active members instead of four, and would have the Secretary of the Treasury and the Secretary of Agriculture as ex officio members without additional compensation.

Each of the members of the Farm Loan Board to-day receives a salary of \$10,000 per annum. In my judgment the provision for four members originally was entirely wise and proper; but the board have organized the system. They have put the law into effect. They had to go out over the country and divide the whole country into 12 distinct districts. They have done all that. The Federal land banks are all established and functioning. Their agencies and means of carrying on the business are all systematized and operating, and there is no longer need of four members to sit in the office here in Washington, each drawing \$10,000 per annum, with 35 or 40 clerks here just to supervise the operations of the Federal land banks and sell the bonds. They do not sell the bonds in fact. The first sale of bonds they negotiated through a syndicate. I believe the syndicate was paid a commission to sell the bonds. They supervise the sale of the bonds. They have not been able to sell the last \$40,000,000 that they offered. I believe the Senator from South Carolina said that they had sold \$36,000,000 of them, or about that; but in my judgment that board could be limited to two active members here in Washington, together with the clerks that they require, instead of four, with each member now having a crowd of clerks around him looking after his particular branch of the work. That would save you \$25,000 per annum.

If you want to economize, there is an opportunity to evidence a little of that desire, and I am saying this not because of any antagonism that I have to the board or any member of the board. On the contrary, I have the highest esteem for them. I regard them as my personal friends. I am proud so to regard them. I certainly have no ill will toward any member of that board; I never have had; and I want to see that work continued without being in any way hampered or hindered. I do believe firmly, however, that there is no need of four members of that board here in Washington now, after this system is thoroughly organized and in thoroughly successful operation. That measure is pending.

Now, Mr. President, we have done much—not too much, in fact not enough—through the great Department of Agriculture to promote production, to encourage and help the farmers of the country. They are doing all right so far as production is concerned, but it is of no use to raise the produce, to create truck and farm products, and have them rot in the fields. Some years ago I endeavored to cure that trouble to some extent by an effort to extend the use of the parcel-post system so as to promote direct dealing between producers and consumers.

The Post Office Department were given a small appropriation and made some experiments, and they accomplished some good results in that direction. The last Congress cut off that appropriation, so that those experiments are not being carried on; but certain benefits developed from them, and there has been a certain amount of direct dealing carried on between producers and consumers, and that helps some. It helps toward the solution of the marketing question. The great problem now is the problem of distribution. That is the problem with which agriculture is confronted in this country, and that is the problem we must solve—the problem of distribution.

I am in favor of establishing an agency such as the corporation proposed in this bill, in the hope and with the belief that such an agency will tend very largely toward the solution of our problem of distribution. That corporation could form co-operative agencies throughout the various States. Those agencies could ascertain the quantities of farm products offered for sale, the quantities that could be assembled at centers here and there over the country, and then the corporation could find just where those products were wanted, upon what terms they would be taken, and direct their movement accordingly. It could harmonize and work with the International Institute of Agriculture, with headquarters at Rome, Italy. That institute gathers information all over the world. It knows from time to time precisely what farm products are produced in this country and in that country, where there is a surplus, and where there is a shortage. It knows as to prices; it knows as to the wants and needs of people in various countries respecting the different kinds of farm products; and if it were in touch with a corporation on this side, such as would be created by this bill, these products could be moved to the markets where there was demand for them, where there was need for them, and they could be kept out of and away from fields where there was already a surplus.

In my judgment, a great deal could be accomplished in this direction, and we never were in a better position to try it than to-day. In the first place, we have the ships. Those ships could be sent to every port in Christendom, if necessary. We could send those ships, with cargoes of such products as might be selected for the various markets, to United Kingdom and Continental ports, send them to Mediterranean ports, send them to South Africa, send them to the Orient through the Panama Canal, carrying the products of America to the waiting markets overseas. I can see great possibilities for a work of that kind.

Mr. KING. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Utah?

Mr. FLETCHER. I yield to the Senator.

Mr. KING. I should like to inquire of the Senator whether, in his general indorsement of the measure now before us, he indorses that provision of the bill which puts the Government of the United States into the field as a buyer and as a seller—as a buyer in competition with all other buyers and exporters, as a seller in competition with all other sellers, whether they be sellers in the domestic market or sellers abroad?

If the Senator approves of that extreme socialistic and paternalistic policy, does not the Senator believe that the effect undoubtedly would be to drive from the field domestic buyers and sellers of agricultural products as well as foreign buyers and sellers—that is, those who are purchasing for export purposes? Does the Senator intend to give his general indorsement to that provision of the bill, as well as to the other provisions which call for the organization of this corporation to extend credits?

Mr. FLETCHER. No, Mr. President; I am not in favor of shutting out buyers who come here from abroad or domestic buyers. I am not in favor of limiting markets at all. On the contrary, it seems to me that the whole purpose of this bill and the whole idea back of it and the whole intent of the corporation if it properly pursues its duties will be to take care of the surplus production in this country, to increase the number of buyers and extend the field for distribution of these products, not to limit or cut off or interfere with other buyers and other dispositions that might be made of the domestic requirements at all, but to take care of the surplus production. We are producing a large surplus of agricultural products—not merely enough, for instance, for home consumption, but a surplus that must find markets in foreign countries—and the operation of this corporation will be with reference to foreign markets, to export products; in other words, dealing with our surplus. It will increase the number of agencies, perhaps, that might buy farm products to that extent, and there may be a certain amount of competition; but it will not be competition that will run out of the field any operators in our domestic markets.

Mr. KING. Then, Mr. President, as I interpret the position of the Senator, he does approve of the Government becoming a buyer and seller of agricultural products, but he attempts to limit it, as I understand his position, to the purchase and sale of those products which he denominates "surplus."

If that is the position of the Senator, may I suggest to him for his consideration, if he has not already considered it, that whenever the Government of the United States enters into the field for the purpose of buying and selling, it may not draw a dividing line and say, "On this side of the line it is domestic and on that side of the line the product is for export." The moment the Government goes into the buying, whether it announces that it is buying only for export purposes or not, it affects the entire market; and the experience has been that when the Government has gone into the market for the purpose of purchasing, it has usually affected the market disastrously to the producer.

Now, I am in favor of some sort of a measure that may facilitate the giving of credit to agriculturists, but I am not in favor of the Government of the United States becoming a buyer and a seller. If the Government of the United States should go into the market now and become a buyer and seller of agricultural products, the Senator must see that the effect would be to drive out of the market all of the instrumentalities now existing which have been built up by business men to aid in the exchange and sale in a domestic way and in a foreign way of agricultural products, and the Government in the end would be compelled to be the sole buyer and the sole seller of all of the agricultural products of the United States. It would fix the prices, domestic prices and foreign prices, because the prices which the Government thought it would sell for abroad would reflect the prices at home, and in the end you would have a great Government fixing the prices of products, both those consumed and those sold, and you would compel the Government in the end to take over all of the agricultural products of the United States.

Mr. FLETCHER. Mr. President, of course if all those things should happen, if I could see any reasonable prospect of their happening, under this bill, I would be opposed to the bill. But I do not agree with the Senator in his conclusions. I do believe this corporation ought to have authority to buy and they ought to have authority to sell those products in foreign markets, not in this country, but abroad; and they ought to be empowered to act as agents for purchasers and sellers here and as agents of the producer to transact the business in foreign markets. They ought to be able to extend credits and to guarantee transactions in such sort that this surplus can be disposed of in foreign markets, because, after all, as I said, the great problem confronting agriculture in this country is the problem of distribution, and I think this measure will very largely tend to solve that problem.

It may not accomplish all we expect and desire. It is not a permanent thing. Its life is for five years, and, of course, it is for Congress to say, at the end of that time, whether the work shall be continued or not, and the corporation kept alive. But it is limited to five years, to meet the present condition arising out of the world upheaval which has brought about this demoralization of markets and this distress to agriculture. As I said, it may not do all we hope it will do, but we recall that in "Measure for Measure" Isabella, when asked to help save her brother, answered:

"Alas! What poor ability's in me to do him good?"

To which Lucio replied, "Assay the power you have."

We may not have the ability, we may not have the foresight and the wisdom, or the power, even, to legislate so as to remedy this situation, but we can at least do what is in our power to relieve conditions, and that, I think, we should do.

I ask leave, Mr. President, to have printed as a part of my remarks an editorial from the Florida Times Union.

There being no objection, the editorial was ordered to be printed, as follows:

HELPING THE FARMER HELPS OTHERS.

"Just now there is a nation-wide interest in the farmer to be seen in the Government consideration more than ever before of the needs of the tillers of the soil. 'Why,' ask some people, 'should the farmer be singled out for State or National consideration and assistance more than any other class of toilers?' Because helping the farmer helps all others. Clear the stream at its source and it is possible for the water to be pure and healthful. And is it not true that agriculture is the source of life, physically and commercially?"

"Mr. Herbert W. Forster, writing in the New York Times, tells of the 'farms' silver lining,' due to enormous crops, plenty of work for all who want employment on the farms, and at rates of wages more than fair to worker and employer than prevailed

during several years past. After recounting what he saw during a recent trip through the great agricultural section of the West and referring to Government aid for financing the movement to market at home and abroad of these generous crops of the current year Mr. Forster says:

"Here are the wider aspects of the agricultural recovery that justify its raising a general economic hopefulness. There is its effect on the railroads. A big crop necessitates heavy transportation. The railroad men say they have the rolling stock on hand to carry it in a short time, and they add that this stimulus to transportation will help materially in pulling them out of the depression. The bankers and business men at the cattle pool conference held in Chicago a little while ago stated that if a large part of the crop were marketable within the next three months, as the market indicates it will be, it would help to relieve the whole financial situation throughout the country.

"Following this the writer quoted goes on to show how in ways other than those just mentioned helping the farmer helps others. He says:

"The combination of cheap labor, which has reduced the cost of production, and the size of the crops will bring the farmer large net returns this year. The farmer constitutes a vast buying public, and when he gets the money for his harvest he, who has also been on a buyers' strike, will declare the strike off and become a lively consumer once more. This is bound to make itself felt advantageously in all branches of industry, and is considered the most encouraging phase of the outlook. 'What helps the farmer helps everybody' is being put to the test, and it looks as though it were going to ring true.

"Just for a moment stop and consider what it would mean to all of us if suddenly, or even by slow degrees, the farmer should be deserted and allowed to bear his burdens unaided. There would be not only famine but all forms of enterprise and business would halt and work cease in proportion to the inactivity on the farms. Economically as well as physically all would suffer. The converse is equally true, that the activity and prosperity of the farmer precedes and presages activity in business and its prosperous conditions as well as promotes the general welfare. Therefore reasonable help for the farmer is help for all people."

ADJUSTMENT OF FOREIGN LOANS.

Mr. BORAH. Mr. President, if the funding of the foreign debt were solely a question of judgment with reference to finance or as to proper dealing with securities, I should not hesitate to select the Secretary of the Treasury as the man to whom should be given authority to deal with that subject. But the foreign debt involves much more than that. I do not know of any question which has so much to do with our relations with foreign Governments as the proper adjustment of our foreign debt. I do not know of any question which has so much to do with our economic domestic affairs as its proper disposition. Indeed, it touches almost every question with which the Congress could have to do just at this particular juncture of affairs. It necessarily follows that upon such a subject we must have opinions. Indeed, we are compelled to have opinions and are under obligation to urge them. It would be extraordinary for the Congress to abdicate its authority, surrender its judgment and its discretion, and delegate undefined power over this subject to one particular individual, regardless of the ability, the acknowledged standing in character, and the high patriotism of the man to whom that delegation of power was to be given.

Our foreign debt at this time amounts to about \$11,000,000,000. We have loaned to different Governments of Europe about \$10,000,000,000, and there is now unpaid interest upon the loans of nearly \$1,000,000,000. So the foreign debt represents about \$11,000,000,000. In addition to that, we have made loans to about \$5,000,000,000 in the way of loans on securities by individuals or corporations.

Mr. Reynolds, the Chicago banker, in an address made some weeks ago, said:

The extent to which European nations have been securing capital in the American market may not be fully comprehended. During the period 1915-1920 foreign loans floated through American bankers aggregated some \$5,000,000,000. Direct loans by the Federal Government to European nations amounted to some \$10,000,000,000. At the present time the unfunded debt of Europe probably amounts to somewhere between \$3,500,000,000 and \$4,000,000,000. In all, these figures represent an export of something like nineteen billions of capital.

Mr. Reynolds, continuing his remarks along the line indicated by the paragraph just read, said:

To show the significance of these figures a comparison may be noted. During the period 1915-1920 the total reported issues of securities—railroad and traction, industrial, municipal, and State, and those put out by the Federal Government—amounted to \$43,500,000,000. Of that total, \$15,000,000,000 went to Europe. Europeans received three billions more than were given to all American railroads, traction companies, and industries combined. They received as much as these with State and municipal issues added.

Justification for proposals to furnish Europe with even more capital is sought in the plea that the fortunes of the people of the United States are tied up with those of Europe. Failure, distress, and disaster there will mean failure, distress, and disaster here. The view

is urged that American goods, particularly raw materials, must be sold to Europeans not only in order to relieve the American market but also to furnish Europe the materials on which to work in the process of economic rehabilitation. Any proposal to furnish Europe with more capital should receive the closest scrutiny.

In many statements regarding the subject of exporting capital, the idea seems to be prevalent that money is the only form of capital. If the United States makes loans to France and the proceeds of the loans are expended in the United States it is felt that Americans will be safe because the money is still here. But in such case they have parted with capital goods which have been paid for with their own funds. They will receive for these capital goods the customary evidences of debt—bonds or notes which draw interest. This is as truly an export of capital as if gold had been sent abroad, and Americans have identical evidence in either case. American capital resources have been depleted to the same extent in either case.

That has all taken place since 1915. In six years we have exported capital from this country to foreign Governments to the extent, as Mr. Reynolds puts it, of about \$19,000,000,000. But that does not represent, by any means, all the capital which we have exported.

I have before me a statement purporting to give the donations which have been made by this country to Europe since 1915, and up to January 16, 1921, they aggregate \$2,393,418,567.80. It may be interesting, Mr. President, to give the leading items making up that total.

The figures are as follows:

Knights of Columbus	\$8,389,600.00
Jewish Welfare Board	670,000.00
Young Women's Christian Association	4,158,145.70
Young Men's Christian Association	25,591,413.49
Joint Distribution Committee	24,000,000.00
Sun Tobacco Fund	442,000.00
Reported by National Information Bureau: American Relief Administration, European Children's Fund, war chests, smaller organizations	825,000,000.00
Other war relief groups (N. Y. Bureau)	20,000,000.00
American Red Cross	217,265,588.76
Salvation Army	6,546,846.95
American Library Association (estimated)	300,000.00
European Relief Council (Herbert Hoover, chairman) (estimated)	30,000,000.00
American Food Administration, American Relief Commission (estimated)	100,000,000.00
Individual gifts, food, money, goods, 1914-1918 (estimated)	500,000,000.00
Societies, associations, etc., now out of existence, no records (estimated)	500,000,000.00
Money orders sent to friends in warring countries (from Postmaster General's fiscal reports for 1915, 1916, 1917, 1918)	131,054,973.00

They aggregate, as I have said, \$2,393,418,567.80.

We have exported to Europe in six years, therefore, from twenty to twenty-one billion of capital. That is nearly or quite two-thirds of the entire reparation claims assessed against Germany, which she is to have 40 years to pay. In six years we have either loaned or donated to European powers that vast and almost inconceivable sum of capital. We are now confronted with the proposition, earnestly presented and ably argued by certain economists and financiers, that the United States can not reabsorb, as it were, any part of this \$21,000,000,000 of capital without great detriment to the financial fabric. A country which has depleted itself in six years of the stupendous sum of \$21,000,000,000, we are informed, is not in a position to take any considerable portion of it back lest it disarrange and disorganize the whole of our financial and economic structure.

Those who undertake to support that proposition and to present it to the lay mind have a very great task before them. It is a difficult task which they have assumed to thus prove that a country parting with such a vast sum of capital could not, in the practical working out of international and domestic finance, find room for the safe use of a part of the vast capital with which it has parted. Those who undertake to show this will be met with many obstacles, the most conclusive of which is that it is unreasonable. There may be something in the mysterious operations and workings of finance which the ordinary man can not comprehend, but it will have to be revealed in an unmistakable fashion before it will be accepted by the American people, who are now in need of capital.

Mr. President, the first propaganda organized with some considerable force and effect, with reference to the foreign debt, was to cancel it entirely. There is no doubt where that originated. It did not originate in this country, although it was earnestly advocated by those who always represent in this country what foreign interests want. But that proposition was very successfully and conclusively vetoed by President Wilson. When the proposition was presented to him—and for a long time it was denied abroad it had been presented—his letter in response to the subject was conclusive, and, in my judgment, it correctly interpreted the views of the people of this country. He advised in courteous but unmistakable terms

that the debt would not be canceled; on the other hand, that we should expect payment, and payment of the entire amount.

The next proposition, after the question of the cancellation of the debt had been disposed of, was the funding of the debt for a long period of time and deferring the payment of the interest for 12 or 15 years. Of course there are a great many people who advocate the funding of the debt for a long period of time and the deferring of the payment of interest who were not associated with those who advocated cancellation and who do not believe in the cancellation of the debt; but the moving power for the funding of the debt and the deferring of the interest for 15 years was the same power which initiated the movement for the cancellation of the debt.

After it was ascertained that it was impossible to cancel the debt, the next proposition was that of funding it and deferring payment of interest until such time as it was believed that the American people as a people could be brought to the conclusion that it ought to be canceled. One of the most noted of the London papers in discussing the question said:

It perhaps is not within reason to expect the American people all at once to be converted to this very practical application of world solidarity.

That is to say, the cancellation of the debt, the subject they were discussing.

In a London dispatch, printed in the New York World under date of November 11, 1920, it was said:

Finance officials here would like to popularize the idea that the interallied war loans should not be considered at all, but treated as war expenditures and wiped off the slate.

If not now, later.

The two propositions are kindred in the source from which they sprang, and while as they move forward they have different advocates, the origin in my judgment is the same.

So long as the masses in Europe are led to believe, first, that Germany can pay all the expenses of the war and rehabilitate them financially and economically, and, secondly, that the United States will not only cancel the debt ultimately but will in the meantime continue the loan, either publicly or through private corporations, and donate millions to feed them, the nationals of Europe are not going to work. It has a perfectly demoralizing effect upon them. They have been educated to that belief to a very great extent. Two campaigns have been made in two of the leading nations of Europe, based largely upon that theory. The result of it is, as we are informed, that outside of a limited area in Europe the people are laboring under the belief that that is to be the ultimate program.

I read from an interview given out by John M. Glenn, secretary of the Illinois Manufacturers' Association, who has just returned from Europe a few days ago, in which he said:

Germany is the only European country that is working to any extent. Practically the rest of them are loafing. They want the United States to give them more money so they can go out and play some more. England needs a Wellington, France a Napoleon, and Italy a Garibaldi to make them go back to work. Apparently there is no one working in Europe but the Germans. I talked with a prominent American woolen manufacturer who had motored all over Britain and found loafing to be general. All the people I met at the International Chamber of Commerce spoke of the activity of Germany getting out production. Meanwhile the allied nations appeared to be sitting around waiting for the reparations to be handed out.

Of course, such statements are always criticized by certain people, but plenty of evidence could be gathered to the effect that they are refusing to go back to work; that they have refused to go back to work; and that they seem to be laboring, either consciously or unconsciously, under the supposition that somehow and in some way they are to be taken care of whatever the crisis may come to be.

At the present time there is no legal obstacle that I know of to interfere with the collection of this debt or the interest upon it. Of course, I realize perfectly, when I say the collection of the debt, that the entire debt could not be paid at once. I do insist, however, that the interest should be collected, certainly from some of the leading powers. I shall undertake to show in a few moments all they need to do is to turn some of the means which they have at their command into the channel of paying their debts instead of utilizing it in a manner which is neither beneficial to them nor anyone else.

But there is, as I said, at this time no reason, nothing standing in the way of an urgent but courteous demand that the debts and the interest be taken care of. Whatever change there would have to be in the way of form of the debt can be had under law now in existence. As pointed out by the Senator from Alabama [Mr. UNDERWOOD] very clearly a few days ago, there is sufficient authority already to deal with the debt under present laws if we are willing to come within the two limitations with reference to the interest and the length of the bond—two limitations which are wise.

I was interested to read a few days ago an earnest statement in the eastern press to the effect that until Congress should have granted this power and laws should have been enacted the interest upon this debt could not be collected. If there is any reason why it can not be collected at this time, it is not a legal inhibition but a mere question of policy or of incapacity to realize. It is not by reason of any want of authority. The debt, in other words, is just as binding, just as obligatory, and the evidence of it is just as plain and just as conclusive as if it were in the form of a bond.

One of the arguments with which we meet with reference to the debt is that owing to the sacrifices which the foreign nations made and the comparatively small sacrifices which we made, as it is argued, we should forgive the entire debt. As one writer has said, instead of Europe owing us, we really owe Europe. That is the basis really upon which they proceed to argue that the debt should either be canceled or deferred to such time as it might be disposed of in that way.

Do we owe Europe, Mr. President? I have called attention to the fact that we have exported to Europe in the last five or six years about \$20,000,000,000 or \$21,000,000,000 of capital. The United States did not claim as a result of the war a single dollar for reparations.

The United States has not claimed anything in the way of territory. She contributed of her capital, she contributed of her men, and under the circumstances under which we found conditions in Europe at the time we went into the war she contributed in a controlling way to the victory, and for that she has not claimed anything in return. She might well, according to the customs and practices of nations, have taken a different course. But we declined all spoils of war. Shall we now be called upon to contribute further by forgiving this entire debt? Neither conscience nor fair dealing, nor justice to our own people, nor the demands of humanity require any such course. Such a suggestion came from two sources; first, those whose sympathies are so keen for other peoples that they wholly lose sight of the rights of our own, and those whose interests are so keen as to private advantages that they overlook entirely the public interest.

The \$33,000,000,000 of reparation which is to be paid by Germany is to be distributed among the nations of Europe. The United States claims no part of it. The vast amount of territory which was divided up at Versailles has been distributed among the European nations, and no man can estimate the value, either now or in the future, of the land and territory which was divided up among the powers by the treaty of Versailles. It is far beyond anything of value that has been estimated for in dollars and cents in the way of reparation. When you balance the account, taking into consideration that the United States has stepped aside from all division of reparation and territory, it is pretty difficult to sustain the proposition even as cold bookkeeping that we owe Europe instead of Europe owing us.

Let us look at this division of territory. If we leave Persia out of consideration for the present, we find that there was distributed to the English Government territory equal in area to the territory of Washington, Oregon, California, Idaho, Nevada, Arizona, Utah, Montana, Wyoming, Colorado, New Mexico, Texas, Oklahoma, and Kansas; a territory far larger in area than the original Thirteen Colonies; a territory consisting of more than 1,607,053 square miles and with 35,000,000 people. That is not taking into consideration Persia, which was practically distributed to England, neither does it undertake to estimate the incalculable mineral wealth which is found in these territories.

Scarcely less important was the distribution made to France. We ordinarily look upon that country as being a small country, with very small colonial holdings, but the territorial holdings of France outside of France proper are second only to that of Great Britain.

I have not the exact area or the precise extent of territory which France acquired by reason of the war. But we know of Kamerun, with an area of 166,489 square miles, to which should be added 107,270 square miles ceded to Germany by Caillaux in 1911. We know of German Togoland, with an area of 21,893 square miles; also Syria, with her population of 3,250,000 and a territorial area of 106,740 square miles, with great mineral wealth.

Of course, I am perfectly aware that some will say that some of these are merely covered by a mandate. I presume no one any longer contends that the mandate is anything but a camouflage for the real distribution of territory, according to the secret treaties which were made before we entered the war. It at least transpires that the mandates conform to the agreements in the secret treaties, and it also transpires that the territories are being dealt with under the mandates in the same

way as they would be if they had been deeded in fee simple. I am frank to say that neither Mr. Wilson nor Gen. Smuts had this idea of a mandate in mind, but others had, and their opinions, in practice at least, have prevailed.

In addition, France has acquired as a result of the war some of the largest mineral deposits of the world. She has at this time more iron lands than the entire Continent and the United Kingdom combined. It has been stated by Mr. Simons, the noted journalist, that "France is prospectively the great iron nation of Europe." The population of her territorial holdings will easily reach 60,000,000.

So, Mr. President, in casting up the account it is difficult to sustain the proposition that we owe Europe. On the other hand, it clearly appears that the debt which is under discussion is a just debt and one which the American taxpayer has a right to assume will be paid in full. I venture the opinion that so far as the leading nations are concerned it will be paid in full. It would be much wiser and far more conducive to good understanding in the future if all parties concerned should accept the proposition that the debt is a valid one, both in conscience and in law, and that it must be paid as rapidly as may be practicable. All parties should accede to this proposition. If foreign nations are misled, it will be because they misled themselves.

Mr. BRANDEGEE. Mr. President—

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

Mr. BORAH. I yield.

Mr. BRANDEGEE. Is not the Senator familiar with the fact that many prominent foreigners have claimed, inasmuch as the World War was fought for a common purpose, was fought by them for three years before we went into it, that, therefore, the entire allied debt should be pooled, and that a great portion of the expense that was incurred before we entered the war we are morally bound to pay?

Mr. BORAH. Yes; I am aware of that argument. That would involve, Mr. President, a question which I am not going to discuss to-day, and that is, how we came to go into the war and for what purpose we went into the war. Even then, after that was determined, assuming that it was a war in which we had a common cause and fought for a common object, the distribution of which I have been speaking would still be pertinent to that proposition.

It is often said, of course, that the foreign Governments are unable to pay. I have no doubt, Mr. President, those Governments are unable now to pay the entire debt, and no one desires, I presume, to urge it to the extent of embarrassing those countries beyond reason; but certainly the leading countries to which I refer—having them in mind all the time rather than the smaller countries—are able to take care of the interest. Any one who will study their budgets, the manner in which they are dealing with their money, and the method in which they are disposing of it, will have no trouble at all in coming to the conclusion that they can meet the interest upon their debts. I think also that no one will have trouble in coming to the conclusion that we in this country could absorb the amount of the interest which is due us without disrupting our financial fabric. Three days ago I read the following in the press dispatches from London:

Over nine billion dollars is deposited to current account in the banks at present, with a large proportion waiting investment.

I also read at the same time that England had loaned \$50,000,000 to Argentina for the purpose of extending and building up her trade in South America. It is barely possible that we also, without wrecking our financial fabric, could take that same money and loan it to South American countries if it were necessary in order to look after our interests and transfer it to this continent to our benefit rather than to the benefit of a foreign power.

It is, of course, none of our concern and we should not censure any movement which England sees fit to make for the purpose of building up her foreign trade; it is in accordance with the English spirit; it is in accordance with national policy, and no one desires to object; but when we see these transactions going on we are less tolerant of the idea that those countries are unable to pay and that we ourselves would be unable to make use of the money if we had it. This article continues:

In order to attract this huge sum to industrial ventures the big interests are clamoring for a further reduction in the bank rate to 5 per cent. Financial experts say the way is clear for a big business revival, though the unprecedented heat and the vacation season is causing it to hang fire.

Labor Leader Clynes has announced that trade can now go full steam ahead as far as the workers are concerned and that the era of industrial disputes is ended.

The stock market is devoting close attention to the preliminaries of the Washington conference. It is agreed that if it is successful it will have a far-reaching effect on the world's finances.

The Financial Age, in its January 29, 1921, number, after reviewing this subject, says:

There is no doubt that the Allies are entirely solvent and willing to settle their indebtedness to the United States if pressed to do so.

Mr. President, all the leading financiers and economists do not agree with the proposition that we may not safely collect the interest which is due us from foreign Governments and absorb it. One of the most pronounced exponents of that view is Mr. Reynolds, the Chicago banker. He has been very outspoken in his views upon this question, and perhaps it may be worth while to insert them in the Record. He visited Washington some time ago, and the press reports announced him as occupying this position. I shall now quote from the Washington Herald, which ought to be in a position to know what takes place. That paper states:

Mincing no words, he [Reynolds] attacked as fallacious, chimerical, and destructive of American prosperity many of the schemes of domestic and foreign financing being urged upon the President by Wall Street interests. Reynolds pronounced unsound and injurious to American welfare projects for stimulation of an unnatural volume of foreign trade.

A plea to husband our resources for our own needs primarily was voiced by Reynolds in the course of an onslaught upon the proposals for extending additional credits to the debt-ridden countries of Europe, which, he said, would not revive trade but only increase a foreign debt to the United States that can be discharged eventually only in goods.

"Improvement in Europe is not worth buying at the price of America's impoverishment," said Reynolds when the discussion was at its height.

Nor did the Chicago banker hesitate to express, in the presence of the President and Secretary of the Treasury Mellon, his disapproval of the administration plan to sell to the American public the bonds of the funded \$10,000,000,000 allied debt to the United States. He opined that the bonds would find no extended market unless the United States were to guarantee them, which would be only adding a further complication to the existing situation.

The views of Reynolds, clashing not only with the notions of Cabinet members but the proposals of the eastern bankers, were echoed by many of the other financiers of the Middle West. In fact, there is good ground for stating that Reynolds uttered a declaration of independence of Chicago banks from the domination of the New York banking interests which are heavily interested in foreign financing.

In the address of Mr. Reynolds, from which I quoted in the beginning of my remarks, are some views particularly relevant to the point which I am now seeking to make. Certainly no one will underestimate the ability of Mr. Reynolds to deal with subjects like this. I freely acknowledge my reliance upon the judgment of other men in regard to the merely expert features of this subject, although I am frank to say I entertain some views of my own with reference to some of the general questions growing out of the subject. Mr. Reynolds says:

Reports indicate that the nations of continental Europe have made small progress in balancing their budgets. Deficits have accumulated. These nations must make serious efforts to improve public finances. This course involves stringent measures in the way of deflating inflated paper currencies. It also involves taxation of the most rigorous character. There must be retrenchment in public expenditures. Internal funding loans of greater proportions will doubtless be necessary to reduce floating debts—particularly to reduce debts to the State banks of issue, so as to bring about a reduction in the volume of outstanding bank notes. It seems clear that European nations—some more than others—must do all these things. But more, they must put such restrictions on imports as to bar out goods that are not vitally necessary for their rehabilitation. It is imperative that the European countries work, tax, save, restrict imports to necessities, and above all, reverse the mad policy of printing bank notes. On these points economists are in agreement.

If continental Europe does not show a disposition to put her house in order, it is not too much to suggest that British and American financiers, as well as the Governments of Great Britain and the United States, should exert at least moral pressure to bring about this result. The United States could even lay down as a condition precedent to its financial cooperation or aid serious and intelligent efforts at financial and monetary rehabilitation by the countries of Europe.

Further in his remarks he has this to say:

The United States owes to Europe, as well as itself, the duty of keeping its house in order. If the United States does not do the best it can with its own resources it will do less than is possible for Europe. In considering foreign trade and the export of American capital not only the needs or demands of Europe must be taken into account but also the capacity of Americans to export capital without seriously affecting domestic industry. Europe would not gain in the long run from the impairment of American resources and capital. Too much emphasis can be placed on what America can do for Europe and not enough on what Europe can and must do for herself. European countries owe America the duty of righting their economic position by strong adherence to sound and sane rules of financing, taxation, and fiscal operations. It is important that attention be given the needs of Europe for capital, but it is necessary also to consider American needs.

Mr. H. F. Poor, vice president of the Garfield National Bank, of New York, says:

These debts must be paid or canceled. If they are canceled, what will be the result?

The Treasury Department report shows that whatever interest was paid came from the proceeds of the new loans, and that when the credits were exhausted interest payments stopped, showing clearly that the proceeds of foreign taxation have not been used to pay interest or principal.

In other words, the foreigner has not been taxed to pay anything to America, so that the interest on \$10,000,000,000 of Liberty bonds, which Congress intended to be covered by the interest on these foreign loans, must now be raised by taxation in this country. The citizen of America is actually paying in taxation to-day the interest on these foreign loans.

Cancellation would therefore keep this burden on the backs of the American taxpayers, and in addition would add the burden of amortizing the ten billions of Liberty bonds.

On the contrary, if the foreigner paid us the interest and amortized the principal of these debts, these payments would cover the interest and amortization of a like amount of Liberty bonds and reduce our taxation by so much.

Cancellation would mean increasing our taxation about two hundred and seventy-five millions a year.

Payment by the foreigner should mean reducing our taxation by about eight hundred millions a year, or a net gain or loss of over a billion dollars, about 22 per cent of our present taxation.

The Financial Age, under date of January 29, 1921, page 170, says:

It is regarded as little short of ridiculous for this country to continue staggering along under its immense tax imposition, which might be greatly relieved by the collection of part of the allied principal due, certainly the back interest.

* * * The interest at least should be paid. It is only justice to the overtaxed citizens of this country that this should be done.

I quote from another gentleman who has studied this question:

The United States went into the war with a debt of less than \$1,000,000,000 and came out of the war owing a debt of over \$24,000,000,000. About \$10,000,000,000 of this debt represents money loaned to allied Governments. Not one dollar of principal or interest on these loans has been paid.

I presume the writer means in cash, for some interest has been paid in goods or property.

The United States, however, has not defaulted in interest payments upon its Liberty bonds, and it is therefore in the position of assuming the burden of its debtors. It has been able to do this by imposing heavy taxes upon the people.

If the United States had expended all of the money raised by bonds, the people would ungrudgingly pay their taxes and recoup a portion of them by collecting interest on their Liberty bonds. But two-fifths of the debt ought to be lifted off the people and placed where it belongs, upon the shoulders of the borrowers. There is no fair play in requiring Americans to pay taxes upon \$10,000,000,000 to make up for the default of interest payments by foreign borrowers.

This is equivalent to compelling American taxpayers to contribute to the support of Great Britain, France, Italy, and the other allied countries. Americans are quite willing to be patient in collecting the loan, but they can not be expected to waive all interest and assume the burden themselves.

When foreign Governments owing money to the United States are in the attitude of defaulting in their interest payments while at the same time spending large sums for armies, navies, air fleets, forts, oil fields, commercial enterprises, and so forth, it is inevitable that Americans should question the wisdom of postponing indefinitely the adjustment of the loans. Time works to the disadvantage of the lender when there is a lack of clear agreements.

We are now, Mr. President, under this process, in fact, loaning foreign Governments about \$1,000,000 a day; in that we are forgiving the interest or deferring it we are, in fact, imposing upon the American taxpayers the burden of taking care of our taxes and continuing to loan to foreign Governments at the rate of nearly \$1,000,000 a day. To the extent which the foreign Governments can in good faith meet this debt and the interest upon it, we should inform them that we expect that to be done. The policy should be a definite, a positive, and a firm policy; otherwise it never will achieve anything.

There is one other feature of this question, Mr. President, to which I desire to call attention, and that is the relation of the foreign debt to disarmament. If I had my way about it I would not fund the foreign debt nor defer the interest, even assuming that at some time that might be done, until after the disarmament parley had concluded its final session. It may be a matter of very great importance in the treatment of the questions which will arise at that parley. Certainly, if the foreign Governments are unable, as they say, to meet their foreign debt and yet continue to expend the vast sums which they are now expending for armament, it would cause us to adopt an entirely different policy in case there should be a failure to agree upon disarmament. For one, if there should be a reluctance upon their part to enter upon any reasonable agreement with reference to disarmament, I should certainly consider that the American people would feel justified in insisting that they promptly arrange their debt and promptly meet the interest upon their debt.

France at the present time has about 800,000 men in her army. She is the most thoroughly militaristic nation in Europe if not in the world. Her expenditures for her military equipment are the greatest of any power in the world. I recognize, of course, in the relationship between Germany and France a situation which would justify a reasonable preparedness on her part; but an army of 800,000 men under the conditions in which Germany finds herself at the present time is very difficult to justify.

Mr. REED. Can the Senator tell us what that army is costing France?

Mr. BORAH. No; I have been unable to get that information.

Mr. REED. I think it is safe to say \$1,000,000 a day, is it not, in any event?

Mr. BORAH. Yes; I have endeavored to get it in more ways than one, but I have not been able to get it, and therefore can not state it; but Senators can imagine what 800,000 men are costing.

The British Navy will cost this year about \$765,586,080 and the British Army very much more. I have seen it stated as high as \$1,968,300,000—that is, her army in Ireland, in India, in China, in Mesopotamia, and so forth. I read a statement made by a Member of Parliament that England is expending in her attempt to control Mesopotamia \$40,000,000 per month.

Now, what is the effect of this under the present program, Mr. President? The effect of it is that the taxpayer of the United States is not only bearing the burdens with reference to our own armaments, but the American taxpayer is, in fact, carrying the burden of the armaments of France and England and Italy. Let it not be forgotten or misunderstood that under this policy we are not only financing our armaments program, but we are financing the armaments program of Europe, or a large part of Europe.

If I have a farm and finance it, stock it, and furnish the means to run it, and also furnish to my neighbor the means to stock his farm and run it, and collect neither principal nor interest, I am carrying both farms, am I not? So long as this debt remains unpaid and the interest remains unpaid, and the American taxpayer must meet the taxes which are imposed upon him because of the deferment of interest and the payment of the principal, we are taking care of the entire armaments of the United States and our late allies. I say, therefore, that it would be short-sighted policy, indeed, for the United States to place itself in a position where it might not modify its policy with reference to the payment of the debt or the interest according to the result of the disarmament conference. To my mind that is the most important feature at the present time connected with this question of the payment of the foreign debt.

Understand me, of course, Mr. President, in speaking of this matter, and urging as I do the taking care of this debt, I recognize that those countries have their obligations and their difficulties and adversities now the same as we have; but I insist that there should be the best evidence of the best of faith upon the part of these Governments in meeting their debt, and that the United States should insist upon that policy without equivocation or apology.

I am therefore, Mr. President, not in favor of any decisive movement with reference to this debt at the present time. It is there. The evidence of it is there. It is a legal obligation. It is just as binding as if it were in a bond. It is subject to call. We may ask for it now, the same as we could if we had a bond and it was due. There is no possible loss. We may utilize it. We may utilize the interest. There is only one thing involved, and that is the question of policy. There is no necessity for funding it for the purpose of putting it in better legal condition. So far no statement has been made as to any financial advantage. So far nothing has been said that would disclose an advantage to the American taxpayer, while upon the other hand if the debt is left subject to call, it is ours to utilize as emergencies arise and conditions suggest. It will play an important part at the Washington conference, whether it is ever mentioned or not. It will be there, coloring and shaping and directing all the proceedings, molding and shaping the councils in their final conclusion; and it will be vastly to the advantage of the United States if it remains just as it is now until we shall have determined whether the world can get rid of its armaments or whether we are to go forward over the road which we are now traveling and which leads inevitably to bankruptcy or war, and possibly both.

So vital and so commanding is the question of disarmament I would utilize all the power that this great Republic can command to change the program relative to armaments which is now being carried forward; and if I could use this vast debt, if the obligations which it imposes could be commanded to that end, I would not hesitate to do it. I would be considerate, I would be courteous, to all nations, but I would be brutal in the exertion of all power at my command before I would see humanity further tortured and civilization destroyed by keeping up this barbarous system of crushing armaments.

Mr. NELSON. Mr. President, I have listened with much interest to the very able speech of the Senator from Idaho [Mr. BORAH]; and in all that he has said about our efforts to collect

this debt and collect the interest, I concur. I think he is right; but in respect to all these loans that have been made to Europe by private parties and by the United States Government I think he looks at the question from what seems to me a stray angle. You would naturally conclude, from listening to the remarks of the Senator, that our country had been depleted by these loans to the extent of \$25,000,000,000. As a matter of fact, Mr. President, if the question is examined it will be found that the bulk of both these private loans and these Government loans was devoted to paying for American products and supplies, and the bulk of the money, the large share of the money that was advanced by private parties here and by the Government, never left the United States, but remained in this country to pay for American products and supplies.

Long before we got into the war the countries of Europe came here to get their food supplies and their munitions, and in order to get them they borrowed money from our bankers here. Neutral countries borrowed money, the countries at war borrowed money, and most of the money was left here in this country to pay for munitions, food supplies, and other articles that were shipped abroad.

Take these loans that were made since the armistice. A large share of them—I do not know exactly what proportion—were devoted to the purchase of American food supplies for the European countries, and but for those loans and advances that we made my opinion is that we would have had as poor a market for our products in Europe during the war as we have had this year. It was because of those advances and credits that our products found a market in Europe and that we got fair prices for them. So if you look into the question from that angle you will find, first, that the money constituting these enormous capital advances, as they are called, by our Government and private parties did not leave the country. Most of it remained here. What left the country were American products, agricultural products and manufactured products of various kinds. That was the bulk of it; I do not say all of it.

Mr. President, I want to draw a lesson in connection with the pending bill from our experience with these foreign loans. These foreign loans and commitments were in their essence, though not altogether, the same as is proposed in the bill now pending before the Senate. They were advances made to those countries to enable them to buy our food products and other supplies. We got all kinds of bonds and securities. There were the *de jure* Governments—France, Italy, England, and other countries—that could give us valid bonds. There were some instances—I can not at this moment recall them—in which *de facto* governments borrowed money from us, or got commitments, and gave such security as their *pro tempore* governments, such as they were, could give. Some of those securities are of very doubtful and questionable character. We have valid bonds and securities, I take it, as against England, France, and Italy; but in the case of some of the new countries that were created out of parts of old ones, it may be a question whether the new governments will be ready to approve the securities, and therefore they ought to be settled as soon as possible.

Coming now to the lesson, we are having a great deal of trouble in collecting this money. We shall have a great deal of trouble in collecting the interest, as the Senator from Idaho has well said. Now, take the bill that is under consideration here, creating this corporation. If we go on and buy the agricultural products of this country and sell them to Europe, we shall be, in the end, almost in the same fix about getting paid for the supplies that are to be bought by this corporation that we are in with respect to our foreign bonds to-day. Therefore, while one part of the program, the purchasing part, seems to me smooth sailing and easy enough, when you come to sell those products abroad you are confronted with the question of whether you can sell them for cash or on credit; and, if on credit, what kind of credit?

There is another question that I want to suggest at this moment. I have thought much about it, but I am getting too old to talk much about these things now. It is this:

We are anxious to build up trade and commerce with Europe. We are all anxious to have a market for our products, and to get paid for those products either in cash or in valid securities. But, Mr. President, here is one question that stares me in the face: With those devastated countries of Europe rendered almost helpless by the Great War, financially embarrassed, and seeking gradually to rehabilitate themselves, how can we hope that those people will have any money to buy our goods unless we give them a little chance to sell their own products in this country? To my mind, there never was a more critical time for preparing a tariff bill in this country than there is now.

Since the days of the Civil War economic and financial conditions in Europe never have been as they are to-day; and if you proceed with a tariff bill along the old lines, as the situation was when everything was booming and in good order in Europe, I fear it will be like a kicking gun.

I am only making these suggestions, Mr. President. I am not an expert on the tariff, and never have been; but the thought has occurred to me time and again, how can those poor people in Europe buy our products, which we are so anxious to sell? How can they trade with us unless we give them something of an opportunity to trade with us and sell some of their products?

Coming to this matter of credits, what is the situation? In this connection I want to say to my friend the Senator from Nebraska [Mr. Norris], who I know is very zealous in support of the farm export bill, and who deserves credit for it, that he represents the interests of the farmer from one angle. When this corporation is created and proceeds to buy the goods of the farmers—their cattle, their sheep, their wool, their wheat, and their cotton—the next duty of the corporation will be to sell those products to foreign Governments, or sell them to private individuals. Its duty is not only to sell them but to get something in return for them, either cash or some security that is valuable; and that will present the same question, as I said a moment ago, which confronts us in respect to the foreign loans.

Therefore, in view of these facts, I think the Committee on Finance, in framing the tariff bill, ought to take into consideration the questions I have in this brief manner suggested. I think it is very important that they should bear in mind, when they frame the tariff bill, that they must leave an opening, a door, for the farmers of this country to get in and obtain some protection.

Suppose you give the manufacturers of this country ample protection; suppose you fence them in, if you please, and prevent any interference with their trade. How will that aid the farmer? He has to pay the price of the manufactured goods, but his agricultural products are in the air, subject to the law of supply and demand; and we have had an illustration this year of how inexorable is the law of supply and demand. That is one of the questions that our farmers will have to confront.

Of all the classes of our people who were hit by the falling prices arising from the operation of the law of supply and demand, our cotton farmers, our grain farmers, and our cattle farmers were the worst hit of all. They were hit because they were more helpless; there was no law to protect them; they were subject to the inexorable law of supply and demand. But that is not the case with the others.

Readjustment has gone on slowly in this country, Mr. President. The farmers have been compelled by this law of trade to readjust the prices of their products. But how is it as to the other interests in the country?

Mr. President, I am no enemy of labor. I have been a hard-working man all my days, and my sympathies run in that direction; and they are pretty strong, too. But what is the situation? The laboring men of the country have been insisting upon war-time wages. We all know that there was a great scarcity of buildings during the war. All the mechanics and tradesmen were devoting themselves to Government work, and there was a great scarcity of buildings in the country. My opinion is that if the laboring men had come down to reasonable figures and not insisted on war pay, and if the material men had done the same, we would have seen the greatest building boom in the country ever known; we would not have seen a bricklayer or a painter or a plasterer idle in the country.

We have had the same experience in reference to our railroads. The railroad companies have been trying to get a reduction in the cost of operation. They have had hard sledding, but they have not been in as bad a fix as some of the other industries found themselves in. They have been subject to Federal control, and have in a measure recouped themselves by laying off a good many of their men. Thousands of men who were employed on railroads are to-day idle, because the railroad companies, in spite of the great increase in passenger and freight rates, are unable to make both ends meet.

We can never hope for prosperity in this country until there is a readjustment in these directions. The farmers have had to reduce their prices; the laboring men must, in all reason, expect to have their wages reduced from the high war figures to reasonable figures, and the wages paid railroad employees must be lowered, for without these reductions prosperity will not come to this country.

The wholesale dealers have come down a little in their prices. The great bane we are encountering to-day is the retail dealer.

The retail dealers refuse to come down; and although to-day a grass-fed steer is worth only 5 or 6 cents a pound, we still have to pay in the market 40 cents a pound for a roast or beefsteak. Such conditions are bad, Mr. President.

Now, one more word in respect to the pending bill. I am as anxious to help the farmers as anyone can be, but I do not think the plan proposed furnishes the proper remedy. I fear, as I said a moment ago, that when they come to sell these goods, and come to collect the price of them, either in money or credits, they will strike a snag that will be insurmountable, and will leave us in the future with a financial load as big as the one we have to-day in this foreign debt.

I do not want Senators to understand from anything I have said that I am in any way hostile to the payment of the foreign debt which is owed to our Government. I am as anxious as anyone to see that debt met as promptly as can be.

But we must look at it from this angle. Europe will not be able to meet this debt as promptly as she could if there were some industrial revival over there. Europe needs our raw materials for the development of her factories and industries. Unless there is an industrial revival in Europe, Senators must see on reflection that there will be a poor prospect of collecting anything from those countries. I hope that whatever legislation we enact will be of such a character that it will give those devastated and demoralized and financially crippled countries a reasonable opportunity to revive their languishing industries and put them on their feet, so that they will be enabled to meet their obligations and enabled to buy the products of the American farmers.

I hope Senators will excuse me for making this rambling talk. I have simply aimed to state, in a brief and perfunctory manner, how the situation at home and abroad strikes me.

Mr. McKELLAR. Mr. President, I was very greatly interested in the speech made a few moments ago on the question of the collection of our foreign debts by the distinguished Senator from Idaho [Mr. BORAH], who always makes a good speech, and this time made an unusually strong one. I indorse absolutely all he said about the advisability of the collection of the interest on our foreign debts generally. He has adduced facts and figures which are to my mind unanswerable. There is no reason whatsoever why the Secretary of the Treasury should not close the matter in accordance with existing law.

As to the question of postponing the collection or any steps toward the collection of the debts, or the interest thereon, until after the proposed disarmament conference, that is a matter which needs careful consideration, and, so far as I am advised, I can not say what course should be adopted, although the plan does seem to be well worthy of the most careful consideration, as the suggestions of the Senator from Idaho are always deserving of consideration.

But the question I want to put to the Senator from Idaho is, What have we in the Senate or House to do with it anyway? I do not know whether the Senator happened to read an editorial in yesterday's Washington Herald, owned and edited, I believe, by a member of the Cabinet, Mr. Hoover, who takes a very different view from that taken by the Senator from Idaho and from that I take in the matter, and I think a different view from that of many other Senators. I merely call attention to what he said in this editorial. I shall not read it all. Mr. Hoover believes, judging from this editorial, that the Congress is unfitted for the task of directing how the debts should be funded or of determining whether the interest should be collected or deferred. The only trouble with the Secretary's position is that the Constitution and laws of the United States, which he as well as we swore to uphold, puts the responsibility upon us to fix the law by which these debts are to be funded and the interest collected, and if we turn it over to the Secretary of the Treasury, without saying how it should be done, we are violating our duty. The Secretary has no duty in regard to the matter except what the Congress imposes, and confessedly he has not performed the duty that the Congress has already imposed upon him about these debts, namely, to take bonds for the debts, when he has only taken I O U's.

The editorial reads in part:

Secretary Mellon, as this Government's fiscal agent, has asked unlimited power to handle all of these obligations. The Senate committee, constituting itself a board of directors, appears to doubt either his ability or his trustworthiness. Even the impossible condition has been suggested, that any agreement he might make must be ratified by the Senate, where it might be debated to death or held until it died of starvation.

Is it not remarkable that the Senate should butt into this affair in accordance with the Constitution, when other "interests," as will appear later, want to handle it? I am sorry to see Mr. Mellon insisting on a power that no king or emperor on earth would ask for and none could obtain. I am just as

sorry to see Mr. Hoover uphold such a claim for feudal power, which could only be granted on the principle that the king can do no wrong.

The suggestion that the Senate has anything to do with this matter of \$11,000,000,000 is, according to this, impossible. The editorial continues:

Ultimately some one must be trusted to make these settlements.

Here is what I call to the attention of Senators particularly:

When made, the agreement must satisfy the financial interests of this country, rather than the Senate or individual Senators.

I stop in the reading of this editorial, which must be inspired by the administration, because coming from one of the organs of the administration, and therefore I say to my friend from Idaho that it seems Members of the Senate have nothing to do with it; it has to be passed upon by the "financial interests," not the Senate of the United States and by the House.

Mr. NORRIS. Mr. President, may I ask the Senator if that was a quotation from some testimony?

Mr. McKELLAR. No; I am reading from an editorial in yesterday's Washington Herald, commonly supposed to be owned by Mr. Herbert Hoover, Secretary of Commerce.

Mr. NORRIS. I misunderstood the Senator. I heard him say he was reading from an editorial, but I supposed it was quoting Mr. Mellon's testimony.

Mr. McKELLAR. No; I am reading from the editorial.

Mr. NORRIS. Very well.

Mr. McKELLAR. The editorial continues:

When made the agreements must satisfy the financial interests of this country rather than the Senate or individual Senators. It will be the financial agencies, not the legislative, who must indorse these bonds as acceptable investments. It would seem to be beyond peradventure that if satisfactory to these men—

Referring to the financial interests, of course—

they would represent the best possible bargain in this country. If there is anyone better fitted to carry through these negotiations than is Mr. Mellon, or any commission, he says he would be glad to be relieved of the responsibility. Whether man or commission, the same experience Mr. Mellon has must be found and trusted. Whether one or more, they must consult with the same men with whom he will certainly consult. Maybe the best way out would be to name a nonpartisan commission of Senators.

Listen to this. The editorial ends in this way:

But certainly neither Senate nor House can lay down rules to be followed as to the greatest financial refunding problem the world has ever known, in which unknown elements will constantly develop.

I am afraid that we who have thought that the Senate and House have some rights about the matter have been mistaken. This editorial reads us out of the sphere of the Constitution. We are but crafty interlopers. We should be shown our proper place.

If that last is a statement coming directly from the administration I fear that what Members of the Senate may think about the question of refunding the loans at this time, or at the time of the disarmament conference, or what we may think about collecting the interest at all, will be of no avail. The Secretary of the Treasury refuses to tell the committee how he is going to do it, and, according to the newspapers says he has no real plans himself. All I can say about this is we had better let the matter rest until he forms some plans about it, and then discuss them with him after he has informed himself and the committee.

Senators will remember that when we loaned this money we laid down certain rules and regulations by which the lending must be governed, and the rules in those acts have never been complied with by any department of the Government. For about a year now I have been complaining because this has not been done, and we have not even yet got the inside facts, though I have tried my best. I might have felt bad over my failure, but I have noticed members of the Finance Committee have been trying their very best to elicit information, but no real information has yet come. There is not a Senator on the floor who can say to what extent our Government has acted, directly or indirectly, in reference to these loans. There is not a Senator on the floor who can say whether there is an implied agreement that we must forego the interest for 1 year or for 2 years or 10 years or 15 years, and not a reason has been offered, not a suggestion has been made by the Secretary of the Treasury.

Whenever we ask these gentlemen a question before any of the committees we are told, "We do not know exactly ourselves, but we want absolute and complete authority; we want you to turn over the powers of Congress in regard to it. You are incapable of dealing with it," as this newspaper editorial said. What is the Senate for, anyway? What is the House for, anyway? They are here to legislate for the American people and to talk about things that are not material, but when it comes to dealing with a debt like \$11,000,000,000 the administration

must take it over. Congress is incapable of dealing with the matter. We must turn it over to an officer who has already failed to carry out the law and who says he has no views about how the new powers should be executed if given to him. All he wants is power to keep a meddling Senate or an inquisitive House from attempting to interfere.

By the way, when I say this I am not partisan about it, because the last administration seems to have taken exactly the same view of it that this administration takes, with one exception. As the Senator from Idaho [Mr. BORAH] has well said, President Wilson had the patriotism to stand up and say that the debts would never be forgiven and that the American people would insist upon payment and with interest. They are going to insist upon it, too.

Senators, I merely rose to make this statement and to read the editorial to show what is going on, because it is going to come right straight up to us to say whether we are going to have anything to do with the collection of the debt or whether we are going to turn it over to some one, when nobody knows what will be done, according to the undisputed testimony. The Secretary will not tell us what is going to be done; he has not told us yet, and if any Senator here thinks he has told us I would be delighted if he would rise in his place and tell us just what that plan is. If we permit this "cat in the bag" bill to pass, then there is no use for a Congress. We might as well let the administration, or any of its agents, issue ukases, and abide by them. It would be much more economical, and the result will be the same. I venture the assertion that our constituents will keep up with these debts, and if the Congress makes a slip about them all who do so will be held responsible. The Senator from Idaho is right.

Mr. REED. Mr. President, I shall occupy the time of the Senate only for a moment. I simply wish to make one remark, not exactly by way of reply, but in reference to the address of the Senator from Minnesota [Mr. NELSON], who always speaks with very great clarity and directness. I do not think he meant to leave the inference which might possibly be drawn from one part of his statement, but the statement is made in substance by many people that if we did loan this money to foreign governments that does not make very much difference because we sold them our goods for the money, and some people are inclined to treat that as though when we gave them the goods and got our own money back the transaction was balanced and we were out nothing.

I beg to suggest that even though foreign governments did spend this money in the United States for American goods they got the goods and they have the goods, and it took time and labor and money to produce the goods. All that we gained by having the goods purchased in this country was the profit upon the goods. That profit did not flow to the American people alike. That profit, as a matter of fact, reached directly only a very few people. Upon the other hand, it is a serious question in my mind whether the disruption of the ordinary course of commerce and the excessive prices paid for some of those goods were not in the long run a disadvantage to our country.

No better illustration can be found than in the fact cited by the Senator from Minnesota himself. He stated that we quit building houses, that wages had gone up to such a point due to the war, and part of that rise antedated our entrance into the war, that houses are not now being built.

Now let us see just what that means. Houses are not being built because of the advance in material and wages incident to the European war, and which would not have occurred in this country probably except for the loans. We therefore quit building houses. Rents accordingly mounted, and every citizen of the United States who had to pay rent has been paying a tribute ever since and is worse off to the amount of his rent than if he had never been concerned in loaning the money to Europe.

I speak of this because I have been frequently confronted before the Finance and other committees with the argument that all of this money was spent in the United States and that therefore we ought not to expect to be very insistent upon collecting either principal or interest. If the money was spent in the United States, speaking by and large a few great contractors and producers got the major portion of it. But even they were obliged to employ labor and capital that otherwise could have been employed and the goods remained in this country to the benefit of the country.

It is a fallacy to assume that because a foreign nation borrows money and then buys goods from us we are thereby made whole. We will be approximately made whole when they proceed to pay for the goods. They got \$10,000,000,000 worth of goods at the market price for the \$10,000,000,000 of money that we loaned to them.

Mr. EDGE. Mr. President, will the Senator yield for a question?

Mr. REED. Certainly.

Mr. EDGE. Does the Senator, then, following that line of argument, see any great difference in principle between the advancing of \$10,000,000,000 or thereabouts during the war and the advancing of money under the proposed unfinished business, the farmers' aid bill, providing for a Federal corporation to buy here and sell abroad?

Mr. REED. Yes; there is a great difference in principle, but the proposition now to advance money to sell goods abroad has not half the excuse back of it that could be advanced for the loaning of money during the war, not half.

Mr. President, while I am referring to that and in connection with the very illuminating remarks made by the Senator from Idaho [Mr. BORAH], who, contrary to the old aphorism, whenever he opens his mouth says something worth while, I submit that not only are the military establishments being maintained but the military establishments of these countries, not all of them but many of them, have been regularly employed in the destructive work of war. Poland had a great war and we sold to Poland on credit a vast amount of army supplies. We furnished a vast amount of money in addition to that which I once asserted was used to help Poland perpetuate that war. The reply came back that not a penny of it had been furnished to the Polish Army. All they had done with it was to feed the civilian population back of the army, thus enabling the army to keep in the field, the difference between tweedledee and tweedledum.

In addition to that, the papers of only the day before yesterday informed us that France proposed to settle the Silesian question by her army. The papers of this morning, I think, stated that that crisis had been passed over. But the holding of an army ready to march and in a menacing attitude costs money, and it costs not only money to France but to the countries interested upon the other side of the question.

Mr. MCCORMICK. Mr. President, will the Senator permit me to interrupt him for a moment to say that the nations which are our creditors now have under arms an aggregate of 3,000,000 men, or more than there were in that territory before the outbreak of the great European war?

Mr. REED. Following that statement, those 3,000,000 men can not be kept in the field and paid and provisioned and furnished with equipment and armament for less than \$2 per head per day, and that means \$6,000,000 a day. If that amount of money were set aside and turned over to the United States, our war debt would very speedily begin to disappear.

However, in connection with what I was saying, since the Washington Herald, the official organ of one member of the Cabinet, has been cited here, I cite another editorial appearing in the issue of to-day. After commenting upon the success which Greece has had recently in Turkey, the editorial continues:

Certainly Greece is entitled to support from France as well as Great Britain. She went to Asia Minor at the request of the Paris council's "big three," which included President Wilson. She was asked to occupy Smyrna to head off its seizure by Italy. More than this, Smyrna is Greek, as is the near hinterland. Italy does not forget, but France does, while the United States recognizes no moral obligation that was imposed by Mr. Wilson.

For the first time, the Turks are where they can be held, if Greece receives but decent recognition for her service.

One avowed purpose of the war, as evidenced by the treaty of Sevres, has been fulfilled.

I do not know whether this editorial was written by a Cabinet member or whether it was simply paid for by him, but it contains some statements of fact that have not hitherto been very public. If it is true that Greece was put in to the war at present being waged by the joint action of the Allies, then they are, of course, responsible for its continuance. If France and England are sending Greek armies into Asia Minor in order to keep Italy, another one of our allies, from grabbing that country, then that is a very important fact that we ought to know, because it forces the conclusion that what these countries are doing to-day is quarreling over spoils, and that England and France are inducing Greece to carry on a war in order to keep Italy from feeding herself full at the expense of the Turk; and we, as the Senator from Idaho [Mr. BORAH] has shown in his powerful argument, are really financing that operation.

But, sir, we have done it very directly. There was some kind of agreement, the inside of which has never yet been quite exposed, between England and France and the United States to furnish to Greece a stipulated sum of money. I have forgotten the exact figures, though I think the amount was \$50,000,000.

Mr. McCORMICK. It was thirty some million dollars on our part.

Mr. REED. The amount which they claimed the United States was to contribute was some thirty-odd million dollars. France and England refused to contribute their share, according to the best evidence I have been able to get, but within the last 90 days we have paid \$16,000,000. What for? Plainly we are engaged at least in helping Greece wipe out some of her debts, and thus directly contributing to the ability of Greece to carry on this conflict. It is a conflict which I do not think concerns us. Certainly I have no interest, and I believe the country has no interest, if Smyrna is to be taken away from Turkey, whether the Italian Government or the Grecian Government gets it.

I do not intend to hold the floor; but there are many things to be said about other loans which have been made in recent times. There is just one further remark I desire to make for the benefit of the Senator from Tennessee [Mr. McKellar], and that is, so far as the evidence before the Finance Committee goes, it tends strongly to show that while there never was a hard and fast agreement made and signed by which we promised to forego the payment of the interest upon the foreign debt due us for a period of three years, negotiations were carried on which began with that suggestion and with the further suggestion that we should forgive the interest upon the accumulated interest, amounting to approximately \$40,000,000 a year. In the subsequent negotiations, so far as they have been exposed and laid before us, the documents treat the extension of the interest as an accomplished thing, as something agreed upon, although each of these documents contains a clause that it is not binding until ratified.

The Secretary of the Treasury seemed, so far as I could make out his testimony—and it was very Delphic in its nature—to feel that there was probably an obligation to postpone the interest and to waive the payment of compound interest, because if there had been no absolute agreement there had been some sort of understanding that had been acted upon.

Mr. McKELLAR. Mr. President—

Mr. GERRY. Will the Senator from Missouri yield to me?

Mr. REED. The Senator from Tennessee [Mr. McKellar] first rose, and I will first yield to him.

Mr. McKELLAR. Mr. President, I do not know whether the Senator from Missouri was present in the Chamber when the Senator from Virginia [Mr. Glass], who was formerly Secretary of the Treasury, rose the other day and stated that while he was Secretary of the Treasury one of his assistants was sent to Europe and had about completed an agreement by which our foreign loans were to be funded into interest-bearing bonds. I wonder if the Committee on Finance have had that witness before them? I believe that that witness could give very valuable information.

Mr. REED. I think that witness has been sent for. We found his name in various papers, and I know certain members of the committee asked that he be called. I think he will be called, if he has not already been called. He has not, however, as yet testified.

Mr. GERRY. Mr. President, will the Senator from Missouri now yield to me?

Mr. REED. I yield.

Mr. GERRY. Perhaps I misunderstood the Senator from Missouri, but my understanding of the statement of the Secretary of the Treasury was to the effect that he had under consideration the question whether there was any moral obligation on the part of our Government not to demand interest until April, 1922; but I do not think he extended it beyond that period.

Mr. REED. That embraces the three years.

Mr. GERRY. I misunderstood the Senator.

Mr. REED. That completes the three years.

Mr. GERRY. But the Secretary has not as yet sent in his report to the committee?

Mr. REED. No; he has not finally answered that question.

Mr. GERRY. Exactly.

Mr. REED. But the whole trend of his testimony indicated that he thought there was an obligation of that kind.

Mr. GERRY. I think that is true.

Mr. REED. That is what I tried to say before, as nearly as I could.

Now, Mr. President, I desire to say a few words regarding the editorial which the Senator from Tennessee [Mr. McKellar] read from the Washington Herald, which contains the statement that it will be the financial agencies and not the legislative that must indorse the bonds as acceptable instruments, and that—

Certainly neither the Senate nor House can lay down rules to be followed as to the greatest financial refunding problem the world has ever known, in which unknown elements will constantly develop.

That is a very natural view for an Englishman to take, a man who has spent all of his grown life in England, dealing with British financiers, who is accustomed to the British form of government, under which the Government undertakes the direction of financial matters, makes up its budget, indicates where the money shall be spent and how it shall be spent, and then calls upon Parliament to make the appropriations. I am not at all surprised that Mr. Hoover takes this view. I do not think he means any discourtesy at all to the Congress of the United States; he simply does not understand the situation. Not having been here long enough as yet to vote and never having voted in the United States, and having his investments still in the syndicates of Great Britain, being in close touch with their financial interests and knowing how powerful and potential they are, it is only natural that he should take the view that Congress has no business to say anything about this matter; that it should be left to the financial authorities, and that they should be given carte blanche to do whatsoever seemed to them proper.

I say this, Mr. President, in order that the somewhat harsh criticism that the Senator from Tennessee made may be a little bit mollified. We should always take into consideration the circumstances under which any statement is made and the environment of the gentleman making it.

AMENDMENT TO NAVAL BUILDING PROGRAM.

Mr. KING. Mr. President—

Mr. McCORMICK. Let me ask if the Senator from Utah expects to address the Senate at this time.

Mr. KING. Yes; for a few moments only.

Mr. McCORMICK. I will yield to the Senator.

Mr. KING. I will yield to the Senator from Illinois if he desires to speak.

Mr. McCORMICK. I had expected to ask unanimous consent for the consideration of a resolution, but I will wait until the Senator from Utah concludes.

Mr. KING. I shall take but a few minutes.

Mr. President, I offer for reference to the Committee on Naval Affairs a bill to terminate construction on six battleships and three battle cruisers authorized by the act approved August 29, 1916, which provided what has been known as the 1916 naval program. The bill also provides for the conversion of two battle cruisers, authorized by the act in question, into airplane carriers, and also requires the Navy Department to let contracts for four fleet submarines which were likewise authorized by the act of 1916.

As Senators know, I have opposed the policy of the Navy Department in its blind adherence to the 1916 program. I have insisted that it was a mistake to construct 11 battleships costing nearly \$50,000,000 each, which were provided for in an act passed in 1916. I have contended, both in the Committee on Naval Affairs and upon the floor of the Senate, that if the act of 1916 were carried into effect it would cost the Government approximately \$1,500,000,000 for the construction of the vessels called for by the act, and the auxiliary vessels, and so forth, that would be required. I have also demonstrated that when these battleships are complete they would be out of date and that their construction would mean a waste of hundreds of millions of dollars. I called attention to the fact that our navalistic policy had quite recently driven Great Britain into the adoption of a naval program calling for four super-Hood capital ships, each one of which would have 55,000 tons displacement and carry 20-inch guns. These four super-Hoods will be so powerful that the capital ships authorized by the 1916 program will be comparatively valueless. My position was that we should complete those battleships that were more than 70 per cent finished, but that work upon the five battleships upon which but little had been spent should be suspended. I also contended that we should suspend work upon at least four of the six battle cruisers provided for in the 1916 program. My views were not adopted, and the Navy Department is continuing work upon the 10 battleships and 6 battle cruisers, although the amount of work done upon 5 of the battleships and the battle cruisers is comparatively unimportant.

There is no reason why we should not immediately suspend work upon the five battleships, and the battle cruisers with the exception of perhaps one. By so doing, we would save hundreds of millions of dollars to the taxpayers of our country. I have pressed this same question heretofore and have been defeated both in the committee and upon the floor of the Senate, but I believe the recent experiments conducted by the Navy and Army demonstrate the propriety of the policy which is suggested in the bill which I now offer.

I will not now take the time of the Senate to explain the tests which were recently made or analyze the results thereof, but will content myself with a brief reference thereto.

Senators are familiar with the fact that during the past few weeks experiments have been conducted at sea with a view to determining the importance of naval aircraft in naval warfare. Tests were also made by dropping bombs upon submarines, the German cruiser *Frankfort*, one or more destroyers, and the German battleship *Ostfriesland*. These tests emphasized the importance of a three-plane Navy and conclusively demonstrated that we must give more attention to naval aircraft. The tests show how impotent a battle fleet would be, unless protected by aircraft and submarines. In my opinion, the tests show that battleships are less important in naval warfare than many of the naval officials are willing to concede. The *Ostfriesland* was a battleship of approximately 25,000 tons and was probably one of the very best of the German ships. Its construction was of the highest order and the completed vessel measured up to a high standard of perfection. It was quickly sunk by a bomb dropped from an airplane; the bomb not striking the ship but exploding in the water in close proximity to the ship's hull.

I repeat, these tests make it imperative that our naval program be changed, and show the lack of wisdom in doggedly adhering to the 1916 program. We should at once cease work upon five of the battleships and convert two of the battle cruisers into airplane carriers.

I supported the proposition to build two airplane carriers, because I believed that aircraft were indispensable in naval warfare. I believe that if we would modify the 1916 program, cut out some of the battleships and some of the battle cruisers, modify the types, apply the lessons of the war to those completed, and then build better aircraft and two airplane carriers and a few first-class fleet submarines we would be not only lightening the burdens of the people but contributing to the building of a modern and efficient Navy. I feel confident that the position which I have taken is the sound one and that time will vindicate the same.

I sincerely hope that the committee will immediately take up this bill and report it back to the Senate in order that we may act upon it.

Mr. GERRY. Mr. President—

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

Mr. KING. I yield.

Mr. GERRY. Does the Senator's bill propose that two of the battle cruisers that we are now building shall be converted into airplane carriers?

Mr. KING. Yes; two of the battle cruisers.

Mr. GERRY. The Senator realizes that when the 1916 program is completed we will have only six battle cruisers?

Mr. KING. I appreciate that.

Mr. GERRY. And that battle cruisers are what the American Navy has been very much in need of for a long time past, and that if the policy of his bill is carried out he is taking two of the most valuable capital ships from the American Navy?

Mr. KING. Mr. President, I do not quite agree with my friend as to the value of the so-called capital ships. I believe that if we will emphasize the submarine and the airplane we will be doing a great service to the Navy and to the American people; and if we will change or modify the 1916 program and, if we are to build battleships, conform them to the lessons of the war, I am sure that we would be doing a great service to the country.

Mr. GERRY. I will say to the Senator that I am entirely in accord with his idea of the necessity of building airplane carriers; that before the naval bill was reported to the Senate I introduced an amendment authorizing the building of airplane carriers; that I heartily supported the provision in the bill which made the appropriation for those vessels, and I was very sorry when the House refused to agree to it in conference and insisted on the provision for those very necessary and valuable units being stricken out of the bill. I understand that it is the intention of the acting chairman of the committee—in fact, he stated it here on the floor of the Senate when the conference report was under discussion—that he would try to have passed a bill for the construction of two airplane carriers. I hope that bill will go through. I think they are essential to the Navy; but I can not agree with my friend from Utah that it would be wise, in order to obtain those airplane carriers, to give up our battle cruisers. I think we ought to have both.

There can be no question of the importance of the battle cruiser. As a matter of fact, the Japanese program in 1927 will have 12 battle cruisers to our six, even if our 1916 program is carried out. None of the great nations of the world who have studied the subject, who have studied the lessons of the war, are abandoning their battle cruisers. As a matter of fact, England is building more, and Japan includes them in her program in equal number.

Mr. KING. Mr. President, I did not intend to enter into a discussion of our naval program, but felt constrained, in view of the recent tests to which I referred, to call the attention of the Senate to what I conceived to be the necessary results of the tests and to the importance of modifying the 1916 program. I somewhat regret that my friend has interjected into the few observations which I made his long but very interesting statement, because it calls for a reply. I do not have the time now to consider it, but do not want the Senator and other Senators who hear me to reach the conclusion that a satisfactory reply can not be made thereto. I will only say at this time, by way of reply, that the tests recently made, in my judgment, call for a material change not only in the 1916 program but in the type of our capital ships. We must either build much larger ones or perhaps smaller ones, and both types must be protected from the bombs and explosives dropped from airplanes by heavy steel roofs. Capital ships must have a turtle deck or covering, and the armor plate must afford greater protection to the hulls than present plans provide.

I am not contending that the battleship is doomed, but I do insist that too much importance has been ascribed to it by those officers of the Navy who have failed to respond to the spirit of progress and development which is abroad in the land. There are old fogies in the Navy as there are in other branches of the Government and in all of the activities of life. What we need in the Navy to-day are men of brains and genius and vision. There should be a shaking up in the Navy Department, and if Secretary Denby will get rid of some of the dead timber and surround himself with men of genius and ability he will bring honor and credit to himself and at the same time he will be doing a great service to his country.

The bill (S. 2303) to terminate construction upon six battleships and three battle cruisers authorized by the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, and to provide for the conversion of two battle cruisers authorized by said act into airplane carriers, and to require the Navy Department to let contracts for four fleet submarines authorized by said act, was read twice by its title.

The VICE PRESIDENT. The bill will be referred to the Committee on Naval Affairs.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. KING. Mr. President, while I have the floor I desire to introduce a bill in the nature of a substitute for Senate bill 1915, known as the Norris bill. I ask that the bill which I introduce be printed and lie on the table, to be offered at the appropriate time.

The bill (S. 2302) to extend the term and powers of the War Finance Corporation for the purpose of promoting and protecting the export of agricultural products in the United States, was read twice by its title.

Mr. KING. Mr. President, I appreciate the serious condition of agriculture in the United States. I know how greatly the agricultural interests have suffered by reason of the extraordinary decline in the values of agricultural products. There is no question but what they have suffered more than most branches of industry. The declines in the value of their products have been greater, perhaps, than those of any other products and commodities in the United States. If the prices of manufactured articles, if agricultural implements, and all other things which the farmers are compelled to buy had fallen in the same proportion as their products, then the hardships to which they have been subjected would not have produced the same distress and brought about the acute situation which now exists in agricultural sections. Unfortunately the manufacturers, wholesalers, and retailers have resisted in every possible way the movement in favor of price reductions. The prices of most commodities have been and still are too high, and the demands of labor in many avenues have been extreme, and combinations have been formed with respect to many commodities and products to prevent price reductions and, indeed, to destroy all possible competition.

The Sherman antitrust law has been and still is ignored, and State statutes which aimed at the prevention of profiteering and the formation of trusts and monopolies, intrastate in character, have been disregarded. The result has been that the prices of many commodities have been held at war levels, or, at best, but slightly below war levels, and the agriculturalists have been thereby victims of these unfair if not criminal practices.

This has produced a situation which, if possible, should be remedied. Undoubtedly the prices of many commodities must be scaled down, and the combinations that exist to maintain these high levels of prices must be attacked and the criminal laws applied. Of course, the world condition particularly militates against the agriculturalists in the United States. They produced a surplus of agricultural products and must find foreign markets. The condition of Europe is such that there is a limited market for our products. Undoubtedly Europe would be glad to buy more of our agricultural products than she is now purchasing. However, there can be no normal market for our surplus products in foreign countries until Europe produces more and is able to find foreign markets for her exports. Europe can not buy what she would like to purchase upon credits which we extend. Her purchases can only reach a satisfactory level when she can pay for the commodities which she buys largely with her exports.

If we adopt the foolish and fatuous policy of interdicting imports, we are striking a deadly blow not only at agriculture but at the entire economic and industrial life of the people. Our prosperity is dependent largely upon our exports, and our exports are measured by our imports.

Undoubtedly the Senator from Nebraska by his bill hoped to improve the condition of the farmers and the agricultural interests of our country. I am in entire sympathy with the desire of the Senator from Nebraska. I am anxious for the agriculturalists of our country to have prosperity. They are the real producers. They are the builders of our Nation. We have too many parasites in the world and too few who make real contribution to the material advancement and upbuilding of the social organism. Upon the backs of the farmers and those who produce the things indispensable for life rest the superstructure in which we find refuge.

I shall not pause to examine the Senator's bill or to point out what I conceive to be some of its serious defects. I can only say in passing that I do not approve of the Government becoming the buyer and seller of commodities. I believe that that feature of the bill is dangerous and will prove not only injurious to the agriculturalists but to all classes. I do not think there is any necessity of creating a new corporation, even though a governmental corporation may be necessary to give aid to the agriculturalists of our country.

The War Finance Corporation is functioning. It has very great powers. It has an authorized capital of \$500,000,000, an amount greatly in excess of that permitted in the bill offered by the Senator from Nebraska. It likewise has power to issue bonds to the extent of three billions as against one billion, the authorized limit of the Norris bill. I think the authorized limit of the War Finance Corporation is too great and I should favor an amendment reducing the maximum amount of bonds which it may issue. The substitute which I am tendering gives specific authority to the War Finance Corporation to make advances for the purpose of assisting in financing the exportation of agricultural products. The powers given to accomplish this end are very liberal.

My substitute also extends the life of the corporation for a period of five years and permits it 10 years within which to liquidate its transactions. I believe that upon mature consideration the Senate will reach the conclusion that there is no necessity of creating a new corporation, or organizing new or additional machinery. There is a disposition too often to increase Federal agencies and to multiply the executive instrumentalities. We create bureaus and commissions and boards by the hundreds instead of consolidating and coordinating. We diffuse and scatter, thus increasing the expenses of the Government and preventing prompt, efficient, and energetic action. Our experience is that Government boards and agencies are usually failures; waste, extravagance, and inefficiency to the highest (or perhaps I should say to the lowest) degree, characterize their activities.

As stated, there is now a corporation, well officered, which has had considerable experience and is now engaged in aiding the agriculturists of the United States. It has already loaned millions to aid the farmers and cotton growers and horticulturalists to find foreign markets. With the machinery now in motion and the organization complete and ably officered, it would be unwise, in my opinion, to create a new organization.

In what I have said I do not mean to be understood as arguing that any corporation is required. There is some question as to whether any plan to put the Government further into private business is wise. Certainly there are grave objections to some of the provisions of the Senator's bill. However, if it is deemed necessary for the Government to take hold of this situation, then I believe the substitute which I have offered will be far more effective than the so-called Norris bill and

will, in the long run, be of far greater advantage and benefit to the agricultural interests of the United States.

REPUBLIC OF HAITI AND THE DOMINICAN REPUBLIC.

Mr. McCORMICK. Mr. President, with the permission of the Senator from Nebraska, I ask unanimous consent to call up Senate resolution 112.

Mr. ROBINSON. Mr. President, I ask the Senator from Illinois what is the subject matter of his resolution?

Mr. McCORMICK. It is a resolution for the appointment of a special committee to inquire into the occupation and administration of the territories of the Republic of Haiti and the Dominican Republic by the forces of the United States. I conceive that no Senator can object to an impartial investigation.

Mr. CURTIS. Is the resolution unanimously reported from the committee?

Mr. McCORMICK. It was unanimously reported from the committee, with amendments.

The PRESIDING OFFICER (Mr. STERLING in the chair). There being no objection, the Secretary will read the resolution.

Mr. HARRISON. Mr. President, without making any objection, let us have the resolution read.

Mr. McCORMICK. The Secretary is about to read it now.

Mr. HARRISON. The Presiding Officer said, "There being no objection."

The PRESIDING OFFICER. The Secretary will read the resolution.

The reading clerk read Senate resolution 112, submitted by Mr. McCORMICK on the 19th instant, as follows:

Resolved, That a committee of three Senators, appointed by the President of the Senate, is hereby authorized and instructed to inquire into the occupation and administration of the territories of the Republic of Haiti and of the Dominican Republic by the forces of the United States. For this purpose such committee, or any subcommittee thereof, is hereby empowered to sit during the recess and sessions of the Senate, at such times and such places as by it may be deemed advisable, to require by subpoena, or otherwise, the attendance of witnesses and the production of books, papers, and documents, to administer oaths, and to employ a stenographer at a cost not exceeding \$1.25 per printed page, and such other clerical assistance as may be necessary.

Mr. NELSON. Mr. President, has the resolution been referred to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. McCORMICK. It has.

Mr. ROBINSON. Mr. President—

Mr. McCORMICK. Let me interrupt at this point to say that the resolution is amended by the committee to read "five Senators, two of whom shall be members of the minority."

Mr. ROBINSON. Will the Senator yield for a question?

Mr. McCORMICK. Certainly.

Mr. ROBINSON. Did the Senator and the committee reporting the resolution consider the advisability of having a joint committee or commission upon which both Houses of Congress would be represented?

Mr. McCORMICK. No. During the last session I attempted, I remember, to secure the consent of the House to the creation of a joint commission on another subject, and the House objected so strenuously that I saw no good reason to seek to create a joint commission to investigate this question.

Mr. ROBINSON. Mr. President, I have no intention of objecting to the consideration of this resolution. For some time I have felt that there should be an investigation of conditions in Haiti and the Dominican Republic respecting their occupation by the forces of the United States; but I suggest to the Senator from Illinois and to the Senate that inasmuch as any legislative action which may be taken hereafter in connection with the subject will require the concurrence of the body at the other end of the Capitol, it would be worth while to consider having both Houses represented upon the investigating committee.

We frequently find ourselves in this position: A special committee of one House or the other makes an investigation into some subject and recommends action respecting it. The other body is without the special information which is obtained by the special committee of the House making the investigation, and nothing substantial results from the investigation.

I have no intention of objecting to the consideration of the resolution; but I make that suggestion for whatever the Senator from Illinois may think it worth.

Mr. GERRY. Mr. President—

Mr. McCORMICK. I yield to the Senator.

Mr. GERRY. I think a little further consideration ought to be given to this resolution. I see that it was only reported from the committee on the 22d instant, which was Friday last; and therefore I object.

Mr. WATSON of Georgia. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Georgia?

Mr. McCORMICK. In the light of the objection, I was going to yield the floor to the Senator from Georgia, or any Senator who might desire it.

Mr. WATSON of Georgia. May I ask the Senator if it is not also true that we have had our marines in occupation of Nicaragua for some years?

Mr. McCORMICK. Oh, I think so.

Mr. WATSON of Georgia. Should we not find out why that is done and when it is going to be discontinued?

Mr. McCORMICK. Mr. President, I could engage in a disquisition upon the military occupations of Nicaragua and Pekin and Yap and the Philippines, but it would take an hour.

Mr. WATSON of Georgia. Nobody has asked for a disquisition upon the subject.

Mr. McCORMICK. This resolution looks to an investigation of the occupation and administration of certain territory.

Mr. WATSON of Georgia. Is not that true of Nicaragua also?

Mr. McCORMICK. No.

Mr. WATSON of Georgia. My understanding is that it is.

Mr. NORRIS. Mr. President, of course the unfinished business has not been formally laid aside.

The PRESIDING OFFICER. No.

Mr. NORRIS. I was going to ask unanimous consent to lay it aside temporarily if there had been no objection to the consideration of the resolution referred to by the Senator from Illinois. It is necessary to have an executive session.

MALT LIQUORS AND WINES FOR MEDICINAL PURPOSES.

Mr. MOSES. Mr. President—

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

Mr. MOSES. If the Senator is about to make a motion to go into executive session, I hope he will yield to me for the purpose of asking unanimous consent to introduce, out of order, a resolution which I send to the desk and ask to have read for the information of the Senate, in order that I may ask further unanimous consent for its immediate consideration.

Mr. NORRIS. I yield for that purpose.

The PRESIDING OFFICER. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 117), as follows:

Resolved, That the Secretary of the Treasury be requested to transmit to the Senate a copy of the regulations which are reported to have been drawn by the Bureau of Internal Revenue, pursuant to an opinion rendered by Attorney General Palmer, to provide for the use of malt liquors and wines for medicinal purposes.

Mr. MOSES. I ask unanimous consent for the present consideration of the resolution.

Mr. NORRIS. If it will lead to no debate, I have no objection to the consideration of the resolution.

Mr. HEFLIN. Mr. President, what is this resolution?

Mr. MOSES. It is a resolution asking that the Secretary of the Treasury transmit to the Senate a copy of the regulations which we have been repeatedly told have been drawn by the Bureau of Internal Revenue, pursuant to Attorney General Palmer's opinion, for the use of malt liquors and wines for medicinal purposes; and it occurs to me that if, upon the disposition of the Norris bill, we should take up the so-called beer bill it might be desirable for the Senate to have this information before it. It may be that these regulations will make legislation unnecessary without casting any stigma upon the honorable profession of medicine or the equally honorable calling of the apothecary.

Mr. HARRISON. Does the resolution include, also, any regulations that have been promulgated in pursuance of any opinion by the present Attorney General?

Mr. MOSES. I think none have been promulgated, Mr. President.

Mr. HARRISON. That is why I made the inquiry. If there have been any, it seems to me they should be included also.

Mr. MOSES. I am very certain that none have been. I think everything has been awaiting the determination of the policy of Congress, and in order to determine the policy of Congress it may be desirable to know what the policy of the Treasury Department is to be. At any rate, I ask unanimous consent for the present consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. NELSON. Mr. President, I do not think the resolution ought to be considered at this late hour.

Mr. NORRIS. Does the Senator from Minnesota object?

Mr. NELSON. I do.

The PRESIDING OFFICER. The resolution will go over, under the rule.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

EXECUTIVE SESSION.

Mr. NORRIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened.

RECESS.

Mr. NORRIS. I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to; and (at 4 o'clock and 52 minutes p. m.) the Senate took a recess until to-morrow, Tuesday, July 26, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 25 (legislative day of July 22), 1921.

INTERIOR DEPARTMENT.

SURVEYOR GENERAL.

Clair Hunt, of Colville, Wash., to be surveyor general of Washington, vice Edward A. FitzHenry, term expired.

PROMOTIONS IN THE ARMY.

OFFICERS' RESERVE CORPS.

To be brigadier general.

Jacob Franklin Wolters, from July 18, 1921.

Howard Seymour Borden, late brigadier general, United States Army, from July 13, 1921.

PROMOTIONS IN THE NAVY.

The following-named captains to be rear admirals in the Navy, from the 3d day of June, 1921:

Richard H. Jackson.

Benjamin F. Hutchison.

Capt. Thomas P. Magruder, an additional number in grade, to be a rear admiral in the Navy, from the 3d day of June, 1921.

Lieut. George E. Brandt to be a lieutenant commander in the Navy, from the 8th day of June, 1920.

The following-named lieutenants to be lieutenant commanders in the Navy, from the 1st day of January, 1921:

Marshall Collins.

Henry E. Parsons.

Lieut. Aquilla G. Dibrell to be a lieutenant commander in the Navy, from the 11th day of February, 1921.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, from the 1st day of July, 1920:

Paul S. Goen.

Charles J. Wheeler.

James K. Davis.

Ingolf N. Kiland.

Edward H. Jones.

William W. Warlick.

Ensign Edward H. Jones to be a lieutenant (junior grade) in the Navy, from the 30th day of March, 1920.

Ensign William W. Warlick to be a lieutenant (junior grade) in the Navy, from the 29th day of June, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy, from the 1st day of July, 1920:

Philip P. Welch.

Van Rensselaer Moore.

Charles R. Smith.

Charles H. Rockey.

George Kirkland.

The following-named pay directors to be pay directors in the Navy with the rank of rear admiral from the 7th day of July, 1921:

John S. Carpenter.

Livingston Hunt.

Assistant Paymaster George C. Simmons to be a passed assistant paymaster in the Navy with the rank of lieutenant from the 30th day of July, 1919.

The following-named assistant paymasters to be passed assistant paymasters in the Navy with the rank of lieutenant from the 1st day of July, 1920:

William V. Fox.

Stephen J. Brune.

Vernon H. Wheeler.

Louie C. English.

Howard N. Hartley.

Chauncey R. Murray.

Albert R. Schofield.

Charles J. Harter.

Hugh F. Gallagher.

Charles C. Timmons.

Verne V. M. Boggs.

Bert R. Peoples.

Leslie R. Corbin.
Thomas A. Durham.
Walter A. Buck.
Ray C. Sanders.
Howard M. Shaffer.
Samuel H. Dickson, jr.
Richard C. Adams.

Roark Montgomery.
Gaillard Rembert.
Thomas E. Hipp.
Arthur Rembert.
Harold H. Thurlby.
Hugh O. Quinn.
Murrey L. Royar.

Pay Clerk William E. Lund to be a chief pay clerk in the Navy to rank with but after ensign from the 8th day of January, 1920.

The following-named officers of the United States Naval Reserve Force to be passed assistant surgeons in the Navy with the rank of lieutenant to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Charles C. Ammerman.
Samuel H. White.

Joseph M. Feder, a chief pharmacist mate in the Navy, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 5th day of July, 1921.

James J. O'Connor, a citizen of Idaho, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 13th day of July, 1921.

POSTMASTERS.

IDAHO.

Oren M. Laing to be postmaster at Meridian, Idaho, in place of J. J. Caldwell, deceased.

INDIANA.

Mary W. Lawrence to be postmaster at Earlham, Ind., in place of P. H. Brown.

IOWA.

Herman Ternes to be postmaster at Dubuque, Iowa, in place of Maurice Connolly, resigned.

KANSAS.

Walter H. Polley to be postmaster at Republic, Kans., in place of W. C. Polley, resigned.

MICHIGAN.

Henry M. Boll to be postmaster at Channing, Mich., in place of R. E. Boll.

MISSOURI.

Mary F. Walker to be postmaster at Mount Washington, Mo., in place of G. B. West.

John S. Gatson to be postmaster at Vandalla, Mo., in place of C. B. Ellis, resigned.

NEBRASKA.

May T. Douglass to be postmaster at Callaway, Nebr., in place of John Moran, resigned.

Heinrich D. Friesen to be postmaster at Henderson, Nebr., in place of H. G. Kroeker.

NEW JERSEY.

Joseph Cassio to be postmaster at Fairview, N. J., in place of J. D. Janssen.

William A. Cullen to be postmaster at Waldwick, N. J., in place of F. L. Peterson.

NEW YORK.

Agnes M. Tracy to be postmaster at Forestport, N. Y., in place of Frank Connors.

George F. Rivers to be postmaster at Rouses Point, N. Y., in place of C. M. Marnes, resigned.

OHIO.

Ellen M. Cumming to be postmaster at Fort Jennings, Ohio, in place of F. H. Kramer.

TEXAS.

George R. McManis to be postmaster at Breckenridge, Tex., in place of W. C. Allison, declined.

WEST VIRGINIA.

Lida Steinke to be postmaster at Iaeger, W. Va., in place of D. L. Anvil.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 25 (legislative day of July 22), 1921.

TREASURY DEPARTMENT.

COLLECTOR OF CUSTOMS.

Judson LaMoure, jr., to be collector of customs, district No. 34, Pembina, N. Dak.

COAST AND GEODETIC SURVEY.

Joseph Murray Smook to be aid in Coast and Geodetic Survey, with relative rank of ensign in Navy.

DEPARTMENT OF JUSTICE.

George W. McClintic to be United States district judge, southern district of West Virginia.

PROMOTIONS IN THE NAVY.

William A. Moffett to be chief of the Bureau of Aeronautics, with rank of rear admiral.

MARINE CORPS.

Louis McC. Little to be colonel.
Earl H. Ellis to be lieutenant colonel.
Edmond H. Morse to be major.

POSTMASTERS.

SOUTH DAKOTA.

Fred Engelbrecht, Elkton.

PORTO RICO.

Alfredo Gimenez y Moreno, Bayamon.
Ramon Collazo, Manati.
Hortensia R. O'Neill, San German.
Simon Semidei, Yanco.

HOUSE OF REPRESENTATIVES.

MONDAY, July 25, 1921.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O God, our Heavenly Father, Thou hast given us rest within the shadows of Thy divine care and opened for us the gates of the morning. Be merciful unto our imperfections and give strength to those with whom temptation is too subtle or too strong. In our busiest hours direct us, in our loneliest moments give us good cheer, and may gratitude be the language of our hearts and happiness the music of our souls. Continue to be the guide and the guardian of our country and give depth and power to the traditional fundamentals of our Government. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Thursday, July 21, 1921, was read and approved.

LOAN OF TENTS, ETC.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent for the present consideration of House joint resolution 163, authorizing the Secretary of War to loan to the Eighty-eighth Division Association for their reunion at Des Moines, Iowa, tents, cots, mattresses, blankets, and galvanized-iron buckets, which I send to the desk and ask to have read.

The Clerk read as follows:

Joint resolution (H. J. Res. 163) authorizing the Secretary of War to loan to the Eighty-eighth Division Association for their reunion at Des Moines, Iowa, tents, cots, mattresses, blankets, and galvanized-iron buckets.

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to loan, at his discretion, to the Eighty-eighth Division Association the following equipment: Sufficient tentage for 10,000 men, 10,000 iron cots, 10,000 mattresses, 20,000 blankets, and 1,000 galvanized-iron buckets for use during their encampment at Des Moines, Iowa, August 26, 27, and 28, 1921: *Provided*, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered to said city designated at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the secretary of said organization: *Provided further*, That the Secretary of War, before the delivery of such property, take from said organization a good and sufficient bond for the safe return of said property in good order and condition, the whole transaction to be without expense to the Government of the United States of America.

With the following committee amendment:

Line 5, page 1, after the word "equipment," insert "or as much thereof as may be available."

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

Mr. MANN. Mr. Speaker, reserving the right to object, has this matter been before the Committee on Military Affairs?

Mr. DOWELL. The Committee on Military Affairs has unanimously reported the resolution.

Mr. MANN. Is this a reported resolution?

Mr. DOWELL. A reported resolution.

Mr. KAHN. Mr. Speaker, as the gentleman from Iowa states, this resolution was before the Committee on Military Affairs and it received unanimously a favorable report from that com-

mittee. Most of the things loaned under the resolution are right upon the ground. They can be taken from the warehouse at Camp Dodge and used for the purposes intended in the resolution.

Mr. DOWELL. This meeting is at the place where this division was trained during the war before it went to France, and most of this equipment is now at Camp Dodge.

MESSAGE FROM THE SENATE.

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

S. 1039. An act for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and the several States.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 1039. An act for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and the several States; to the Committee on Interstate and Foreign Commerce.

THE LEGISLATIVE PROGRAM.

Mr. GARNER. Mr. Speaker, under the right of the reservation of objection, I want to ask the gentleman from Wyoming [Mr. MONDELL] a question—and I do not intend to object to the consideration of the resolution. I think the gentleman from Wyoming would render a very great favor and a courtesy, to which I think the House is entitled, if he would tell the House what he expects to do for the next week or 10 days in the way of legislation. Many Members have asked me on this side what we are going to do and I can not tell them. I think the gentleman should give all of the information he can in order that they may accommodate themselves to this program.

Mr. MONDELL. Mr. Speaker, I shall be very glad to do that as far as I can. My understanding is that the Committee on Rules will bring in a rule this morning which will make in order a bill reported by the Committee on Naval Affairs having to do with a variety of matters touching the naval service. That rule will also make in order a bill from the Committee on Indian Affairs somewhat broadening the organic law of the Indian Service, so as to make in order the ordinary and usual items on the Indian appropriation bill. My understanding is that neither of those bills will, however, be called up immediately, but that the Committee on Military Affairs will, after the adoption of the rule, call up, one after the other, the two bills for which they already have the right of way through rules, one a bill authorizing settlement for the taking of certain radio patents by the Government and another relating to cadets at West Point.

Before those military bills are called up the chairman of the Committee on Accounts may present some small items from his committee.

The day will be occupied probably with those bills from the Committee on Military Affairs. One of them may go over until to-morrow, or it is possible that to-morrow we will take up one of the two bills made in order to-day.

On Calendar Wednesday the call rests with the Committee on Agriculture, and if no other arrangement be made that committee will have the call.

On Thursday we hope to take up, unless we do it earlier, the bill from the Committee on Naval Affairs to which I have already referred.

On Friday, if we are in session, it is hoped that we may take up bills on the Private Calendar unobjected to, although it is possible, in view of the fact that the rule reported from the Committee on Rules is not as broad as had been anticipated, that we may ask unanimous consent to take up bills on the Private Calendar unobjected to to-morrow instead of on Friday.

The Committee on Appropriations has before it a very important matter of an estimate for the Shipping Board. I have no knowledge at present how soon they will be prepared to report to the House on that bill, whether this week or not; possibly not until the first of next week.

There are two bills now in conference—one the so-called Sweet bill, for the consolidation of agencies having to do with ex-service men, and the other the packer bill. The conference reports on those measures will be considered when they come to the House.

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

Mr. MONDELL. Yes.

Mr. BLANTON. Yesterday in the press appeared a detailed statement, purporting to come from the gentleman from Wyoming [Mr. MONDELL], giving us a daily program for the next two weeks. It was stated that it was given for the benefit of the Congress. Has that program been changed in any way by the gentleman's statement?

Mr. MONDELL. That program has been changed in this way: Gentlemen often ask why we can not have programs, so that we may know in advance what we are going to do. The difficulty about that is that even those who know most about what the program might be must be governed not altogether by their own will, but by what the House and the committees of the House desire or conclude to do.

When the statement the gentleman referred to was given out I anticipated that the Committee on Rules would also make in order two bills from the Committee on Coinage, Weights, and Measures, having to do with standards of measures. The committee did not see fit to include those two bills in its rule. Barring those two bills, the statement given out yesterday is as near as we can approximate the work for the next 10 days. I gave that out because I thought it was my duty to let gentlemen know as nearly as possible what we were likely to do.

Mr. BLANTON. I think the gentleman ought to be commended for it.

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

Mr. MONDELL. Yes.

Mr. OLIVER. Do I understand the naval bill will have the call on Thursday?

Mr. MONDELL. When I anticipated that we might have a rule on four bills, instead of on two, it was my thought that we would take up one of the bills from the Committee on Coinage, Weights, and Measures to-morrow.

But in view of the fact that the Committee on Rules did not include that bill in their rule, I thought that perhaps if it were satisfactory to the Committee on Naval Affairs we might take up their bill to-morrow. I can only say in regard to that, after consulting with gentlemen on both sides in regard to it, because the understanding has been that we take up that bill Thursday, if I find it is not agreeable to take up the bill from the Naval Committee to-morrow, I may submit a unanimous-consent request to take up bills on the Private Calendar unobjected to, with the expectation in that event to stand in recess from Thursday until Monday, as there are quite a number of gentlemen who are very anxious to be out of the city to attend important celebrations on Friday and Saturday. Of course, that will not be done except after consultation with Members on both sides.

Mr. CARTER. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. CARTER. What time does the gentleman think we might expect the revenue bill?

Mr. MONDELL. In two or three weeks.

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

Mr. MONDELL. I will yield to the gentleman from California.

Mr. KAHN. Does the gentleman expect the Military Affairs Committee to call up its bills to-day and to-morrow?

Mr. MONDELL. That is my thought. My thought was that the committee might dispose of both of their bills to-day.

Mr. KAHN. We will try.

Mr. MONDELL. If they do not, one bill will go over until to-morrow, when the suggestion in regard to calling up bills on the Private Calendar might not be made.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. GARRETT of Tennessee. I did not hear the statement given to the press that the gentleman made reference to a moment ago, nor did I hear all the statement made from the floor, but there was a rule adopted some time ago, as I remember it, to make in order the consideration of a patent bill.

Mr. MONDELL. It has not been my thought to consider that bill just at this time, because some gentlemen much interested in that bill are not here.

Mr. BLANTON. And some opposed to it.

Mr. WINGO. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. WINGO. Has the gentleman taken into consideration the bill from the Banking and Currency Committee reported on Saturday?

Mr. MONDELL. My thought was as there is opposition to that measure in the committee and on the floor that we could not take it up within the next few days, because, very frankly, there are many Members absent, and my thought has been to

avoid taking up any question that would be very sharply controverted.

Mr. WINGO. Will the gentleman permit this suggestion? Of course, there is some opposition to it, and those who favor that bill would not be disposed to take snap judgment on anybody, but they would not be inclined to be overindulgent to gentlemen who would not be here, because the bill if passed at all ought to be passed at once.

Mr. MONDELL. Of course the bill was reported Saturday and there are bills on the calendar reported a month and more ago. There are bills on the calendar unanimously reported. The bill was reported by a narrow margin, and in the ordinary course of events a bill coming before the House in that way would not be considered with other bills pressing which have been before us for a long time. I have no doubt but what within a reasonable time it will be taken up.

Mr. WINGO. It was not reported by a narrow margin.

Mr. GARNER. If the gentleman will permit, if I understand the gentleman from Wyoming, it is that until the revenue bill is brought before the House by the gentleman from Michigan [Mr. FORDNEY] he proposes to take up this little chicken-feed stuff to which there is no opposition comparatively and kill time until Mr. FORDNEY gets ready to bring in a revenue bill.

Mr. MONDELL. That is hardly a fair statement, may I suggest.

Mr. GARNER. That is what it amounts to. Does it not look that way?

Mr. MONDELL. These bills are not of the great national importance that some other legislation is, but they relate to legislation that should be considered.

Mr. GARNER. I understand this legislation from the Committee on Military Affairs and Committee on Indian Affairs and the Naval Affairs Committee is to prepare for appropriation bills that will come next fall, and very properly so, and I think this legislation that the gentleman speaks of ought to be passed, but I understand the gentleman does not propose to take up anything over which there is a real contest until the revenue legislation is reported.

Mr. MONDELL. I will say what I said to the gentleman from Arkansas, that we hope to avoid for some few days questions which are sharply controverted.

Mr. WINGO. May I conclude my interrogatory? I suggest to the gentleman that the bill I had in mind was not reported by a narrow margin. It is not in the attitude of a good many bills he suggests. It is an emergency bill, and, of course, if there are other bills of an emergency character reported prior to this bill that ought to be considered first—

Mr. MONDELL. But in this bill there is involved the grave question as to whether we are going to raise interest rates in the United States.

Mr. WINGO. The Secretary of the Treasury has already settled that.

Mr. MONDELL. It is naturally a question that would arouse a great deal of interest, and to which there would be some opposition, and in that state of affairs we would hardly bring in a bill of that kind so soon after it was reported when a program had been arranged before the bill was reported.

Mr. WINGO. I was not suggesting that. I will say the question the gentleman suggests has already been settled by the Secretary of the Treasury. If he had not opposed for three years governmental loans at 5½, the committee would not have reported the bill. The committee was opposed to it unanimously until the Secretary of the Treasury raised the interest rate.

Mr. POUL. Will the gentleman yield?

Mr. MONDELL. If I have the floor.

Mr. MANN. May I ask the gentleman in all candor whether it is the expectation or intention to keep the House in continuous session during the dog days until the tax bill is reported from the Ways and Means Committee?

Mr. MONDELL. It is my opinion that there is sufficient important legislation already reported, and that is likely to be reported, to take up the time of the House until the tax bill shall have been reported, and that we could not well stand in recess for any considerable period of time without neglecting important matters which should have consideration and bills in conference, as for instance the Sweet bill, which is likely to be here from conference almost any day.

We ought not to be in recess when that bill comes from conference. The packer bill is likely to be here most any time. The Appropriations Committee is considering a matter affecting the Shipping Board that is very urgent and that must be taken care of in some way soon. There is also the bill from the Committee on Banking and Currency gentlemen have referred to.

Mr. MANN. I know; but, after all, that does not answer the question.

Mr. MONDELL. I am calling attention to the condition of the work of the House.

Further than that, there are certain measures that must be agreed upon before we pass our appropriation bills next winter. The bill from the Committee on Indian Affairs is one; the bill from the Committee on Naval Affairs is another. We can not say to these committees, from whom we have taken the appropriating function, that they shall never have their day in the House; that they shall never have an opportunity to present their legislation. My hope is that after we pass the tax bill we can get away for some little period, with our calendars fairly well cleared, and without anything on hand that requires immediate action. But in the meantime we must act on these matters, some of them of first importance and of primary importance, and some of them comparatively unimportant, perhaps, from a national standpoint, yet of sufficient importance that, take it all together, we would not be justified in standing in recess except as we adjourn over Saturdays, which I hope to be able to do, and possibly even over Fridays if we are not pressed too hard.

Mr. GARNER. Will the gentleman yield?

Mr. MANN. It is very convenient for those who live here to adjourn from Thursday to Monday, but as to those who want to get away for a while I would rather stay in session every Saturday and dispatch this immensely important "chicken-feed" business and get through and let some of us go home.

What I have to say is, that if, as I understand the gentleman, the House remains in session through the dog days, God help the country.

Mr. GARNER. I think the membership would be very much interested in this. Let me ask the gentleman—

Mr. MONDELL. Before I yield I want to say this in answer to what the gentleman from Illinois [Mr. MANN] just said. I do not take quite the view of the work of Congress that the gentleman's remark would seem to indicate he does. I think he does not really take the view that "God help the country when the Congress is in session." I think if Congress stays in session it will be doing excellent work, and work which, while it may not all be of great importance from the viewpoint of some gentlemen, is work that must be done.

Mr. GARNER. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. GARNER. I think the membership, considering the dog days and also the end of the dog days, would be interested to know whether the gentleman has courage enough—I think the term is justified—to take a recess after the revenue bill has been passed? Are you going to take a recess then?

Mr. MONDELL. Well, the "gentleman" does not pretend to any special courage.

Mr. GARNER. There will be "chicken feed" then.

Mr. MONDELL. The "gentleman from Wyoming" thinks that then we would be in a condition that we could take a considerable recess without in any wise retarding the transaction of public business.

Mr. GARNER. Do you mean a concurrent resolution for the purpose of giving gentlemen opportunity to go home, without being asked on every street corner what they are doing there when Congress is in session, or do you mean three-day recesses under a gentleman's agreement?

Mr. MONDELL. My own thought is, and I have no more to do with it than the gentleman from Texas—

Mr. MANN. Yes; you have.

Mr. GARNER. Yes. The "gentleman from Texas" would be glad to know.

Mr. MONDELL. My thought is that after we pass the tax bill we could not expedite the public business, we could not hurry the final settlement of the two big problems before the Congress, by remaining in session. The tariff and tax bills will both be before the Senate, and we might as well stand adjourned for a time.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. And my hope is that by that time we may have disposed of these chips and whetstones, as some of the gentlemen call them, and have the decks cleared, so that with a clear conscience and without in any wise retarding the public business we may get home for some little time.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. I yield.

Mr. MANN. Is it not almost certain that by the time the tax bill passes the House you will commence to consider what you will do with the revenue bill when it passes the Senate; that that must be sent to conference?

Mr. MONDELL. I do not anticipate that the revenue bill will have reached much less have passed the Senate at that time.

Mr. MANN. Oh, no; but the gentleman from Wyoming and other gentlemen here will say then, "How can we afford to be away from here when the revenue bill is passing the Senate? It must be sent to conference at once, and when it is sent to conference we can not afford to be away because the conference report must be acted upon as soon as it is called up." The fact is that now is the only time that it is safe to take a recess. Shortly after the tax bill passes the House, a month or six weeks or two months from now, we will have the revenue bill back.

Mr. MONDELL. The tax bill will pass the House much sooner than the date the gentleman fixes.

Mr. MANN. I hope not. A good tax bill will not pass then if it passes quickly. The sooner it passes the poorer it will be if it passes without consideration in the committee and without consideration in the House. What I said a while ago would then be true, God help the country! [Applause.]

Mr. GARNER. It will be bad enough anyway.

Mr. MONDELL. The country is rather impatient about the tax bill, and I think it need not take so long to take off some of the tax burdens.

Mr. MANN. Yes. They want it to be considered as a fair bill, not as a hodgepodge or a guess.

Mr. MONDELL. Well, gentlemen have been considering it—many gentlemen have been considering it for months—and the Treasury Department has been giving it careful consideration. So have Members of Congress. I do not believe that the questions involved in tax legislation are so numerous or so profound that they can not be settled with reasonable promptness. I hope they will be. I hope we will have the bill in here not later than the 15th of next month; at that date at the latest. I also hope and believe it will appreciably lighten the country's tax burdens.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARRETT of Tennessee. Have the plans progressed sufficiently far in the consideration of the tax bill that the gentleman can tell us whether it is the purpose to consider that bill under a rule that will cut off all amendments?

Mr. MONDELL. I have not conferred with any of the gentlemen who will have direct charge of that matter, and have no opinion in regard to it except I am confident the measure will be fairly and wisely considered.

LOAN OF TENTS, ETC.

The SPEAKER. The question is on the request of the gentleman from Iowa [Mr. DOWELL] for unanimous consent for the consideration of the resolution that has been reported. Is there objection to the present consideration of that resolution?

There was no objection.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to loan, at his discretion, to the Eighty-eighth Division Association the following equipment: Sufficient tentage for 10,000 men, 10,000 iron cots, 10,000 mattresses, 20,000 blankets, and 1,000 galvanized-iron buckets for use during their encampment at Des Moines, Iowa, August 26, 27, and 28, 1921: Provided, That no expense shall be caused the United States Government by the delivery and return of said property, the same to be delivered to said city designated at such time prior to the holding of said encampment as may be agreed upon by the Secretary of War and the secretary of said organization: Provided further, That the Secretary of War, before the delivery of such property, take from said organization a good and sufficient bond for the safe return of said property in good order and condition, the whole transaction to be without expense to the Government of the United States of America.

With the following committee amendment:

Page 1, line 5, after the word "equipment," insert "or as much thereof as may be available."

The SPEAKER. The question is on agreeing to the committee amendment.

Mr. DYER. Mr. Speaker, I desire to be heard on the amendment.

The SPEAKER. The gentleman from Missouri is recognized.

Mr. DYER. I would like to have the attention of the gentleman from California [Mr. KAHN]. I notice in this resolution that it is a loan of Government property—tents, and so forth—to civilians. It is true these men have served their country and have served it gallantly, but I understood the policy of the War Department and the policy of the Committee on Military Affairs is that this equipage, tents, and so forth, could not be loaned to any organization except veteran soldier organizations known as the Grand Army of the Republic, the Confederate Veterans' Association, and I think probably one or two others specially named in legislation. Now, there are a number of organizations in this country that conduct large encampments. Some weeks ago I went to the War Department and to the Committee on Military Affairs and asked whether or not an organization hold-

ing an encampment in my city, semimilitary, known as the Modern Woodmen, might have the loan of this equipage. These men are compelled because of large numbers to camp out; they can not go to the hotels. I went, as I say, to the Committee on Military Affairs and the Secretary of War, and I was told that the War Department and the Committee on Military Affairs had established a policy among themselves whereby it would not be possible to loan tents to an organization of that kind, and that it was confined absolutely to the veteran organizations known as the Grand Army of the Republic and the Confederate Veterans' Association.

Mr. BLAND of Indiana. Mr. Speaker, will the gentleman yield?

Mr. DYER. Now, if it is changed, I think it is fair to all concerned that it should not be limited to specific groups. I yield to the gentleman from Indiana.

Mr. BLAND of Indiana. Is the gentleman under the impression that this is a veteran organization provided for in this bill?

Mr. DYER. No. I was under the impression that it was confined to the Grand Army of the Republic and the Confederate Veterans.

Mr. BLAND of Indiana. No. It is the policy of the War Department to loan what Congress says it shall loan. We could pass various bills through this House. However, the policy of the Committee on Military Affairs is not to loan pillows or cots or mattresses, but to loan tents, and I find they will not deviate from that rule. But with respect to any soldier organization it is the policy of the War Department and of Congress to loan them tents.

Mr. DYER. I am not objecting to the loan of tents and equipage to the organizations referred to. I think they are fully entitled to them. The War Department ought to let them have them without question, and Congress ought to adopt this resolution without question. But I am opposed to this narrow policy on the part of the War Department whereby they refuse to loan these tents, when the expense incident to it does not amount to a penny, to a large organization of citizens of this country such as the Modern Woodmen of America.

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

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from California?

Mr. DYER. Yes.

Mr. KAHN. The War Department requires that tents shall be loaned to the Grand Army of the Republic, and to the Confederate veterans, and to the Spanish-American War veterans, and also to the veterans of the World War. It limits the loan of the tents to those military organizations. Of course, they say frankly at the War Department that although they loan these tents presumably without any harm to the tents, nevertheless every time the tents are loaned they deteriorate to a certain extent.

Mr. DYER. I do not think, Mr. Speaker, that they deteriorate to any extent worth paying attention to. For instance, to show the narrow-mindedness of the present policy of the War Department, the Committee on Military Affairs of the House seems to refuse anything unless the War Department is in favor of it along those lines. They refused to loan tents or to recommend the use of tents that were in my city at St. Louis at no expense whatever; they refuse to allow them to be taken out of storage. They are there in storage, rotting, half of them, and wasting, and this policy is so narrow on the part of the Committee on Military Affairs of this House, as recommended by the War Department, that they would not even loan them to the boys coming from the country to that city, but compelled them to sleep in the fields because the policy of the War Department was so narrow.

Mr. MONDELL. Will the gentleman yield?

Mr. DYER. I yield to the gentleman from Wyoming.

Mr. MONDELL. The gentleman knows perfectly well that the Congress is not going to make a general practice of loaning its equipment to civilians. Now, the Woodmen are a very worthy organization. So are the Masons and the Knights of Pythias—and somebody suggests the Anti-Saloon League—and a lot of other organizations.

Mr. DYER. The Modern Woodmen of America is a large organization that has a military training branch.

Mr. MONDELL. But when you go to loaning equipment to organizations beyond soldiers and veterans you are getting into a field that has no limit, and the gentleman knows that perfectly well. He is making a good speech, that ought to defend him—

Mr. DYER. I am not making any speech to defend myself, but I am making a speech, Mr. Speaker, to criticize what I believe to be a bad policy of this House and of the Secretary of War with reference to such matters.

Mr. MONDELL. I think the gentleman stands alone in that view—

Mr. DYER. I do not yield to the gentleman to permit him to lecture me. I am trying if I can to lecture the Committee on Military Affairs of the House and the Secretary of War. Now, the Modern Woodmen are not a little bit of an organization. They have thousands of men who are being trained. They have a military branch, and thousands of men are being trained in it; and training is what we need in this country, as was demonstrated in the Great War; and if the War Department is so narrow, and if the Committee on Military Affairs will not act without the approval of the War Department on such matters as the loaning of tents to an organization that would not hurt the tents as much as they would be hurt by being left to rot in storage, I say that is a bad policy and it ought to be condemned, and I do condemn it.

Mr. McKENZIE. Will the gentleman yield?

Mr. DYER. I yield to the gentleman.

Mr. McKENZIE. I want to state to the gentleman from Missouri, for the benefit of the members of the Committee on Military Affairs, that he is entirely mistaken about the attitude of that committee. The Secretary of War wrote a very forceful letter in opposition to this bill, saying he did not think it should be approved. The Committee on Military Affairs assumed the responsibility of reporting it to the House and declined to take the advice of the Secretary of War, and denied his request, and reported the resolution favorably. We acted on our own judgment, just as we have acted on our own judgment in denying the request of the gentleman from Missouri [Mr. DYER] when he asked us to grant tents to the Modern Woodmen of America.

Mr. DYER. I congratulate the Military Affairs Committee of the House that they have at last become an independent committee, and that they are not going to be absolutely bound by the recommendations of that branch of the War Department which gives these instructions and writes these letters, which is the narrowest department in the whole Government of the United States. I am opposed to it and am glad that the committee have finally agreed to report something that the Secretary of War did not recommend. I commend them for it and hope they will continue to do so.

Mr. BIRD. Will the gentleman yield?

Mr. DYER. I yield to the gentleman from Kansas.

Mr. BIRD. Manifestly there must be a limit somewhere. Where would the gentleman fix that limit?

Mr. DYER. I would fix it in the discretion of Congress, which has the authority to legislate upon it. I say that when a big organization like the one I have referred to comes and asks for the use of tents, where it has a semimilitary branch of which thousands of men are members, there ought not to be any hesitancy about loaning the tents, when, as in the case which I have referred to, the tents are right in the city of St. Louis, where the encampment was being held, thousands of tents in storage, with no use for them, and they are simply lying there rotting away.

In a case like that, why not use common sense and ordinary good judgment, and allow the boys of this land who have been fighting for the country and who are now in this organization to get the use of them for the little while that they want them. Why should they not have these tents? I think the policy of the War Department is foolish and narrow when they refuse so meritorious and worthy a request.

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

Mr. DYER. I yield to the gentleman from Arkansas.

Mr. WINGO. There was so much confusion on the floor of the House that I could not hear much of what the gentleman said. I did not understand the name of the organization to which the gentleman refers. What is it that the gentleman wants?

Mr. DYER. I do not want anything now. A short time ago I made a request on behalf of the Modern Woodmen of America that held a large encampment in my city of St. Louis last month. As the gentleman knows, they have a large branch that is semimilitary in character. They train young men, they have uniforms, and they are of great benefit in time of war by having so many young men trained.

Mr. WINGO. Would not the War Department and the Committee on Military Affairs grant the request of the gentleman to loan tents to this organization?

Mr. DYER. No. I introduced a resolution providing for the loan of tents, and a great many Members of the House were in favor of it. I took it up with the War Department, and they were opposed to it; said they were opposed to loaning tents, and refused to grant their consent, although there were thousands of tents lying in storage in the city of St. Louis, where the encampment was to be held. It would not have cost them

a nickel. The Military Affairs Committee told me, unofficially, that they would not favorably consider the resolution because of the adverse report of the Secretary of War.

Mr. WINGO. The gentleman does not want to leave the impression that the Committee on Military Affairs of the House is listening to the dictates of the executive department, does he? That is a serious charge to make against the committee, and the gentleman ought not to make it.

Mr. DYER. I will say to the gentleman that I was hoping that under the present administration we would get completely away from executive domination such as characterized the last administration.

Mr. WINGO. That is a futile hope, I fear.

Mr. DYER. I believe we will do it eventually, but we have not so far gotten entirely away from it.

Mr. WINGO. I hope the gentleman can bring an end to that unbearable condition.

Mr. MANN. Mr. Speaker, there is a man in my district who enlisted during the war and served in the trenches. He owns an old Ford machine and would like to make a trip through the country. He would be very glad to have the Government furnish him with a tent and a stove, cooking utensils, and perhaps loan him some canned food and a few other things of that sort. I have wondered whether he was not as much entitled to the use of Government property as would be two men if they got together and made the request, or 200 or 2,000, if they made a request. Where do you draw the line? I have not noticed any sympathetic expressions in the House about loaning the Government property to this one man. The gentleman from Missouri thinks that we ought to loan the property to everybody, practically, if they come in bunches. If they do a good deal of destruction to a good deal of property, then we ought to let them have the property, but if one man wants it, he is turned down.

Mr. DOWELL. Mr. Speaker, I move the previous question on the bill and amendment.

The previous question was ordered.

The committee amendment was agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. DOWELL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

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

The SPEAKER. The gentleman from Illinois makes the point of order that no quorum is present. The Chair will count. [After counting.] One hundred and seventeen Members present; not a quorum.

Mr. MONDELL. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Fairfield	Kreider	Rodenberg
Anso	Fenn	Kunz	Rose
Anthony	Fitzgerald	Lampert	Rosenbloom
Atkeson	Fordney	Langley	Rossdale
Bacharch	Foster	Lee, N. Y.	Rouse
Bankhead	Frear	Lineberger	Rucker
Barbour	Free	Logan	Ryan
Beck	Freeman	London	Sabath
Beedy	Frothingham	Lowrey	Sanders, Ind.
Benham	Fuller	Luce	Schall
Bixler	Gallivan	McClintic	Shaw
Black	Gilbert	McCormick	Siegel
Bond	Glynn	McFadden	Slemp
Bowers	Goldsborough	McLaughlin, Nebr.	Smith, Idaho
Brinson	Gorman	McLaughlin, Pa.	Snell
Britten	Gould	McSwain	Snyder
Brooks, Pa.	Graham, Pa.	MacGregor	Stafford
Browne, Wis.	Green, Iowa	Magee	Stephens
Burdick	Griffin	Maloney	Stiness
Burke	Hardy, Tex.	Martin	Stoll
Burroughs	Harrison	Mead	Strong, Pa.
Burness	Hawes	Merritt	Sullivan
Campbell, Pa.	Hawley	Michaelson	Swing
Carew	Hicks	Michener	Tague
Chandler, N. Y.	Hill	Mills	Taylor, Ark.
Christopherson	Himes	Moore, Ill.	Taylor, Colo.
Clark, Fla.	Hogan	Mott	Taylor, Tenn.
Classon	Houghton	Mudd	Ten Eyck
Codd	Hudspeth	Nelson, J. M.	Thomas
Codd	Husted	Nolan	Tillman
CConnell	Hutchinson	O'Brien	Tinkham
Cooper, Ohio	Johnson, Ky.	Oipp	Treadway
Copley	Johnson, S. Dak.	Osborne	Underhill
Coughlin	Jones, Pa.	Paige	Valle
Cramton	Keller	Perkins	Vare
Crowther	Kendall	Perlman	Volk
Cullen	Kennedy	Petersen	Walters
Dallinger	Kless	Porter	Wason
Davis, Minn.	Kindred	Purnell	Watson
Dempsey	Kirkpatrick	Radcliffe	Webster
Dickinson	Kitchin	Rainey, Ala.	Wheeler
Dominick	Kleczka	Ransley	Williamson
Drane	Knight	Reed, N. Y.	Wood, Ind.
Drewry	Knutson	Riddick	Woods, Va.
Edmonds	Kopp	Riordan	Zihlman
Ellis			

The SPEAKER. Two hundred and fifty Members are present, a quorum.

Mr. MONDELL. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

HOUSE BILL 5340.

Mr. FAIRCHILD. Mr. Speaker, I ask unanimous consent to insert in the RECORD a resolution of the Charles Crammes Post, No. 225, Veterans of Foreign Wars, on the bill H. R. 5340.

The SPEAKER. The gentleman from New York asks unanimous consent to insert in the RECORD a resolution adopted by the Charles Crammes Post, Veterans of Foreign Wars. Is there objection?

Mr. WALSH. Mr. Speaker, these resolutions ordinarily go through the basket. We do not fill the RECORD up with resolutions of that kind.

Mr. FAIRCHILD. I know that is usually so, but in this case there is a particular reason for it, and this is the only one that I have made a request for.

Mr. WALSH. I do not think that we ought to establish a precedent.

The SPEAKER. The gentleman from Massachusetts objects.

SURVEY OF YAZOO RIVER, MISS.

The Speaker laid before the House the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to a control of its floods, with Senate amendments.

The Clerk reported the Senate amendments.

Mr. HUMPHREYS. Mr. Speaker, I move that the House concur in the Senate amendments.

The motion was agreed to.

ORDER OF BUSINESS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit the following privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House resolution 159.

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the following bills: H. R. 7864, a bill providing for sundry matters affecting the Naval Establishment; H. R. 7848, a bill authorizing appropriations and expenditures for the administration of Indian affairs, and for other purposes; H. R. 7102, a bill to fix standards for hampers, round stave baskets, and splint baskets for fruits and vegetables, and for other purposes; H. R. 7103, a bill to establish the standard of weights and measures for the following wheat-mill and corn-mill products, namely, flours, hominy, grits, and meals, and all commercial feeding stuffs, and for other purposes.

The consideration of the bills made in order under this rule shall not displace business provided for on special days nor interfere with business reported from the Committee on Ways and Means or the Committee on Appropriations.

With the following committee amendments:

Line 8, page 1, strike out the remainder of line 8, after the word "purposes" and insert a period in lieu of the semicolon.

Strike out lines 9 to 14, inclusive, on page 1.

Strike out the paragraph on page 2.

Mr. CAMPBELL of Kansas. Mr. Speaker, the resolution as amended provides for the consideration of a bill from the Committee on Naval Affairs; also the Committee on Indian Affairs. Gentlemen will recall that during the consideration of the last Indian appropriation bill, providing for the activities of the Government with respect to the Indians, points of order were made to many of the items carried in the bill. Those points of order were sustained. The purpose of this rule is to enable the Committee on Naval Affairs and the Committee on Indian Affairs to at any time move to go into the Committee of the Whole House on the state of the Union for the consideration of these two bills.

The Committee on Rules did not report favorably for the consideration of the bills from the Committee on Coinage, Weights, and Measures provided for in the resolution as introduced.

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

Mr. CAMPBELL of Kansas. Yes.

Mr. WALSH. I did not hear clearly what the gentleman said with reference to the purpose of the rule, but is it the idea of the Committee on Rules that we shall pass legislation to permit committees to do something that the rules of the House prevent them from doing now?

Mr. CAMPBELL of Kansas. The idea of the Committee on Rules and of the Committee on Indian Affairs and the Committee on Naval Affairs, which preceded the idea of the Committee on Rules, is that the legislative committee on Naval Affairs should legislate and put upon the statute books such legislation as has heretofore been carried from year to year in the Naval Affairs appropriation bill, and the same thing is true of the

Committee on Indian Affairs. Legislation is not in order from the Committee on Appropriations.

Mr. WALSH. It will not be in order after this bill passes, will it?

Mr. CAMPBELL of Kansas. It will then be in order for the Committee on Appropriations to pass the appropriation bills and meet the requirements of the Navy Department and the requirements of the Indian Office without objections due to points of order.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARRETT of Tennessee. The passage of this bill will not, of course, make legislation in order on appropriation bills in the future.

Mr. CAMPBELL of Kansas. Not at all.

Mr. GARRETT of Tennessee. But this will make permanent law if the naval bill passes and the Indian bill passes to include in the appropriation bills what has heretofore been commonly carried in them.

Mr. MONDELL. Mr. Speaker, the bill that has been reported from the Committee on Indian Affairs is simply a broadening of the organic law of the Indian Bureau so that it will make in order on an appropriation bill the usual items that have long been carried in the appropriation bill. It is not the purpose of anyone to in any way widen the jurisdiction further than the jurisdiction has heretofore been assumed in reporting the ordinary items in respect to the Indian Bureau.

Mr. WALSH. That is the third version.

Mr. CAMPBELL of Kansas. There is only one version. The Committee on Appropriations is not authorized to bring in legislative items. We are making it possible for the legislative committees to bring in legislation which will make in order items ordinarily and commonly heretofore carried in appropriation bills.

Mr. WALSH. Mr. Speaker, will the gentleman yield further?

Mr. CAMPBELL of Kansas. Yes.

Mr. WALSH. These bills as I read them merely contain authority for appropriations.

Mr. CAMPBELL of Kansas. Yes.

Mr. WALSH. They have nothing to do with the rules of the House.

Mr. BUTLER. Nothing whatever.

Mr. WALSH. They contain certain authority for appropriations.

Mr. CAMPBELL of Kansas. Yes; and the appropriations are not now in order without that authority.

Mr. MANN. As I understand the rule, it makes it in order to proceed with the consideration of these bills at once.

Mr. CAMPBELL of Kansas. Yes.

Mr. MANN. Is that the intention?

Mr. CAMPBELL of Kansas. It is not the intention, I believe, to at once move that the House resolve itself into the Committee of the Whole House on the state of the Union on either of those bills.

Mr. MANN. What is coming up now?

Mr. CAMPBELL of Kansas. I think the Committee on Military Affairs will go on with some matters they have been considering under a similar rule to the one now under consideration.

Mr. MANN. Under a prior rule.

Mr. CAMPBELL of Kansas. Yes.

Mr. MANN. The difficulty with these rules is that a man must not merely be familiar with the rules of the House, but he must follow up all of the time the Committee on Rules, hang to the coat tail of the gentleman from Kansas, in order to know what is coming up in the House. That is one of the great reforms that grew out of the claim some years ago that the Speaker had too much power.

Mr. CAMPBELL of Kansas. Yes.

Mr. MANN. At that time one could find out what was coming up. I heard the gentleman from Wyoming [Mr. MONDELL] this morning interrogated and he did not seem to know what is coming up. He side-stepped the proposition with his usual skill, and he is a very skillful gentleman. Now, the gentleman from Kansas comes in with a rule to make something else in order, but says that that something else is not coming up. It may come up next fall, I suppose, sometime—

Mr. CAMPBELL of Kansas. It may come up next week.

Mr. MANN. And we do not know what will be run in between this and the time when these measures come up. The gentleman may bring in something else that has been partly disposed of heretofore, coming over from last month. In other

words, we never have anything on the dot, but always work backward.

Mr. CAMPBELL of Kansas. Oh, no.

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

Mr. CAMPBELL of Kansas. Yes.

Mr. MONDELL. The gentleman from Illinois [Mr. MANN] I regret to say did not give me his attention.

Mr. MANN. Oh, I listened to every word the gentleman said. Of course I lack the intelligence of the gentleman from Wyoming, though I supposed that a man who is so much more intelligent than I could talk more plainly.

Mr. MONDELL. The gentleman does not lack intelligence. In fact he is rather more richly endowed with intelligence than most of us.

Mr. MANN. I lack understanding of what is coming up.

Mr. MONDELL. The truth is, the gentleman is in a critical mood this morning.

Mr. MANN. It is the dog days and it is going to be the dog days a long while, and I am not the only one in the House, either.

Mr. MONDELL. I am afraid the gentleman did not listen.

Mr. MANN. I know what the gentleman said. The gentleman said he did not know what was coming up.

Mr. MONDELL. Of course, no one Member of the House knows absolutely what is coming up—

Mr. MANN. The gentleman knew but he would not tell.

Mr. MONDELL. We are bringing this rule in in order that gentlemen might know what the program would be for the next week or so. The gentleman from Wyoming has been importuned time and time again by Members, very properly, as to what we are going to do, what is going to be the program. Now, we are endeavoring to arrive at a program so far as we can, and this rule is a part of the plan, and within a few days the bills made in order will be brought up.

Mr. MANN. Of course, I appreciate how very important these bills are.

Mr. MONDELL. They are.

Mr. MANN. The country is just waiting breathless for the disposition of these two bills made in order at some time by this rule, although I had not supposed people would cease breathing because the rule was not passed and the bills were not brought up, and now having determined they are so important they now determine they shall not come up until some later day—

Mr. CAMPBELL of Kansas. May I direct the attention of the gentleman from Illinois to the fact that we are waiting for some very important matters, and while we are waiting, even during the dog days, we can consider these matters?

Mr. MANN. We are killing time and wasting the time of the House and of the country trying to fool the people, and they know it. [Applause.] We pretend to be doing business, when we are not. We are wasting time, instead of having courage enough to quit a while and go home. We are wasting time.

Mr. CAMPBELL of Kansas. May I ask the gentleman from Illinois if he seriously contends that it is not important that both of these bills shall be enacted into law before taking up and considering the appropriation bills next fall?

Mr. MANN. It is not important whether they are ever taken up, so far as that is concerned.

Mr. CAMPBELL of Kansas. Oh, it is; it is important.

Mr. MANN. I am perfectly familiar with the subject.

Mr. CAMPBELL of Kansas. The Indian appropriation bill passed the House at the last Congress with practically nothing in it.

Mr. MANN. And yet it became a law with all these things in it.

Mr. CAMPBELL of Kansas. Oh, that was in another body and not—

Mr. MANN. It became a law with all those things in it. It is simply the difference between tweedledum and tweedledee. [Applause.]

Mr. MONDELL. Will the gentleman yield right there.

Mr. CAMPBELL of Kansas. I am as much affected by the dog days as my friend from Illinois, and I have the same longings at this moment that he has, but I shall not be able to gratify them.

Mr. MANN. I do not think the gentleman will be able to gratify them. The difficulty is I am not a part of the organization of the House. I do not have to bow my head. [Applause on the Democratic side.] I can express my honest opinion in the House, and I could not do that when I was a Republican leader in the House.

Mr. BUTLER. I think the gentleman did it anyhow.

Mr. MANN. And even then I had courage enough to quit when we got through. [Applause.]

Mr. KAHN. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes; I will yield to the gentleman from California.

Mr. KAHN. The gentleman from Illinois speaks of the bills which passed the House—the Indian appropriation bill and the naval bill. I want to call to his attention that by reason of the form in which those bills came to the House they were emasculated, and the Senate really appropriated the money under our rules.

Mr. MANN. It was by special vote. This is the first time practically in the history of the House that the House had a chance to vote on real items in an appropriation bill. The Senate added a lot of amendments, inserting items stricken out on points of order made by members of the committee, and when they came back to the House each of those items had to be voted upon in the House, and for the first time since I have been a Member of the House the House actually voted—actually voted on these questions. [Applause.]

But I do not think it hurt the House any. Of course, the House was just like this, with thumbs up and thumbs down, when men in charge of the bill made it thumbs up or thumbs down.

Mr. BUTLER. I wonder if any of us can be saved. [Laughter.] Will the gentleman from Kansas permit me to ask the gentleman from Wyoming a question or two?

Mr. MONDELL. The gentleman from Kansas has the floor.

Mr. BUTLER. I think I am the only one who has his senses here this morning.

Mr. MONDELL. I shall be glad to yield time if the gentleman from Kansas will yield me time.

Mr. BUTLER. I understand if this rule is adopted we will get along with the bill which the gentleman from California [Mr. KAHN] has. I hope, then, to-morrow, if the gentleman will permit me to express the wish, that the gentleman will obtain permission to consider bills on the Private Calendar to which there is no objection.

Mr. MANN. You will have to bring in a rule for that.

Mr. BUTLER. And then on Thursday next I will ask permission to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the purpose of considering the bill reported by the Naval Committee.

Mr. MONDELL. As I said a moment ago, it was our hope that the gentleman might bring his bill up on Thursday.

Mr. BUTLER. I will say to the Members that it is highly desirable for them to be here next Thursday, because in all my service there has been no more important bill to the country than the bill I will offer at that time.

Mr. CAMPBELL of Kansas. The gentleman regards it as important?

Mr. BUTLER. Very, very important. We held it back and considered it with great care, and finally were compelled by necessity to report it.

Mr. WALSH. Is that a bill to increase the cost of some of these battleships?

Mr. BUTLER. I will say now that the gentleman has put the question to me, yes. Will the gentleman permit me to add to my answer this, that only in two cases, in the case of two ships, while the increase was asked for six. We declined in the case of four, hoping in the future we could work it off without increasing the cost of the ships. The obligations are out.

Mr. FIELDS. Will the resolution the gentleman has offered in any way affect the jurisdiction of the legislative committee or transfer any part of that jurisdiction to the Appropriations Committee?

Mr. CAMPBELL of Kansas. Not at all. On the contrary, it is preserving to the legislative committees their jurisdiction.

Mr. CHINDBLOM. As I understand the rule, the conference report is not affected by it?

Mr. CAMPBELL of Kansas. Not at all.

Mr. CHINDBLOM. So that if the conference report on the Sweet bill comes in, which we are all anxiously waiting for, that may be disposed of. That having been disposed of, perhaps the most important bill outside of the tariff and the revenue bills will have been disposed of.

Mr. CAMPBELL of Kansas. The gentleman from Illinois might have added the packers' bill.

Mr. CHINDBLOM. Not the packers' bill.

Mr. CAMPBELL of Kansas. Yes; that also will come in.

Mr. CHINDBLOM. According to the statement of the gentleman the other day, we will cross that bridge when we come to it.

Mr. KINCHELOE. The gentleman has spoken about the importance of certain bills. Does not the gentleman think the bonus bill is about as important as anything that we could consider?

Mr. BLANTON. Will this rule the gentleman has proposed in any way affect matters of legislation that appear upon any of the other appropriation bills, like the sundry civil bill or the legislative bill?

Mr. CAMPBELL of Kansas. No.

Mr. BLANTON. It will not make in order any legislation on any of those bills?

Mr. CAMPBELL of Kansas. No; not unless it is legislation affecting the Naval Establishment or Indian affairs.

Mr. BLANTON. I hope, if the gentleman will permit—

Mr. CAMPBELL of Kansas. I can not yield further.

Mr. BLANTON. I do not begrudge the gentleman this extra power he has assumed.

Mr. BUTLER. This bill is purely a legislative bill. It involves an appropriation of money, not made by the Naval Affairs Committee, but authorizes the committee for a specific purpose, if it sees fit, to report an appropriation. But it does not in any way affect the jurisdiction of either committee, the Appropriations Committee or the Naval Affairs Committee.

Mr. SEARS. My good friend has just stated that the cost of some of these ships will be increased. I was wondering if any of them will be used for bombing purposes without dismantling them first?

Mr. BUTLER. The gentleman should refer that to somebody else. I do not know what they are going to do with these ships. I know they are not going to fight them after we have our conference.

Mr. CAMPBELL of Kansas. Even though we are in the midst of dog days, nothing has been advanced against agreeing to the resolution. I therefore yield 10 minutes to the gentleman from North Carolina [Mr. POU], and I reserve the remainder of my time.

Mr. POU. Mr. Speaker, the minority of the Committee on Rules did not see any special necessity for the adoption of this special rule, and yet did not feel that there was sufficient reason to object. It seems that we are in a situation where nobody will indicate the program of legislation to be enacted, and yet the situation of the country is, to put it mildly, the most desperate since 1907. I do not know how it is in other parts of the country, but I do not believe there is one cotton producer in the State I in part represent who even hopes to get the cost of production when he sells his commodity when placed upon the market. Yet with this situation confronting the country we are constantly hearing about three-day adjournments, and leaders of the majority now and then announce that because gentlemen have important business elsewhere we must adjourn over from Friday or Thursday until the following Monday. Mr. Speaker, I respectfully submit that this is one hour in the life of the Republic when no Member of this body can have any business more important than staying here in Washington and attending to his duties. [Applause.]

I do not know what the answer of the majority is going to be to the cry of distress that is going up from every part of the country. Nobody but a lunatic ought to expect relief from the Fordney tariff bill. It may be that some measure of relief will be afforded by the tax bill which the Ways and Means Committee is at this moment said to be considering. The country is anxiously hoping so. And there is no reason why the membership of this body should not remain here and consider that tax bill under the general rules of the House. Of course, when it is reported out by the Ways and Means Committee we will go through the usual routine; the Rules Committee will be called together and a special rule will be framed which will fix the time for a vote, which will cut off amendments, and which will put the framing of the bill as well as all amendments into the hands of the chairman of the Committee on Ways and Means and the majority members of his committee.

And yet this is the great measure which is expected to bring relief to the millions of this country who are in a worse condition to-day than they have been since 1907, during the Roosevelt panic. It is time that somebody was getting busy. It is time Members and particularly leaders of this House quit talking about going away and taking recesses. It is time to quit talking about Members having important business which takes them away from Washington. The suggestion of making this Nation a sporting playground is particularly inappropriate right now.

So far as the minority is concerned, we stand ready to remain on the job and cooperate with you during dog days and during days that are not dog days. Of course, we are just as anxious to get away as anybody. A vacation is just as bene-

ficial to the minority as it is to the majority. But I respectfully submit that the situation throughout the country, in every line of endeavor, in business, in agriculture, in manufacturing, with almost 2,000,000 men idle and out of employment—

Mr. LINTHICUM. Five million men—

Mr. POU. Yes; I stand corrected; 5,000,000 men out of employment, including ex-service men, walking the streets, begging for any sort of a job; it is time that the majority realized the necessity for action. The majority leader should issue a summons to the membership on your side, as our leader will do to the membership on our side, to stay on the job until some attempt is made to relieve the condition of distress which is driving men to desperation. [Applause on the Democratic side.]

Mr. CAMPBELL of Kansas. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has used 25 minutes.

Mr. CAMPBELL of Kansas. I yield 10 minutes to the gentleman from Wyoming [Mr. MONDELL].

The SPEAKER. The gentleman from Wyoming is recognized for 10 minutes.

Mr. MONDELL. Mr. Speaker, I realize that Congress having been in session since the 11th of April and working continuously, the weather having been unusually warm and uncomfortable, many Members of the House are desirous of taking a recess and having a vacation, a temporary relief from the burdens of the session. I hope I sympathize with that view, although I am one of those who never go home during the sessions of Congress. There has been a good deal of discussion of the propriety and wisdom of recesses for two or three weeks until the revenue bill shall be ready. I would be very glad, indeed, to approve of that program if the situation with regard to the work of Congress was one to warrant it. But I do not believe it is. There are two important bills in conference, one very important bill, a bill in which all of the ex-service men are interested and in which we are all interested with them. It is very important that we should be in session when that bill—the Sweet bill—reaches the House, in order that we may agree to the conference report. All of the gentleman present may not agree as to the virtues of the packers' bill, but it is an important bill, and we should all be here to dispose of that conference report also when it comes to us.

Further than that, this House quite recently very radically changed its rules in regard to appropriations. We took from seven important committees the right to appropriate and lodged that power in one great committee. If that plan shall prove successful—and we hope it will—it can only prove successful if we shall preserve fully and definitely the legislative jurisdiction of the committees that no longer appropriate. If the new policy shall be a success, it can only be in case we shall give those committees having important legislative jurisdiction an opportunity to present their legislation from time to time to the House. We have been very busy so far this session with other matters, and up to this time of these committees only the Committee on Military Affairs and the Committee on Agriculture have had an opportunity to present their legislative matters to the House. The Committee on Naval Affairs is a very important committee of the House; I think just as important a committee now as it was when it appropriated, if we shall clearly and definitely preserve its legislative authority. But it is bootless to preserve its legislative authority if we do not give the committee an opportunity from time to time to present its legislative proposals to the House.

For a month or more I have been endeavoring to find a time when we could give the Committee on Naval Affairs an opportunity to present some of its important problems to the House for its consideration.

When we reported the appropriation bills in the last session of the former Congress there were plenty of gentlemen in the House who prophesied that we would never pass our appropriation bills within the session; they said we could not do it under the conditions then existing. I was told repeatedly that it was an impossibility; that it could not be done and would not be done. But, thanks to the industry and good judgment of the House, we did dispose of our appropriation program. With the exception of the Army bill, which failed by reason of a presidential pocket veto, and the naval bill, which did not pass the Senate, with these exceptions our entire appropriation program was disposed of. But we labored under a very great handicap. The committees that have heretofore had joint legislative and appropriating authority had failed to provide the legislation necessary to make all the ordinary and usual items on their appropriation bills in order. They had depended on the good nature of the House to get by. But under the conditions that

existed in the last Congress practically every point of order was made that could be made, with the result that some of our appropriation bills, as they left the House, were as full of holes as a skimmer. Manifestly we can not go on indefinitely in that way. Even though we were to reverse our judgment of last winter and go back to the old program of appropriations, it would be necessary even in that event, now that the attention of Congress has been called to these questions, to have the ordinary and usual and essential items of appropriation bills made in order by law.

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

Mr. MONDELL. Yes.

Mr. PADGETT. There is not one word, not one line or sentence in the bill that the Committee on Naval Affairs has reported, as embraced in this rule, that remedies, or seeks to remedy, or is intended to remedy that situation.

Mr. MONDELL. I referred to the naval bill a moment ago. I am now talking about the Indian appropriation bill. I have not at any time indicated that there was anything in the bill reported by the Committee on Naval Affairs that in any way affected the matter I am now discussing.

Mr. PADGETT. The chairman of the Committee on Rules, I think, so stated.

Mr. MONDELL. I have stated nothing of the sort, but I understand an amendment is likely to be offered to the naval bill covering that feature and that is no doubt what the gentleman from Kansas had in mind.

Mr. CAMPBELL of Kansas. I said it should be in.

Mr. MONDELL. The bill from the Committee on Indian Affairs is intended to cover the usual and necessary items for the Indian Service. It is absolutely essential that that bill be passed, and that we write it on the statute books at as early a date as possible.

Some suggestions have been made that this legislation is not important. Everything we are proposing to do in the next week or 10 days is important. There is difference in the relative importance of legislation, the relative importance depending somewhat on gentlemen's opinions. Some gentlemen are of the opinion that the bills on the Private Calendar are important, and they are important; and from the standpoint of those interested and entitled to fair treatment from the Government they are just as important as anything we do here. I am just as anxious to give the Private Calendar its day in the House, and opportunity for consideration, as I am to have the important public legislation disposed of.

Mr. LINTHICUM. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Maryland.

Mr. LINTHICUM. Let me ask the gentleman what is the purpose of the naval bill mentioned in the rule? What does it propose to do?

Mr. MONDELL. It provides for a variety of matters of importance relating to the Naval Establishment. I have no doubt that the gentleman has read the bill. If he has not, he can read it and he ought to read it.

Mr. BUTLER. It relates to sundry matters.

Mr. MONDELL. At one time and another gentlemen have discussed the matter of a House program. I realize how tremendously important it is that we should know as far in advance as possible what legislation we are to take up. I am very much interested in having that done, because I am anxious to have the Members of the House study the bills before they are taken up, and I very frequently call the attention of gentlemen to this bill, that bill, or the other and ask them to study them and be prepared to present their views on them when they shall be taken up for consideration. Unfortunately it is very difficult to determine far in advance absolutely and beyond question just what we shall do. On Saturday last I made an attempt to do that for a period covering some 10 days, and owing to the fact that the Committee on Rules did not entirely agree with me that guess went somewhat awry; but in the main the statement which I made indicates about what we will do in the next 10 days, and it is my purpose to suggest as far in advance as I may what we probably will take up for consideration. Of course, conditions are constantly changing. A committee may at any time report a bill that deals with a situation that is so much of an emergency, and it may be necessary to change the program entirely in order to give such a piece of legislation the right of way. Gentlemen who are greatly interested in measures that we intend to take up are sometimes necessarily absent on a certain day, and in such a case it is sometimes necessary, or at least reasonable, that the matter should be put over until it is possible for them to be present. Many things occur that interfere with any program; but I will say, not in apology or defense, but because it is the fact, that we have known more definitely in advance from the beginning of this Congress what the program was to be than at

any time since I have been in the Congress. So far as I shall have anything to say with regard to the procedure, I hope I may be fortunate enough to be able to make a reasonably fair guess as to the program and to be able to inform the Members relative thereto. I regret the Committee on Rules did not make in order all four of the bills specified in the rule they reported; that would have given us a longer definite program.

Mr. CAMPBELL of Kansas. Mr. Speaker—

Mr. GARRETT of Tennessee. Will the gentleman yield me a little time?

Mr. CAMPBELL of Kansas. I would like to move the previous question as soon as possible. How much time would the gentleman from Tennessee like?

Mr. GARRETT of Tennessee. I would like five minutes at least.

Mr. POU. How much of my ten minutes did I use?

The SPEAKER. The Chair thinks only five minutes.

Mr. POU. I intended to reserve the remainder of my time and I ask unanimous consent that I may do so now. I want to yield three minutes.

Mr. CAMPBELL of Kansas. I yield five minutes to the gentleman from Tennessee [Mr. GARRETT] and the gentleman from North Carolina [Mr. Pou] has five minutes to his credit.

Mr. GARRETT of Tennessee. Mr. Speaker, however important may be the legislative matters contained in the naval bill and the Indian bill, there is no one who undertakes to make any pretense that there is anything emergent about them. Sir, for about two weeks we considered a bill that more vitally affects, directly and indirectly, more people in the United States than any bill that this Congress will consider, not even excepting the tax or revenue bill that is to come. The tariff measure, which finally passed the House last Thursday, was considered under a rule and a practice that prevented the House from ever reaching any amendments except amendments that were offered by Republican members of the Committee on Ways and Means. The only opportunity that any other Member of the House ever had to offer an amendment was when he could offer an amendment to one of those amendments. We now start in on a period in which confessedly there is nothing emergent to do, and we are taking up what the gentleman from Wyoming himself has described as chips and whetstones.

Mr. MONDELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman.

Mr. MONDELL. The gentleman from Wyoming has not referred to them as chips and whetstones.

Mr. GARRETT of Tennessee. Perhaps I misunderstood the gentleman.

Mr. MONDELL. Some other gentleman used that expression. The gentleman from Wyoming believes they are important matters.

Mr. BUTLER. It was the gentleman from Illinois [Mr. MANN] who used that expression.

Mr. GARRETT of Tennessee. Of course, I do not want to put words in the gentleman's mouth that he did not use, and I very cheerfully withdraw them. I feel very much tempted to use that expression myself with regard to the consideration of these things that are in this rule at this particular time. The House could have done infinitely better if it had left that tariff bill open here and had given us an opportunity to consider it by offering amendments. [Applause.] What was done to the bill upon those propositions that the House had an opportunity to amend indicates that it might possibly have been made a somewhat decent bill, or at least a better bill, if the House could have had the opportunity which was denied it by the action of the overwhelming majority. And let me say here that no person who voted to hog tie that side of the House and the House entirely by voting for that rule can escape his responsibility for it.

Mr. MONDELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Wyoming.

Mr. MONDELL. The gentleman must not forget the occasion when he prevented gentlemen from offering amendments to the chemical schedule by interrupting the reading in the middle of a paragraph. Had that paragraph been completed, amendments would undoubtedly have been offered to it as well as to other paragraphs.

Mr. GARRETT of Tennessee. Oh, no. What would have been offered would have been some committee amendment. I am certain that no Member of the House other than a Republican member of the Ways and Means Committee would have had an opportunity to offer an amendment to the chemical schedule. The gentleman says I prevented it. As a matter of fact, what happened was, I rose to ask for recognition. I was within my

rights, and the Chair held that although I was entitled to ask for recognition I was not entitled to have it, and immediately recognized the gentleman from Massachusetts [Mr. TREADWAY], a member of the committee, who offered the preferential amendment. The gentleman knows that what I sought to do was to get that preferential amendment out of the way so the ordinary Member of the House might possibly have an opportunity to offer an amendment. We did not succeed. You adjourned two or three days at 4 o'clock in the afternoon because you did not have enough committee amendments to take up the balance of the day, and you were unwilling to give the ordinary Member of the House an opportunity to offer an amendment. You read about 26 lines of the bill out of more than 8,000 for amendment, and now you come in and propose to spend two or three weeks in dealing with these things not at all emergent while waiting for more material for grist from the Ways and Means Committee.

Now, as far as this special rule is concerned, we of the minority have no opposition to it now. But let me say this, that the Committee on Rules did strike out two of the propositions included in the resolution as introduced. They were trying to pile up too much of this stuff all at once. We at least expect to sort of feel our way on the measures and not have the calendar swamped with preferential stuff that is unimportant.

I want to say that while we are not resisting this rule at this time, yet until these matters already provided for from the Military Affairs Committee are concluded, and matters provided for in this rule are concluded, unless there does arise some real emergency, not some pretended emergency, I think the minority will be disposed to oppose the bringing in of further rules.

Mr. MONDELL. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. MONDELL. Coming back to this matter of program to give the House an opportunity to know what is to be taken up, the two bills that were contained in the rule to which objection was made by the minority and which were stricken out are rather important. There is no very great difference of opinion on them. They have to do with the standards of weights and measures, and it seems to me that the Committee on Rules might very well have let the House understand that within the next two weeks these would be among the measures considered. It would have given the Members an opportunity to study these bills.

Mr. GARRETT of Tennessee. I will say that the Committee on Rules is here and can take these matters up if it is deemed important to take them up; but we want something real to come in here, and the country wants something real to come in. The minority is ready to cooperate in trying to do something real, but the minority is getting tired of dealing with relatively unimportant matters while the country is suffering and begging the Republican Party to do something of value for the relief of almost universal distress.

Mr. POUL. Mr. Speaker, I yield three minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, usually I am in hearty accord with the distinguished gentleman from North Carolina [Mr. POU], but to-day I sincerely believe that if we were to put just the Sweet soldiers' relief bill and the Volstead antibeer bill into law and then adjourn Congress sine die there would be universal rejoicing throughout the United States to-morrow. All of their money would not then pour out of the Treasury. But we can not adjourn. The four newspapers in Washington will not let us. We never would be able to get their consent, so that we have to put that question aside.

I hope that the distinguished gentleman from Illinois [Mr. MANN] will not begrudge the little extra power that our friend from Kansas [Mr. CAMPBELL] is daily assuming. When a man has as much power as our great chairman of the great Rules Committee already has, I am not one of those who would begrudge him a little more. He has practically every power in this Nation to-day except one, and he would probably have that in four years from now if it was not for a fact over which he has no control. The place of his birth has kept him from succeeding the President in the White House, but daily he is assuming power and more power. Having as much as he has already, please let him have a little more. But my Republican friends who form this bunch to which some of our leaders refer as "the ordinary Congressman," what are you going to say to your constituents when you go home and they ask you something about these measures that passed the House—about the Fordney measure, for instance—and you tell them that you did not have a thing to do with it? You will be forced to admit that by a special rule brought in by the distinguished chairman of the Committee on Rules, passed by your votes, you were

deprived of privileges that a Congressman in this body has constitutionally. When you admit that to them, if they are like my people, they will not be satisfied with you. Why have not you got as much right as the leaders of the Ways and Means Committee to speak on matters of important legislation that interests and affects your constituents just as much as they interest and affect the constituents of the Committee on Ways and Means? Why have not you that privilege? Why do not you assert your rights, and when they attempt to bring in a rule to cut you off from your rights in passing important legislation, why do not you rise up and say you will not have any such rule? Are you going to be as meek as Moses all your life and bow to this little bunch of autocrats on the Rules Committee? [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I can not permit to go unchallenged some statements made by the gentleman from Tennessee [Mr. GARRETT] with reference to water that has already passed over the wheel, to wit, the tariff bill. The gentleman from Tennessee complains that that bill was passed under a special rule that did not permit the minority to take up the remainder of this year in proposing amendments to that bill. He complains that the rule was drastic and that it should not have been agreed to and that no such rule should ever be agreed to again in a future Congress or at any other time. It so happens that it has not been very long since the gentleman from Tennessee himself brought a rule into this House for the consideration of a revenue measure, a measure which covered 101 pages, and the rule was so much more drastic than the rule under which the Fordney bill was considered that I am tempted to read some of its provisions to you.

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

Mr. CAMPBELL of Kansas. With pleasure.

Mr. COCKRAN. Does the gentleman think it is conducive to sound conclusions to justify one infamy by another?

Mr. CAMPBELL of Kansas. Hardly, and yet the gentleman from Kansas was just as anxious to get the Fordney bill through the House in the year 1921 as the gentleman from Tennessee [Mr. GARRETT] was to get the Kitchin bill through in 1916. It was a matter of getting the legislation through by those who were responsible for the enactment of it and to prevent its obstruction and mutilation by those who were opposed to it.

Mr. COCKRAN. Does the gentleman mean that an amendment by the minority means mutilation?

Mr. CAMPBELL of Kansas. Very often.

Mr. COCKRAN. So that amendments then should be excluded?

Mr. CAMPBELL of Kansas. But to the point that I have in mind. The resolution under which the Kitchin bill was considered and passed is as follows:

House resolution 291 (H. Rept. 923).

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 16763; that the first reading of the bill shall be dispensed with; that general debate shall continue on the bill until not later than Friday next at 6 o'clock p. m., the time to be controlled one-half by the gentleman from North Carolina [Mr. KITCHIN] and one-half by the gentleman from Michigan [Mr. FORDNEY]; that while the bill is under consideration the House shall meet at 11 o'clock a. m.; that the bill shall be the order for all legislative days except Calendar Wednesday; that at the expiration of general debate the bill shall be read in full by the Clerk without interruption; that upon conclusion of the reading of the bill amendments may be offered to any paragraph of the bill and considered and disposed of under the 5-minute rule until Monday next at 5 o'clock p. m., when all pending amendments shall, without further debate, be voted on.

After all pending amendments shall be disposed of the committee shall rise and report to the House the bill and all amendments that shall have been recommended by the Committee of the Whole House on the state of the Union, whereupon the previous question shall be considered as ordered upon the bill and amendments to its final passage; and the House shall immediately proceed to vote on amendments, engrossment, third reading, and final passage of the bill without intervening motions, except one motion to recommit.

I want now to show the effect of the rule and to show how it operated. When the bill was read for amendment, Mr. KITCHIN rose and the following occurred:

Mr. KITCHIN. Mr. Chairman, since we have had so many political speeches, it has deprived many Members who have important amendments, or amendments which they consider important, and perhaps they are kept from offering them. It will be impossible for us to debate all these amendments, and I believe that they should be placed before the House and be voted upon. I do not know as we can ask unanimous consent in the Committee of the Whole, but I will make this suggestion, and I hope it will be agreed to, that from now on until the committee has to rise, under the rule, all gentlemen who have amendments may send them up to the desk, have them read, and voted on as soon as possible.

Mr. FORDNEY. Without debate.

Mr. KITCHIN. Without debate, because one amendment and debate would take up all the time.

Mr. HAMILTON of Michigan. When do we vote?

Mr. KITCHIN. The committee will rise at 5 o'clock.

Mr. HAMILTON of Michigan. That will give us 12 minutes to offer amendments.

The CHAIRMAN. The gentleman from North Carolina requests that those having amendments may offer them at this time and have them voted upon without debate.

Mr. BENNET. Reserving the right to object, this will be a useless mechanical performance. If we can not have time to consider an important bill like this, this automatic device for considering amendments is a waste of time, and I object.

Twelve minutes for the consideration of amendments to a bill containing 101 pages! That was provided for in the rule brought in by the gentleman from Tennessee [Mr. GARRETT], who a moment ago bemoaned the fact that we had a bill under consideration for amendment for a period of seven days. [Applause.]

Mr. COCKRAN. Is it then the idea of the gentleman that that condition should be made worse?

Mr. CAMPBELL of Kansas. We have improved upon it, from 12 minutes to 7 days.

Mr. COCKRAN. But with no amendments.

Mr. CAMPBELL of Kansas. Oh, yes.

Mr. COCKRAN. Oh, no. Not one.

Mr. BUTLER. Mr. Speaker, I thought we were here for the consideration of the rule now at the desk. I am interested in that.

Mr. REAVIS. Mr. Speaker, the precedent may not justify the rule for the Fordney bill, but the precedent created by the man who now criticizes goes to the good faith of the criticism, does it not?

Mr. CAMPBELL of Kansas. At least that far. Having completely answered all of the arguments against the rule now pending, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the committee amendments.

The committee amendments were agreed to.

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

The resolution was agreed to.

SETTLEMENT OF DAMAGES FOR INFRINGEMENT OF RADIO PATENTS.

Mr. KAHN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7111) authorizing the Secretary of War, the Attorney General, and the Secretary of the Navy jointly to make settlement of damages and compensation due by the United States for infringement of radio patents connected with the prosecution of the war, and for other purposes.

Mr. GRIFFIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GRIFFIN. Is this bill one of those provided for in the rule which we just passed?

The SPEAKER. It is not.

Mr. KAHN. Mr. Speaker, pending the motion to go into the Committee of the Whole House on the state of the Union, I ask unanimous consent that the general debate be limited to one hour, 30 minutes of that time to be controlled by the gentleman from Kentucky [Mr. FIELDS] and 30 minutes by myself.

The SPEAKER. The gentleman from California asks unanimous consent that general debate be limited to one hour, one half to be controlled by himself and the other half by the gentleman from Kentucky [Mr. FIELDS]. Is there objection?

Mr. WALSH. Mr. Speaker, reserving the right to object, what is the measure that is going to be debated?

Mr. KAHN. It is known as the radio bill, authorizing the Secretary of War, the Attorney General, and the Secretary of the Navy to make settlement of damages and compensation due by the United States for infringement of radio patents.

Mr. WALSH. How does the Committee on Military Affairs get jurisdiction of that bill?

Mr. KAHN. By the Speaker referring it to that committee. The Committee on Military Affairs did not take jurisdiction of the bill. The bill was sent to the committee by the Speaker, and it came to the Speaker signed by three Cabinet officers of this Government—the Secretary of the Navy, the Secretary of War, and the Attorney General.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. Under the special rule providing for the consideration of this measure is debate limited to the bill?

The SPEAKER. No; it is not. Is there objection to the request?

Mr. CHINDBLOM. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CHINDBLOM. Would it be out of order to ask to have the rule read?

The SPEAKER. It can be done by unanimous consent; it has been already adopted.

Mr. CHINDBLOM. Long ago? I did not recall it this morning.

The SPEAKER. The rule simply provides that the chairman of the Committee on Military Affairs may move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of this bill.

Mr. CHINDBLOM. That is all.

The SPEAKER. Is there objection to the request of the gentleman from California that the time be equally divided between himself and the gentleman from Kentucky [Mr. FIELDS]? [After a pause.] The Chair hears none, and it is so ordered. The question is on the motion of the gentleman from California that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of this bill.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7111, with Mr. SCOTT of Michigan in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7111, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7111) authorizing the Secretary of War, the Attorney General, and the Secretary of the Navy jointly to make settlement of damages and compensation due by the United States for infringement of radio patents connected with the prosecution of the war, and for other purposes.

Mr. KAHN. Mr. Chairman, I ask unanimous consent—

Mr. WALSH. The bill ought to be reported.

Mr. KAHN. All right.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War, the Attorney General, and the Secretary of the Navy, acting jointly, are hereby authorized to adjust, pay, and discharge on a fair and equitable basis any and all just and meritorious claims against the United States for or on account of the use or manufacture by or for the United States of any patented invention relating to radio communication in cases in which such patented invention was used without agreement with the owner as to compensation therefor; such settlement of claims to cover both past (whether prior to, during, or after the war) and future use where practicable in all cases, and to be based on the determination by such agency as the said Secretaries and Attorney General have designated or established or may designate or establish, of all questions of infringement, validity of patents, and value of such inventions: *Provided*, That this provision shall not be so construed as to deprive owners of patents who shall not accept settlement under this act of any rights of action conferred by the acts for the protection of the owners of patents approved June 25, 1910, and July 1, 1918, respectively; and for the payment of such claims the sum of 2,500,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated: *Provided further*, That no payment shall be made under the authority herein conferred to any person or persons entitled to recover unless such person or persons shall within a period of six months from the date of the approval of this act accept in writing the amount awarded jointly by the Secretary of War, the Attorney General, and the Secretary of the Navy.

The CHAIRMAN. The gentleman from California is recognized for 30 minutes.

Mr. KAHN. Mr. Chairman, the Committee on Military Affairs received this bill from the Speaker of the House, who had received it from the Secretary of War, the Secretary of the Navy, and the Attorney General. It developed at the hearing before the committee—

Mr. LINTHICUM. Mr. Chairman, before the gentleman gets into his argument, will he yield for one question?

Mr. KAHN. I want to state the purpose of the bill, if the gentleman will allow me.

Mr. LINTHICUM. I want to ask one question, which, it seems to me is very pertinent at this point. That is, the bill says "For the payment of such claims the sum of \$2,500,000"—

Mr. KAHN. Of course, when I discuss the bill I will explain that. It is a misprint. The dollar mark is left out.

Mr. LINTHICUM. I did not want to know about the dollar sign. But I wanted to ask how this appropriation—

Mr. KAHN. If the gentleman will allow me to explain, I will tell the committee just how that was arrived at.

Mr. LINTHICUM. But the gentleman does not get my question.

Mr. KAHN. There were claims put in approximating \$30,000,000. When the war broke out the Military Establishment and the Naval Establishment took possession of various pieces of apparatus used in radiotelegraph work.

Mr. LINTHICUM. Mr. Chairman, I make the point of order there is no quorum present.

Mr. KAHN. That is all right.

The CHAIRMAN. The Chair will count. [After counting.] The Chair is only able to count 95 Members on the floor.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Elston	Langley	Rosenberg
Ansorge	Fairchild	Layton	Rose
Anthony	Fairfield	Lee, N. Y.	Rosenbloom
Bacharach	Fenn	Lineberger	Rossdale
Bankhead	Fish	Little	Rouse
Barbour	Flood	Logan	Rucker
Beck	Foster	London	Ryan
Beedy	Frear	Luce	Sabath
Bixler	Free	Lubling	Sanders, Ind.
Bland, Ind.	Freeman	Lyon	Sanders, N. Y.
Boies	Frothingham	McArthur	Schall
Bond	Fuller	McClintic	Siegel
Bowers	Funk	McCormick	Sinclair
Bowling	Gallivan	McDuffie	Slemp
Brinson	Gilbert	McFadden	Smith, Idaho
Britten	Glynn	McLaughlin, Nebr.	Smith, Mich.
Brooks, Pa.	Goldsborough	McLaughlin, Pa.	Snell
Browne, Wis.	Goodykoontz	McSwain	Snyder
Burdick	Gorman	MacGregor	Stafford
Burke	Gould	Magee	Steenerson
Burrongs	Graham, Pa.	Maloney	Stephens
Butler	Green, Iowa	Mansfield	Stines
Campbell, Pa.	Hawes	Martin	Stoll
Carew	Hawley	Mead	Strong, Pa.
Chandler, N. Y.	Hays	Merritt	Sullivan
Christopherson	Hicks	Michener	Swing
Clark, Fla.	Hill	Mills	Tague
Claason	Himes	Mondell	Taylor, Ark.
Clouse	Houghton	Montague	Taylor, Colo.
Codd	Huddleston	Montoya	Taylor, Tenn.
Cole	Hudspeth	Moore, Ill.	Ten Eyck
Collier	Husted	Mott	Thomas
Colton	Hutchinson	Mudd	Tillman
Connell	Johnson, Ky.	Nolan	Tincher
Cooper, Ohio	Johnson, S. Dak.	O'Brien	Tinkham
Cooper, Wis.	Johnson, Wash.	Ogden	Towner
Copley	Jones, Pa.	Oliver	Treadway
Coughlin	Kearns	Olpp	Underhill
Cramton	Keller	Osborne	Valle
Crowther	Kelley, Mich.	Palge	Vare
Cullen	Kendall	Patterson, Mo.	Vestal
Dallinger	Kennedy	Patterson, N. J.	Volk
Davis, Minn.	Kiess	Perkins	Walters
Deal	Kindred	Perlman	Wason
Dempsey	Kirkpatrick	Peters	Watson
Dickinson	Kitchin	Petersen	Webster
Dominick	Klecza	Porter	Wheeler
Drane	Kline, N. Y.	Purnell	Williams
Drewry	Knight	Radcliffe	Williamson
Dunn	Knutson	Ransley	Winslow
Echols	Kreider	Reed, N. Y.	Wise
Edmonds	Kunz	Riordan	Woods, Va.
Ellis	Lampert	Roach	Zihlman

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SCORR of Michigan, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee finding itself without a quorum, under the rule he caused the roll to be called, whereupon 217 Members answered to their names, a quorum, and he reported the list of absentees, to be entered in the Journal.

The SPEAKER. The committee will resume its session.

The committee resumed its session.

Mr. KAHN. Mr. Chairman, as I was saying, when this bill came to the Committee on Military Affairs three Secretaries of the Government joined in the recommendation that it be passed by Congress and asked for an early hearing. The Committee on Military Affairs had before them the principals of the interdepartmental radio board, which had been working for three years on this matter. When the war broke out the Government found it necessary to seize a great many patented devices which were in use in the radio service. The owners of these devices were told that the Government needed them for war purposes and asked them to surrender these devices to the Government in the hope that eventually the Government would pay them for what they had taken. The testimony before the committee shows that the sum of \$14,800,000 was asked on the part of some claimants, and that there were as many additional claims put in, but for which no sum was stated, which claims would amount to as much as that and probably a little more.

It was believed that about \$30,000,000 was involved in all these claims. The interdepartmental board on these matters sent for the interested parties and took testimony which ran along over a protracted period. They finally agreed with the claimants that if the money were promptly allowed by Congress the claimants would be willing to settle for a total of \$2,500,000. There are two claims that are not represented in this matter. One of them is the so-called De Forest claim, approximating \$2,000,000, who want to take their claim into the Court of Claims and determine whether they have any claim or not; and there is also an individual company that has a claim of \$150,000. So that this bill covers all the other claims. There were some 2,500 patents that were, in one way or another, involved in this whole question. But finally the interdepartmental board re-

solved the matter down so that the number of patents upon which various amounts were asked were something like 149. Then they sifted that down again to something like 28, with the understanding that if the settlements were paid on those the owners of all the other patents would also give a receipt in full to the Government. So that one company, I think, had four claims for which allowance was made, but they had about 40 other claims for which they were asking payment. They were willing to lump those 40 claims in with the amount that was being paid for the four.

Mr. RICKETTS. Does the gentleman remember the name of the claimant that had a claim for \$150,000?

Mr. KAHN. I do not recall what company that was. It was rather a small company, and when the witness was before our committee he could not recall the name of the claimant.

Mr. RICKETTS. Does the gentleman know whether or not a Pittsburgh firm had a claim of any kind?

Mr. KAHN. I think you will find that in the report.

Mr. RICKETTS. I can not find it.

Mr. KAHN. There are 24 claimants named.

Mr. RICKETTS. The report does not name any claimant, in fact.

Mr. KAHN. I mean the hearings.

Mr. NORTON. I would like to ask the gentleman how many patents we acquire under this?

Mr. KAHN. We do not acquire any patents.

Mr. NORTON. It was for the use of the patents—simply for the license?

Mr. KAHN. Some of the companies have agreed to give the Government a grant to use the patents from now on.

Mr. NORTON. Perpetual licenses?

Mr. KAHN. Practically; some of them.

Mr. DAVIS of Tennessee. Is it intended that any of this appropriation shall go to those companies from which the Government leased their systems during the war?

Mr. KAHN. The money is to go to those people who furnished the actual patents or the devices which were manufactured under patents.

Mr. DAVIS of Tennessee. I know, but is it not the fact that the Government has already paid all the radio companies from whom they purchased their systems and all from whom they leased their systems, either the purchase value or for the lease of the property?

Mr. KAHN. I do not know whether the Government has, but that was not involved in this question.

Mr. DAVIS of Tennessee. Now, one further question. Why does this bill propose to cover the settlement of claims prior to and subsequent to the war as well as during the war?

Mr. KAHN. Well, I presume the Government had been using some of this patented apparatus before the war, and, of course, would be subject to a suit for having infringed those patents. I presume the intention was to include any prior claims in this bill.

Mr. DAVIS of Tennessee. Yes; but the title of your bill states that it is for infringement of radio patents connected with the prosecution of the war.

Mr. KAHN. Well, it is probably a little broader than that; but that arose, as I stated, from the fact that the Government probably had been infringing some of these patents before we got into the war. And this will take care of them all.

Mr. DAVIS of Tennessee. One further question. I notice it provides for or on account of the use or manufactured by or for the United States. Now, when it says "manufactured for the United States" does not that cause the Government to underwrite the liability of any private manufacturing concern which may have manufactured anything that was sold to the Government?

Mr. KAHN. Not altogether so. If the company lived up to its contract with the Government and delivered the devices, that was all there was to it. If they could not deliver the devices, I assume the Government had a good bond from the manufacturer to the effect that he would deliver according to his contract or pay a penalty.

Mr. DAVIS of Tennessee. I know; but the Government has paid these private manufacturing concerns for all apparatus that was purchased from them, and if they infringed upon somebody else's patent why should the Government be responsible?

Mr. KAHN. The letter of the Secretaries who sent this down to the Congress says at the very beginning:

Prior to the war with Germany the Government, principally the War and Navy Departments, found it necessary, because the validity of many patents relating to wireless telegraphy had not been judicially determined, to use wireless apparatus of various kinds without strict regard to the rights claimed by patentees.

And so on. That explains the reason for that. We had been using these very devices. We did not know who the patentee was or what rights he had, and that was all to be thrashed out. Now, the departments of the Government think that those claims should also be included with the claims that grew directly out of the war.

Mr. WHITE of Maine. Will the gentleman yield in that connection?

Mr. KAHN. Yes.

Mr. WHITE of Maine. As I understand this, you propose to authorize these three Secretaries to settle with certain persons who claim to own patents which were used by the Government. Suppose these three Secretaries settle with Mr. A, who claims to be the owner of a patent, and then it transpires through court proceedings that somebody else, in fact, owned that patent; what is the situation then?

Mr. KAHN. The interdepartmental board has gone into that very fully.

Mr. WHITE of Maine. Their decision is not above the decision of a court as to who actually owned the patent.

Mr. KAHN. I believe we have gone into these things so fully and so thoroughly—that was the information the committee received—that that question was not raised.

Mr. WHITE of Maine. My belief is they do not know anything about it.

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

Mr. KAHN. Yes.

Mr. MANN. As I understand, there are a great many of these radio patents.

Mr. KAHN. Twenty-five hundred of them.

Mr. MANN. And a great conflict between different patents as to what is legally covered?

Mr. KAHN. Quite a number.

Mr. MANN. Suppose the Government, through this agency, goes ahead and settles with one man, and the department or the Secretary finds that a certain patent covered certain things, and settles with the owner of that patent, and pays the money. Of course, that is not binding on the man who claims to have a conflicting patent. That is not binding on anybody else.

Mr. KAHN. No; but I understand that these gentlemen went into all that.

Mr. MANN. They can not determine legally that question. Patent decisions are the finest-haired court decisions that our courts render. It depends largely upon the immediate testimony. Now, supposing that the Government having settled with one man claiming that the patent covers a certain thing, the other claimant files a proceeding in the Court of Claims, and the Court of Claims finds that he is the owner of a patent covering this particular device. We shall have to pay again, will we not?

Mr. KAHN. I suppose that if under such circumstances the Government has paid, and it was found subsequently that the man who was paid was not the owner, then the Government would have to pay again. But I understand that these questions were boiled down so that a case of that kind can not happen.

Mr. MANN. I am not a patent lawyer, and I do not know whether there is one here.

Mr. KAHN. You know in this country they say when you get a patent you simply get an invitation to a lawsuit.

Mr. MANN. Yes; and the only place where that law suit can be determined is in a court of law or a chancery court. It can not be determined by a board appointed by three Secretaries, with or without our authority.

Now, different patent suits have been tried in this country, and in some of the courts they have been sustained and in some other courts they have not been sustained—the same patents—until the matter has reached the Supreme Court of the United States, where distinguished judges have differed as to the validity of title. How are we to fix it so that three clerks up here—not even secretaries, but three clerks—can determine it? I see they say they have appointed very eminent clerks. They may be experts. I did not know that they had an expert patent man in the Attorney General's office, and I did not know that they had an expert patent lawyer in the War Department or in the Navy Department. But suppose they have. Those gentlemen decide a thing according to their minds, but they do not determine the thing as a court would determine it, nor do they determine anything except on the evidence which they have. And after one man gets paid he has no interest in preventing another man from getting paid.

Mr. WHITE of Maine. I understand there are 2,500 of these claims.

Mr. KAHN. Yes; 2,500 patents. Mr. Chairman, how much time have I used?

The CHAIRMAN. Twenty-one minutes.

Mr. KAHN. I have nine minutes more?

The CHAIRMAN. Yes. The gentleman has nine minutes more.

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

Mr. KAHN. I will answer one question and then I will reserve the balance of my time.

Mr. CHINDBLOM. I observe that this bill proposes to provide a settlement for violation of patents prior to the necessity of which arose out of the war.

Mr. KAHN. Yes. I have already explained that.

Mr. CHINDBLOM. Very well. Does the gentleman know whether there was any authority of law under which these departments prior to the war did violate patents? With reference to radio communication during the war, of course, they did.

Mr. KAHN. The matter has been much involved. Before 1910 the Government could always violate any patent and the patentee had to take his chances in getting paid. In 1910 Congress passed a law which would give the patentee certain rights. That law was extended still further in 1918 while we were in the war. But the War Department has been violating patents, I presume, right along.

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. WHITE of Maine. Is not the whole thing predicated on the assumption that what the Government did was without authority of law?

Mr. KAHN. I think so. Now, Mr. Chairman, I reserve the balance of my time.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and the Speaker having resumed the chair, a message in writing from the President of the United States, by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills and joint resolution of the following titles:

On July 21, 1921:

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; and

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

On July 25, 1921:

H. J. Res. 32. Joint resolution to change the name of the Grand River in Colorado and Utah to the Colorado River.

SETTLEMENT OF DAMAGES FOR INFRINGEMENT OF RADIO PATENTS.

The committee resumed its session.

Mr. FIELDS. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. BRAND].

The CHAIRMAN. The gentleman from Georgia is recognized for 20 minutes.

Mr. BRAND. Mr. Chairman, on June 23 I made a speech in open session of this House wherein I submitted some observations relative to the policies of the Federal Reserve Board enforced by it last year and the influence the members of the board, particularly Gov. Harding, had over the Banking and Currency Committees of the House and Senate.

On June 27 Mr. Platt, vice governor of the board, wrote me a letter calling me to account for making this speech, saying, among other things, that the speech I delivered was "utterly unworthy of me," and that I should "apologize to Gov. Harding." The vice governor did not stop at this, which I regard as insolent and against the rules of good breeding, but he went further in his illegal and caustic criticisms and by implication, if not in express terms, threatened that I would pay a penalty of some character for making this speech.

Now, in order that the committee may understand my cause of complaint, it will be necessary for me to read Mr. Platt's letter. He says:

FEDERAL RESERVE BOARD,
Washington, June 27, 1921.

HON. CHARLES H. BRAND,
House of Representatives.

DEAR MR. BRAND: As a former colleague of yours in the Banking and Currency Committee, I must say that I think your speech on June 23 with regard to the farm loan bill amendment and especially your attack on the Federal Reserve Board and on Gov. Harding were utterly unworthy of you. You know as well as I do that the Federal Reserve Board even if it had so desired could not have been responsi-

ble for a world-wide slump in prices. Every thinking man knew that prices during the war and especially during the period following the war were too high and must come down. Every student of history knows that a similar slump of prices and a similar period of readjustment has taken place after every war since history began.

Furthermore, I notice with some concern for your political future that you are decidedly at odds with the accredited leader of the Democratic Party, former Gov. James M. Cox, of Ohio. Gov. Cox said in a signed editorial in his newspaper (copied in the Washington Post to-day) that the failure of the United States to ratify the peace treaty was the chief cause of present economic conditions.

"We are gathering the harvest of our own sowing," says he, and adds, "except for the operation of the Federal reserve bank system we would be in the midst of the worst panic the world has known."

Now, I don't mean to indorse all that Gov. Cox says by any means. The slump, as I have said above, is world wide and was inevitable, treaty or no treaty, but it is certainly true, as every economist recognizes, that the Federal reserve system has saved us from a crash, which would have been as bad as, and probably worse than, the historic panics of 1837, 1857, 1873, or 1893. Without the sustaining help of the Federal reserve system three-quarters of the banks in the country would have suspended and failure and disaster would have been on every hand. What are the actual facts? We have gone through a very serious world-wide crisis and seem to be beginning to recover from its effects—yet the number of failures has not at any time been much greater than normal. A good many small State banks have gone down in some sections of the country, and some national banks, but the failures in North Dakota were due largely to other causes than the slump in prices, and speculation in land or in oil or in so-called "blue sky" stocks has been at the bottom of many of the bank failures in other States.

Our country is in vastly better condition than most South American countries, and products of those countries, like rubber and sugar, have fallen much more than cotton has fallen from the peak. It may interest you to know that several countries are seeking to establish a Federal reserve system similar to ours and are asking our advice as to how to do it. Yet you and TOM HEFLIN and some others are persisting in declaring the Federal reserve system and the Federal Reserve Board, and particularly Gov. Harding, responsible for all our ills.

I want to tell you that you are going to have these things quoted against you in time if you keep them up. What would you gain if you should succeed in forcing Gov. Harding out of the Federal Reserve Board? Would the South thank you for it? Could President Harding find a better man? Would the South thank you for the apparent suggestion of assassination in your speech? You will find a reaction from all this talk in the not very distant future—before the next primaries come on at any rate.

Gov. Harding is the hardest working member of the Federal Reserve Board, the last man to leave every afternoon, and the one man whom we have never yet been able to persuade to take any real vacation. He has the best interests of the South and of the country very much at heart, as I believe you really know. You men from the South ought to be defending him instead of trying to force him out of the board. You owe him an apology.

In all friendship, yours, very sincerely,

EDMUND PLATT.

Perhaps I am taking your speech rather too seriously. Some members of the committee, whom I saw at or just after lunch to-day, have told me that you did not deliver all of it, but anyway you ought not to give circulation to ideas that may do harm and can't do any good. Your country banks in Georgia, according to our information, charge the farmer what amounts to an average of 10½ per cent on their agricultural notes. The Federal reserve rate is 6 per cent. Why not get after the real culprits? Georgia is one of the old original Thirteen States, and it ought to have eastern rates of interest to the farmers, as well as to merchants.

Mr. Chairman, I ask leave at this time to revise and extend my remarks. I do not wish to take up the time of the committee in reading all the correspondence that I have here.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. GOODYKOONTZ. Does the gentleman propose to desist from further addressing the House, so that we can discuss this pending bill, wherein they are attempting to take from the Treasury two or three million dollars? We would like to have all the time possible to devote to the discussion of this bill.

Mr. BRAND. No; I propose to occupy the time allotted to me. Doing so will not delay defeating this bill.

I answered this letter, disclaiming any personal accusations against either Mr. Platt or Gov. Harding. My reply to his letter did not satisfy me, and I wrote him another letter to which he replied, and while still disclaiming to some extent it did not withdraw the sting that was in his original letter. You will notice that among other things in that letter, referring to the bankers of Georgia, he says:

Your country banks in Georgia, according to our information, charge the farmers what amounts to an average of 10½ per cent on their agricultural notes. The Federal reserve rate is 6 per cent. Why not get after the real culprits?

Then the following correspondence passed between us:

Hon. EDMUND PLATT,
Federal Reserve Board, Washington, D. C.

JUNE 28, 1921.

DEAR MR. PLATT: Your letter of June 27 received this morning. Out of personal respect and regard for both you and Gov. Harding, I answer the same promptly.

In the first place, I don't consider that you have the right to lecture me in regard to my speech delivered last Thursday on the floor of the House of Representatives, because I said nothing about you personally and nothing about Gov. Harding personally. On the contrary, I was cautious not to do so. My purpose was not to make any personal references whatever to any member of the board, much less to Gov. Harding and yourself. You are the only two members of the board whom I

personally know. If you will carefully read the speech you will see my references were not personal, as above indicated, but they were general in their terms. For instance, I referred frequently to the "board" or the "Federal Reserve Board," to the "policies of the board," and to the "policies adopted by the board." The whole speech will show that what I was condemning was the policy adopted by the Federal Reserve Board last year. In one reference to my speech, on page 2967, referring to the policies adopted by the board last year, I made a qualification, as follows: "However honest the board may have been in promulgating this," and on page 2968, at the bottom of the first column, I made the distinct statement that I did not charge anybody with corruption.

In the reference to what Secretary Houston and Gov. Harding are said to have replied to the farmers' representation last fall, I did not charge that they made this statement, but did say according to press reports it was made. Besides, I referred to Gov. Harding as speaking for the Federal Reserve Board.

In the second column on page 2968 I tried to make myself clear in regard to the Dickens quotation by using this language: "Of course, I do not mean to invite such disaster to any human being or to make this reference in any sense personal to anyone." This statement was made on the floor during the delivery of my speech. I was sincere in making it. I thought it was advisable to do so, and I am particularly gratified to know I had sense and discretion enough to do so, in the light of your criticism.

In reply to a question which carried a charge against Gov. Harding, made by Mr. KING, of Illinois, I distinctly stated that I did not in any sense intend to reflect upon him personally.

A careful and impartial reading of this speech will show that I was dealing in general with organized bodies, including the Banking and Currency Committees of the House and Senate, the Federal Reserve Board, and the Republican Party. These references express my honest conviction, whether it meets with the board's approval or not, and whether your criticism is just or not. The people of my district are in a terrible condition. This includes both the white and colored people, particularly the tenant class. I do not mean to say, however, that it does not also include the people who are landowners. Many people are without homes and without provisions to feed their families. They tried to make this year's crop while hungry and half clothed. Many farmers have been forced into bankruptcy. The accumulations of a lifetime have been swept away and destroyed on account of the sudden slump in the price of cotton, running it down from 45 cents to 10 cents a pound. This caused thousands and thousands of dollars to be lost by many of my own constituents. I honestly believe that this great reduction in the price of cotton has destroyed the values of at least 90 per cent of the property owners of my district. The future is ominous and dark, and I can see in it but little ray of hope for recovery in the future, and yet up to date not a single thing has been done for the southern people. The western farmers have been taken care of not only by the emergency tariff bill but by the efforts of Secretary Mellon, and, as I understand, arrangements made with your board whereby \$50,000,000 has been made available for the cattle growers of the West. The southern cotton grower has not been given the consideration to which he is entitled, and it is useless to dispute this fact.

The banks in my section of the State are not guilty of the charges as set forth in your postscript. So far as my knowledge goes the banks in my section are not charging usurious rates. They are not violating the usury laws of Georgia. I do not know of a single bank who charges the agricultural people over 8 per cent per annum, this being the lawful rate in Georgia. If they have done so, it does not meet with my approval. For your information I call your attention to the fact that you doubtless do not know that there are four banks within 30 miles of each other in Gwinnett County, near Lawrenceville, Ga., which was the county of my residence from maturity until about 18 years ago. You and Gov. Harding can not learn anything about the condition of the people of the country by staying here in Washington or by visiting the principal cities of the West and South.

The Federal Reserve Board is a great system. Gov. Harding deserves the unstinted gratitude of the United States and the world, so far as this is concerned, for the successful management of this board during the World War, but to my dying day I will believe that the policies of the board entered upon and promulgated last year, and the effect thereof, is the prime cause of the distressed and impoverished condition of the people of my section of Georgia. It gives me great concern and makes my heart bleed to think of their condition and hear their appeals, as I do, when I am at home and through their letters while here in Washington, particularly when nothing has been done for them in the past, and but little hope of having anything done for them in the future.

In conclusion, I may say my speech taken as a whole, and particularly in the light of the excerpts to which I have called your attention in this letter, shows that I did not intend in any sense to be personal against any member of the board, particularly Gov. Harding. As you doubtless know, this is the first time since I have been a Member of Congress when upon the floor of the House of Representatives I have made any public utterances or charges against the Republican Party, the Federal Reserve Board, or any organized committee of either branch of Congress, and yet criticism of the Federal Reserve Board and its policies has been freely indulged in and constantly so by Senators of the United States not only in the Senate but in the press and other public gatherings for months and months past. Not only is this true in regard to the Senators but it is likewise true in regard to many public men throughout the country and much of the press of the Nation.

What I have written, Mr. Platt, is in all kindness and with personal esteem and respect for both you and Gov. Harding.

Sincerely, yours,

(Signed) C. H. BRAND.

FEDERAL RESERVE BOARD,
Washington, June 29, 1921.

Hon. CHARLES H. BRAND,
House of Representatives.

DEAR JUDGE BRAND: I want to thank you for your frank letter of the 28th. I felt sure you could not have intended any personal reflection on Gov. Harding, but I knew how some people who had read the speech were construing it, and I decided to write the letter without consulting the governor, though I afterwards told him I had written it. KING and some others, of course, are always trying to egg somebody on in condemnation of Gov. Harding or of the board.

Of course, I haven't any right, except that of old friendship, to lecture you in regard to any speech you may deliver, but you know I

have always been rather frank and outspoken, and while of course criticisms of the board or its policies are legitimate I think you will admit that they are certainly arguable. I sympathize fully with the plight of the cotton growers, as well as with that of other farmers and with manufacturers who are in the same position, but I believe also that it might have been much worse than it is. If my memory is correct, cotton in previous times of business and financial crises has several times gone as low as 5 cents. Consider what might have happened last fall if confidence in the ability of the Federal reserve system had been impaired. Now, as you know, the reserves of the system were in May—several months before the normal time of greatest pressure—right on the edge of the legal requirements. They might have gone below, and we might have suspended reserve requirements, but if that had occurred as early as May or June, before the peak of the harvest requirements, and with the certainty that they must still go lower in the fall—unless the banks had quit loaning right when farmers most needed loans—confidence would have been impaired and the inevitable break of prices already begun in Japan in the silk panic, which had spread to wool and some other products, would have been much more severe and much more drastic than it was.

All over the world prices were on an inflated basis, some of them higher than war prices. No power on earth could have kept them up. In our own country the break would have come earlier if it had not been for the abnormal demand for our products abroad, stimulated by Government loans and subsidies—some of the loans those of our own Treasury, but most of them loans and subsidies of the European Governments which were often buying directly from us. That, of course, couldn't keep on. Bankruptcy was too close to most of them, and our own burden of debt was appalling.

When the break in the silk market began in Japan it found our Government no longer loaning to Europe for the purchase of our goods, and it found European Governments beginning to curtail and trying to put their people somewhat on their feet. Synchronizing with all this was the so-called "buyers' strike" in our own country against high prices. The result was a tremendous withdrawal of demand in the face of large crops produced at high costs. Nothing that the Federal Reserve Board or system could have done, in my opinion, could have stopped the decline. Had reserve rates been lowered, or left as low as they were during the war, that would simply have got the people, especially those who were producing primary products like cotton on borrowed money, in deeper and would have made their losses worse.

The only thing that the Federal Reserve Board can be fairly criticized for was for not raising its rates more promptly after the armistice. I am not sure that the speculation of the fall of 1919 and the spring of 1920 would have been wholly stopped by such action, but it would have been curtailed and the 1920 cotton and other crops would have been made with less cost. It was speculation that put cotton up above 40 cents and wheat to the neighborhood of \$3. Very little of either was ever sold at those prices, and they simply served to raise false hopes and to make people who really knew that a drop in prices must come feel that it wasn't coming yet, and that they were safe in going ahead blindly no matter what they had to borrow.

I am thoroughly convinced that the Federal reserve system can't operate properly or in accordance with the ideas of its proponents if there is a big profit in rediscounting. In your own State, with the banks loaning at 8 per cent and borrowing from the reserve bank at 6 per cent, there is still too much temptation to loan for the sake of the 2 per cent profit, though as the country banks are now all loaded with back loans I don't think the temptation can now be said to be operative.

Just a word as to the rate at the country banks in Georgia. Isn't it true that those banks often charge the farmer 16 per cent? Here's their game, as I have heard it stated by several people who are in a position to know: A farmer comes in to borrow \$1,000. The bank says, "All right; you can have it at 8 per cent." Then the farmer signs his note for six months and the bank discounts it, giving him credit for \$1,000, less \$80, or \$920. Now, they call that 8 per cent, but it really is 16 per cent. Such outrageous extortion ought to be stopped anyway, and it seems to me that 8 per cent is too high for an old Eastern State, one of the original Thirteen States, like Georgia. Federal reserve rates have nothing to do with the rates the farmers pay. When the reserve rates were 4 and 5 per cent the country banks got their 8 and 16 per cent just the same.

One trouble is that most of the country banks are too small. They haven't enough loaning power, or capital, and too many of them can't live without exorbitant interest charges, or the so-called "exchange" charge on the payment of their own checks. What is needed is a series of consolidations to strengthen the banks, and many of the smaller ones ought to be branches of strong institutions instead of independent banks. You have branch banking in Georgia, and it ought to be expanded and strengthened as has been done in California. I see no reason why, with such cities as Atlanta and Savannah, and ocean transportation for your splendid peaches and your cotton, you should not have as strong a banking system as California has, with branch banks in the smaller towns, backed by the capital of the large banks in the cities.

Yours, very truly,

EDMUND PLATT.

JUNE 30, 1921.

Hon. EDMUND PLATT,
Federal Reserve Board, Washington, D. C.

MY DEAR MR. PLATT: After replying to your letter of June 27, I again carefully reread the same. There is one paragraph in it that I do not understand, which is as follows:

"I want to tell you that you are going to have these things quoted against you in time if you keep them up. What would you gain if you should succeed in forcing Gov. Harding out of the Federal Reserve Board? Would the South thank you for it? Could President Harding find a better man? Would the South thank you for the apparent suggestion of assassination in your speech? You will find a reaction from all this talk in the not very distant future—before the next primaries come, at any rate."

I do not know what you mean by the use of this language, particularly the first and the last sentences of this excerpt.

First, I would like to know what you have in mind when you say I am going to have these things quoted against me in time if I keep them up. Do you mean by my Democratic constituents or by some Republican who may run against me, or by the board?

Referring to the last sentence wherein you say I will find a reaction from this talk in the not very distant future, I would like to know what you mean by this statement. It contains a veiled threat which I can not solve. Do you mean that the board is going

to "start something" or you or Gov. Harding for the board, and if so, when and how? Do you mean that the board, or you, or Gov. Harding is going to try to get out some sort of opposition to me, either from Democratic or Republican sources, and that it is your intention to begin some sort of war on me in the not very distant future? In short, when you wrote this excerpt from your letter did you have in mind that some one was going to attack me? If so, who is going to do it, and how?

Mr. Platt, you are a very intelligent man, very cautious and careful, not only in your personal conversation but more so in writing, and after reflection, I therefore take it that you seem to have singled me out and some sort of revenge is to be heaped upon me. Entertaining this view, or being in doubt and uncertainty about it, I have concluded that I owe it to myself to write you this additional letter with the request which I respectfully make that you advise me what you had in mind when you wrote it.

I am sending this letter by special delivery, hoping that you may do me the kindness to promptly reply to the same.

I beg to remain, with regards,

Very truly, yours,

C. H. BRAND.

FEDERAL RESERVE BOARD,
Washington, July 12, 1921.

Hon. CHARLES H. BRAND,
House of Representatives.

DEAR JUDGE BRAND: I was very much surprised to find yours of the 30th awaiting me this morning on my return from a week in Connecticut—surprised because of the interpretation put upon words that were about what one Congressman might say to another in argument, and were certainly not intended to do more than show that with a change in sentiment, which it seems to me is already beginning to take place, what you had said might be used by an opponent against you. There was surely no implication that anything would or could be "started" by me or any member of the board. In fact, if any opponent of yours were to come to me—I can't imagine how any such person would think of doing so—my impulse would be to defend you as a friend and former colleague, and to say that while we had had our differences of opinion we had argued them out ourselves, and to maintain that certain interruptions in your speech had given it a twist that you did not intend.

To go a little further into the general subject between ourselves—where did the attacks on Gov. Harding and the board originate? Weren't they originally Republican propaganda, put out during the election campaign last fall? Didn't a good part of their circulation come from the Manufacturers' Record, of Baltimore, the editor of which is a Republican? I happen to know that for a little while some of this propaganda was found in Republican publicity items, but there were some prominent Republicans who considered it unfair and unwise and did what they could to stop it. Whether as a result of their efforts or not northern newspapers made very little use of these criticisms, but through the Manufacturers' Record they continued to obtain wide circulation in the South. It was certainly a queer situation, that what was originally Republican propaganda had most of its influence among Democrats, or at least in Democratic States. But already a number of publications have changed their tone and are giving the Federal reserve system credit for preventing a panic, which would have been far worse in its results than anything that has taken place, and it seems to me clear that propaganda of such origin isn't going to be always popular in the South.

The board, I may add, hardly ever meets without discussing the possibility of doing something further to relieve conditions in the cotton-growing sections. It doesn't seem, however, as if much could be done through member or nonmember banks that are already so over-loaded that they don't feel that they can go further. The Federal reserve banks are strong—particularly strong as a whole—but can not make loans except through member banks. We have a regional and not a central reserve banking system, and if the reserve bank of Atlanta, for instance, is not doing all it can, that is not the fault of the board, for the directors of the bank, not the board, decide what loans to make. From all I can see the reserve bank of Atlanta is doing what it can, but it can't go further than its member banks are willing to go.

Perhaps the latest war finance proposition announced in this morning's paper will give the help needed. I don't know how far it is wise to advise farmers to continue to hold cotton. Nobody can tell what will happen in Europe, and the price depends largely on foreign selling; but it looks to me, with the British coal strike over, as if stability ought gradually to return and with it an increased demand for cotton. When the political risk of socialist upheavals, etc., is lessened, the Edge corporations will begin to function on a larger scale, and that will help. One of them is already doing very well.

With best regards,

EDMUND PLATT.

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

Mr. BRAND. Yes; although I have very little time.

Mr. CHINDBLOM. As the gentleman knows, the Constitution says that a Member of Congress can not be questioned in any other place. Does that mean that a citizen can not criticize a Member of Congress?

Mr. BRAND. Of course not. I am opposing limitations upon free speech. I am contending for unhampered privilege of free speech. However, there is a distinction between criticism and insult; there is a distinction between criticism and intimidation; there is a distinction between criticism and threats, of which a Government officer, particularly one who has taken an oath to support the Constitution, should not be unmindful.

The difference between me and the vice governor amounts to nothing so far as other Members are concerned, because they are not interested in the personal phase of the controversy. His letter, however, presents a question in which every Member of the House is directly interested. It involves the privileges of every Member of the American Congress now and for all time to come. It involves the constitutional privileges of free speech guaranteed to Members of Congress by the Constitution of the United States.

The article and provisions to which I refer declares:

They (the Senators and Representatives) shall in all cases, except treason, felony, and breach of the peace, be privileged from arrest during their attendance at the session of their respective Houses, and in going to and returning from the same; and for any speech or debate in either House, they (the Senators and Representatives) shall not be questioned in any other place.

If this provision of the Constitution means what it says, then the vice governor of the Federal Reserve Board has not only violated this provision of the Constitution but he also broke faith with the oath he took when as a Member of Congress he swore to support the Constitution of the United States and to bear true faith and allegiance thereto. My charge is he is guilty of a grave infraction of the Constitution of the United States, which he, with uplifted hand, has solemnly sworn he would support. He did so either through ignorance or, if with knowledge, for want of respect of the Constitution and in utter disregard of the sacredness of his oath.

This provision of the Constitution has been considered and reviewed not only by this House in cases which came within its jurisdiction but also by the Supreme Court of the United States.

In the case of *Kilbourn against Thompson*, in construing this provision, the court, in an opinion delivered by Mr. Justice Miller, says:

We may perhaps find some aid in ascertaining the meaning of this provision if we can find out its source, and, fortunately, in this there is no difficulty. For while the framers of the Constitution did not adopt the *lex et consuetudo* of the English Parliament as a whole, they did incorporate such parts of it, and with it such privileges of Parliament as they thought proper to be applied to the two Houses of Congress. The freedom from arrest and freedom of speech in the two Houses of Parliament were long subjects of contest between the Tudor and Stuart Kings and the House of Commons. When, however, the revolution of 1688 expelled the last of the Stuarts and introduced a new dynasty, many of these questions were settled by a bill of rights, formally declared by the Parliament and assented to by the Crown. One of these declarations is that the freedom of speech and debates and proceedings in Parliament ought not to be impeached or questioned in any court or place out of Parliament.

In *Stockdale against Hansard*, Lord Denman, speaking on this subject, says the privileges of having their debates unquestioned, though denied when the members began to speak their minds freely in the time of Queen Elizabeth, and punished in its exercise both by that princess and her two successors, was soon clearly perceived to be indispensable and universally acknowledged. By consequence whatever is done within the walls of either assembly must pass without question in any other place. For speeches made in Parliament by a member to the prejudice of any other person, or hazardous to the public peace, that member enjoys complete impunity. This case is reported in 103 United States, page 168.

In the case of *Williamson against the United States*, 207 United States, page 425, in discussing this provision of the Constitution the late Chief Justice White, delivering the opinion, among other things said:

Freedom of speech and debate in Congress shall not be impeached or questioned in any court or place out of Congress.

In the case of *Lovell H. Rousseau for contempt of the House*, in 1866, cited in *Second Hinds' Precedents*, section 1655, the House still recognized that the principles announced in this provision of the Constitution, namely, that Members of the House can not be questioned for any speech in any other place, were still in force. The committee in discussing the question announced the rule that parliamentary assemblies were founded on the theory of the inviolability of the person of the representative.

In *Third Hinds' Precedents*, section 2684, this case is cited: On August 12, 1848, Mr. George Fries, of Ohio, by leave presented a communication from the Commissioner of Indian Affairs which was read to the House.

This communication was in response to a speech in which Mr. Thomas L. Clingman, of North Carolina, had denounced the Indian Bureau as thoroughly corrupt. The letter of the commissioner was addressed "To the honorable the House of Representatives of the United States," and besides entering into a defense of the Indian Bureau charged the Member of the House making the charges with improper conduct in his representative capacity.

A motion was made by Mr. John A. Rockwell, of Connecticut, that the communication, being disrespectful in its language, be not received.

Considerable discussion arose, it being urged that the letter invaded the privileges of the House, a Member being privileged as to his remarks on the floor from being questioned in any other place.

Whereupon Mr. Fries withdrew the communication.

Judge Storey, in his *Commentaries on the Constitution*, says:

The next great and vital privilege is the freedom of speech and debate, without which all other privileges would be comparatively unimportant or ineffectual. This privilege is derived from the practice

of the British Parliament, and was in full exercise in our colonial legislation, and now belongs to the legislation of every State in the Union as a matter of constitutional right.

In the journal of the Constitutional Convention, volume 2, kept by James Madison, it is recorded that Mr. Pinckney submitted to the House the following proposition:

Each House shall be the judge of its own privileges, and shall have authority to punish by imprisonment every person violating the same or who in the place where the Legislature may be sitting and during the time of its session shall threaten any of its Members for anything said or done in the House.

In the *Columbia Law Review*, 1910, volume 10, there appears an able paper entitled "Absolute immunity in defamation," by Van Vechten Veeder, which has been approvingly referred to by one of the writers on the Constitution:

Freedom of speech is inherent in the idea of a deliberative assembly. Absolute immunity is confined to Members of Congress and of the State legislatures. Speech is the element which gives life and power of action to such a body, as air does to the natural body. And the free and fearless discussion of every plan and purpose, which is essential to wise legislation, would be impossible if members were subjected to the restraints imposed by law with respect to private reputation. The essential nature of such immunity is shown by the fact that it has followed parliamentary government in its progress throughout the world.

In discussing the resolutions introduced in Congress involving this provision of the Constitution Mr. Edward Everett, of Massachusetts, among other things makes this statement:

The freedom of debate, the dearest privilege of freedom, was involved.

Adding—

If the time should ever come when Congress does not assume the injuries inflicted on its Members as done to itself, the Constitution would no longer be worth living under. (*Hinds*, p. 1083.)

I have thus dealt at length with the history of this article of the Constitution, in order to show that there has been no difference in opinion in regard to what it means and no break in the current of the construction from the time that the letter was first submitted to the convention which framed the Constitution down the decades passed until the last decision rendered upon the question by the Supreme Court of the United States. Some have doubted and even disputed that this provision of the Constitution would include calling a Member of Congress to account by a written communication from another outside of Congress, whatever may be its character. I have no doubt in my own mind that Mr. Platt's letter to me comes squarely within its provisions. If this is true, I contend that this House has the right first to direct that Mr. Platt appear before the bar of the House for writing this letter, and, second, that the House has full authority, if it chooses to exercise it, to issue a decree against Mr. Platt either for censure, reprimand, and probably to fine for contempt.

However, in view of Mr. Platt's disclaimer in his last letter I shall not insist upon my constitutional privilege in this regard. I do not care to humiliate him by even having him cited to appear before the bar of the House. Neither do I have any wish to have him censured or reprimanded for his conduct, and I shall make no request along this line. I have no ill feeling for Mr. Platt, though I have a supreme contempt for his letter.

This is true notwithstanding he intended by writing his last letter to disclaim and atone for the injustice he did me in his first letter. I do not believe that Mr. Platt was sincere when he wrote the last letter, because it does not take the sting out of his first letter, and Mr. Platt knows it. His profession of friendship for me as set forth therein is likewise insincere. To my mind it has the taint of Judas.

I have been coming in contact with the public in the capacity of a practicing attorney, the State's prosecuting attorney, judge of the superior court, and to some extent as a business man for nearly 40 years, and yet this is the first time within my whole public career that I was told that I had done something which was "utterly unworthy of me" or that I had said something on account of which I was virtually ordered to render an apology.

Whether Mr. Platt is dealt with as an individual, an ex-Congressman, or a Government officeholder, his offense, in my judgment, is no less odious.

No individual with the proper sense of decency would indite such a letter to one who claims he is a friend.

No Member of Congress or ex-Member of Congress who has the proper conception of the true instincts of a gentleman would voluntarily send such a communication to one of his colleagues.

No Government officer holding an appointment under the President of the United States and in one of the greatest institutions of the Government who has any intelligent regard for the proprieties of his position and who has that high sense of honor becoming one holding such a position would so debase himself.

The truth is, this letter is an evidence of duress or intimidation, or at least undue influence, which may have been heretofore put in operation and brought to bear over Members of this House in regard to pending legislation, particularly over members of the various committees. I do not make this charge, and yet this letter bears upon its face this deduction. Such influences, if sought to be exercised, can never be proved, because it is like the undertow of the ocean surf—it can be felt but can not be seen.

His letter is full of pride, vanity, and arrogance. The idea that a Representative in Congress should be so fearless as to criticize the policies of the Federal Reserve Board is a monstrous proposition to Mr. Platt. He would punish those of us who criticize his acts as members of Parliament were punished in the days of Elizabeth. Threats and intimidation are his weapons.

I attribute much of this ugly phase of the vice governor's character to the position which he now occupies and also to the unprecedented majority which the Republican Party had over the Democratic Party in the November elections of last year. The truth is, the appointment to the office which he now holds and this great majority in favor of the Republican Party have turned the vice governor's head. Mr. Platt, a gentleman polite and courteous when in Congress, has become Platt "the imperious," as vice governor of the Federal Reserve Board.

In passing I remind this high-browed officer that he may not hold his office always, and also that a great majority has frequently been followed by a small minority. Many believe in the truth of the remark of the Duke of Wellington, who said: "Next to a great defeat, the greatest disaster is a great victory."

Mr. Platt wrote this letter with knowledge of this constitutional provision or through ignorance of it.

If he wrote the letter in ignorance of this provision, then I doubt the wisdom of his appointment to the position he now holds. If he wrote the letter with full knowledge thereof, then he has built for himself a monument to which the finger of scorn should point as long as his infamy may be remembered among men; and yet this is paying him more or less distinction, because there is a sacredness and a sense of grandeur about a monument, even though erected by one's own folly; and, on second thought, I prefer to liken his conduct in writing this letter to the dying mackerel in the sunshine, which "stinks as it rots and rots as it stinks."

One of the troubles with Mr. Platt is he has little sympathy for the southern people. This may be due to the fact that he knows nothing about their suffering and sacrifices. As an evidence of this conviction of mine I call your attention to the fact that he referred to the bankers and money lenders of my State as culprits. A culprit is a criminal. That is, a culprit is one who is accused or convicted of a crime. To charge over the legal rate of interest is usury, of course, and the Federal Reserve Board is the chief exponent of such conduct, but the only penalty in most of the States is to forfeit the interest and to make void in some States deeds and other allegations which are given to secure debts. There is no criminality attached to it in the sense of penal servitude, and yet Mr. Platt deliberately brands a great class of the people of Georgia as criminals.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BRAND. Mr. Chairman, this being a personal matter, I ask unanimous consent to proceed until I finish it. It will take me only two or three minutes.

The CHAIRMAN. The gentleman knows that the Chair would be very glad to accommodate him, but the time has been limited by the House. The gentleman was granted unanimous consent to extend his remarks.

Mr. BRAND. That was simply for the purpose of publishing the correspondence, provided I finished my speech.

The CHAIRMAN. The Chair is precluded from submitting his request in view of the fact that the time was limited by the House before going into the Committee of the Whole.

Mr. BRAND. Has not the committee the right to waive that and grant me unanimous consent?

The CHAIRMAN. The House has, but the Chair doubts whether the committee has.

Mr. BRAND. Has not the committee the right to waive that?

The CHAIRMAN. The Chair thinks not.

Mr. CRISP. The rulings have been to the contrary.

Mr. BRAND. I will ask the gentleman from California to give me a few minutes.

Mr. KAHN. I regret to say that there seems to be so much interest in the bill that I shall have to use all of the eight minutes which I have remaining. I would like to accommodate the gentleman, but I am so much pressed for time that I can not do it.

Mr. FIELDS. I yield five minutes to the gentleman from Texas.

Mr. BLANTON. If I may be permitted, I will yield two minutes of my time to the gentleman from Georgia. Or if there is objection to that I will yield back two minutes of my time to the gentleman from Kentucky for the purpose of allowing him to yield it to the gentleman from Georgia.

Mr. FIELDS. Then I yield to the gentleman from Georgia two minutes.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia for two minutes more.

Mr. BRAND. In his first letter Platt strikes like a scorpion, but after some one told him of this constitutional provision he runs away like a peacock who struts on the lawn and about the homestead like a king when the sun shines, but is always the first of the fowls in the lot to take to the barn house when a storm arises and the thunder begins to roll.

The ire of Platt recalls to my mind a convulsion of rage on the part of the great Friar Bungey, one of Lord Lytton's characters, when he roared forth at one who differed with him as follows:

Darest thou unslip thy boundlike malignity upon great Bungey? Knowest thou not that he could bid the walls open and close upon thee; that he could set yon serpents to coil round thy limbs and yon lizards to gnaw out thine entrails?

That is Platt, the vice governor of this powerful board; that is the way the vice governor of the Federal Reserve Board, which holds the power of life and death over a Nation of suffering people, feels when a Member of Congress criticizes the board's policies.

The truth is Mr. Platt felt called upon to defend his chief, Gov. Harding, because without Gov. Harding's consent and O. K. Mr. Platt never would have been appointed as a member of the Federal Reserve Board. Many are satisfied that without the recommendation of Gov. Harding, whom I personally esteem—who stood high with President Wilson—Mr. Platt never would have been appointed. For this reason I dismiss him from further consideration, because there is much truth in the saying of the Patriarch Isaiah, "The ox knoweth his owner, and the ass his master's crib."

In one of the Voorhees beautiful periods he says:

It is a historic fact that Vesuvius was not known to have volcanic fires in her bosom until they broke forth in a devastating deluge near the dawn of the Christian era. For nearly a thousand years we can see by the light of history a contented, unsuspecting, prosperous people building villages and cities around the base of that famous mountain, ascending its easy, sloping, and fertile sides, erecting homes, planting vineyards, rearing generation after generation in peace and happiness, with no thought of danger. If anyone more curious or more intelligent than the rest ever detected and pointed out as an evil omen a thin line of smoke rising above its crater and mingling with the clouds, he was doubtless silenced as a disturber of public tranquillity and an enemy to the public credit. The entombed ruins of Herculaneum and Pompeii, however, remain to illustrate the power of nature's secret unheeded forces.

This is a historic simile of the awful avalanche, terrible and destructive in its consequences, which was suddenly turned loose last year upon a happy and prosperous and contented people of the cotton-growing States, engulfing in its mighty currents men, women, and children, white and colored alike, leaving many of them homeless, many penniless, and almost all hopeless, whose cries of distress and appeals for help have been heard across a continent and lashed the shores of every European nation where heretofore cotton has been king in the marts of trade and the markets of the world, and yet cotton, the ark of the covenant to the South and the hope of humanity, is no longer king, but has been stripped of its royalty and at present is almost as impotent as Prometheus fettered to the rocks of Mount Caucasus with every vulture known to avarice plunging their beaks into its vitals.

This picture I tried to paint in my speech, believing as I did and do yet that the policies of the Federal Reserve Board promulgated last year brought about this great calamity, and yet because I, among many others in and out of Congress, honestly and freely expressed my views, this czar of the Federal Reserve Board levels his guns at me with a malignant intolerance unprecedented.

In conclusion, Mr. Chairman, in relation to the issue of culpability, I summon to the witness stand the great multitudes of farm producers and laboring people from the South and West, the greatest farming sections of this Republic, and let them testify from their sorrow, suffering, and destitute condition who shall be the victim of their crucifixion, and upon this issue I am willing for the present to write its verdict and posterity to record its decree. [Applause.]

Mr. FIELDS. I yield three minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the time for debate is practically exhausted, yet no one has opposed this bill. I am not going to give my support to this bill that is under consideration. I may be the only one who votes against it, but I am going to vote against it. It involves 2,500 patents. Of these 2,500 the

board sifted down to 27 claims that it considered, and then it gave its real final consideration to 7 out of the 27. It states that these 7 that it did give consideration to involved \$14,800,000, and Lieut. Commander Loftin, on page 18, states that the balance of them, in his judgment, would run up to \$30,000,000 or \$40,000,000. Judging from that statement, I believe this bill might involve \$50,000,000 of claims that could be turned over to these three men to settle. My friend from California [Mr. KAHN] may be willing during these dog days to pass that kind of a bill and thus pass the buck, because it is a little unpleasant for Congress to have to pass on these little matters of claims involving only \$30,000,000 or \$40,000,000. He may be willing to shift the burden over to three unidentified men, but I am not willing to delegate the duties of Congress to any three men in any such way as that. [Applause.] It is a matter involving \$30,000,000 or \$40,000,000. Are you going to retain the reins of government and the purse strings of the Treasury in your hands, or are you going to turn them over to somebody else? Every one of my Republican brothers on the other side of the aisle has been criticizing this Cabinet officer and that Cabinet officer for the amounts of money that they have paid out on claims during the war and since the war, and there will be room for further criticism if you leave such an amount as this to three men in this Government to settle. Let us retain jurisdiction of these cases ourselves. Let these claims come through the proper channels. Let them bring them before the Court of Claims. Let them produce their evidence. Let there be a Government attorney there to look after the interests of the Government. Let there be a Government judge there to decide the cases, and not three Cabinet officers who know nothing about them and who in turn will have some of their subs to look after the matter. For this job will be delegated to subs in the end.

Mr. WHITE of Maine. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Maine.

Mr. WHITE of Maine. As I understand it there are seven claims which aggregate \$14,800,000.

Mr. BLANTON. Concerning which in this bill they propose to pay \$2,500,000 in cash settlement, but they do not stop with that. They provide that the Committee on Appropriations hereafter shall appropriate such sums of money as this unknown board may decide to be due to other claimants, and those other sums of money in my judgment might amount to \$50,000,000, although Lieut. Commander Loftin says in his judgment the amount is only \$30,000,000 to \$40,000,000.

Mr. WHITE of Maine. Will the gentleman yield further?

Mr. BLANTON. I am sorry I can not. I have just a little time. What are you going to do about it? Just because there are only a handful of men here are you going to follow our distinguished chairman of the Military Affairs Committee, the gentleman from California [Mr. KAHN], just because he says for you to pass it? Are you going to shut your eyes blindly and vote "yes" with him like you voted on the tariff bill? I am not going to do it. I am going to reserve to myself the responsibility of my vote, that responsibility which my people placed upon me when they had confidence enough to send me here, and I am going to vote against any such wasteful measure as this. [Applause.]

Mr. KAHN. Mr. Chairman, some gentleman asked me whether this would provide for the patents seized by the Government before the war. I call attention to a statement which was sent to the committee by the three Secretaries of the Government who are advocating this legislation:

It was considered that under the conditions established by the acts of 1910 and 1918, the Government would be involved in a multiplicity of suits under patents and that these would be different in character, depending upon the time at which the infringement complained of occurred and, in some cases, upon the question of whether the Government or the contractors with the Government were original or contributory infringers.

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

Mr. KAHN. I would like to finish this statement which explains this very thing that I was asked about:

The varying conditions of warranties affecting different contracts, some warranties being by the contractor and some by the Government, in so far as liability of patent infringement is concerned, introduced a serious complication. Under these warranty contracts the Government naturally became interested in suits pending anywhere in the United States involving alleged infringement of letters patent under which claims might be made against the Government.

So it is very evident that in order to avoid appearance in a great multiplicity of suits the Government officials deemed that by coming to some amicable arrangement all around a great deal of time, labor, and possibly expense could be saved. Now I yield to the gentleman from Ohio.

Mr. BEGG. The gentleman is talking right on the point. Is that the only excuse that the gentleman has to give why these claims should not be put through the Court of Claims, namely, that these Government officials do not want to be bothered with them?

Mr. KAHN. That is not all.

Mr. BEGG. That is the only reason that the gentleman gave.

Mr. KAHN. The gentleman from California gave no reasons of his own. He has just taken what the officials of the Government charged with the duty of settling these claims, one of whom is the Attorney General, sent to the Committee on Military Affairs as the reason for this legislation.

Mr. BEGG. Is that the only reason they gave, that they did not want to appear in court?

Mr. KAHN. Oh, no.

Mr. BEGG. What is the reason?

Mr. KAHN. If the gentleman will read the report he will find two or three pages of it.

Mr. BEGG. I have read the report, and got no satisfaction as to why these claims amounting to two and a half million dollars could not be settled in the court.

Mr. KAHN. The accumulated claims amounted to thirty millions.

Mr. BEGG. I recently got from the War Department a list of the men that claimed to receive damages from the Government during the war, and there were 10,000, the amount of which runs up to nearly \$3,000,000,000. One man has received over ten millions, and I think these claims should go to the Court of Claims.

Mr. KAHN. There is no use in getting excited about this. This Government is going to deal fairly with the people who dealt fairly with it. During the war we passed the so-called Dent bill as a part of the military legislation. And there was a good deal of dissatisfaction about it.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. KAHN. No; I want to make this statement: That law was finally adopted by Congress, and I dare say that a great many claims that the gentleman from Ohio speaks of were included in those claims.

Mr. BEGG. Nearly all of them.

Mr. KAHN. Nearly all. But if these people had not given assistance to the Government during the war probably the steel mills of this country would have had to close up and the people employed there would have been thrown out of work.

Mr. BEGG. One word on that proposition—

Mr. KAHN. I will not yield further. I do not know anything about these claims. I know there was a great demand made upon Congress for remedial legislation. People who entered into contracts with the Government on account of some informality in the completion of the contract were without any remedy whatever. They could not receive a cent, and therefore that legislation was passed to allow these men to go before Government officials and show, if possible, that they had lived up to their contract; they asked that they be paid for the contract they had performed for the benefit of the Government and at its request. Do you want to object to that kind of thing and refuse to settle claims of the citizens of this Government? Thank God, I was born with an entirely different view regarding the scope and character of my Government. I was brought up to believe that whenever a citizen had a fair claim against his Government he had a right to have that claim adjudicated.

Mr. WYANT. Will the gentleman yield?

Mr. KAHN. Yes.

Mr. WYANT. Adjudicated where?

Mr. KAHN. Wherever the law of the land said he might get his adjudication.

Mr. WYANT. And we have the Court of Claims established for that purpose.

Mr. KAHN. They could get their remedy in the Court of Claims in a very few cases and in others they could not. Under the Dent Act you could not go to the Court of Claims at all, and that is what the gentleman from Ohio was speaking about.

Mr. WYANT. One more question. Does this great committee believe—

Mr. KAHN. I anticipate the gentleman's question. As I have said, the Committee on Military Affairs is a hard-working committee of this House. It wants to deal fairly by the citizens of the country and the Government. I think Members of this House will generally say that the committee has acted fairly by the Government and by the people. Now, this claim came to us in a peculiar way. We were told that if prompt legislation could be enacted we would save many millions of dollars. We had complete hearings upon this bill. The committee was convinced that these people had just claims, and if the Gov-

ernment could settle these claims for two and a half million dollars it would be better than to pay out eight or ten or fifteen million dollars through the Court of Claims. So the committee decided to report this bill favorably.

Mr. FIELDS. Mr. Chairman, I yield five minutes to the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM. Mr. Chairman, I dislike to take the time of the committee upon this bill this hot afternoon, and I would not do so if I did not believe it a dangerous bill for us to pass. According to the report, there are 2,500 patent claimants. These have been finally sifted down by this interdepartmental radio board to 147. The total amount of the claims filed were \$30,000,000, and seven claims amounted to \$14,000,000. They have a certain small number of these claimants to agree that they will take two million and a half dollars to settle their claims. But notice what the bill says:

Provided, That this provision shall not be so construed as to deprive owners of patents who shall not accept settlement under this act of any rights of action conferred by the acts for the protection of the owners of patents approved June 25, 1910, and July 1, 1918, respectively.

Now, you are settling by this bill with a few of these people who have patents, and all the balance of the holders of \$30,000,000 of claims have a right to go to the court under those and have their claims adjudicated, and it will be up to Congress to make settlement.

You are opening up an avenue here for the presentation of claims, a veritable Pandora's box, the end of which none of us can see. If we wish to settle these claims we ought to know now what the amount is to be. If it is to be \$2,500,000, let us pay and be done with it, and if it is to be \$5,000,000, and they are just claims and Congress thinks they ought to be paid, let us pay them; but do not let us pay some few of the owners of these patents \$2,500,000 and leave \$27,500,000 worth of claims unsettled and compel the claimants to go to the Court of Claims. There is no telling when we will ever reach the end of the payment of these claims if you pass this bill. Is this bill so important that we must consider it under a special rule? It seems to me we ought to have more Members here in order to consider it. We ought not to undertake to take money out of the Treasury of the United States under these special rules when the matter can be postponed until a larger membership is present. The President has told us that the Treasury is depleted of funds; that we are unable to take care of the soldiers as we would like to take care of them, and yet we pass special rules to pay owners of patents to the amount of \$2,500,000. If I thought this were just and right I should certainly favor it, but I know it to be most unjust to the taxpayers of the country.

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

Mr. LINTHICUM. Yes.

Mr. FESS. The gentleman says that we pass a special rule to do this thing. As a member of the Committee on Rules I voted to bring this matter up for consideration of the House, but I reserved the right to vote against the bill.

Mr. LINTHICUM. I am glad the gentleman reserved that right. It is entirely proper that he should vote against it. It would not be like him to support such claims.

The CHAIRMAN. The time of the gentleman from Maryland has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the Secretary of War, the Attorney General, and the Secretary of the Navy, acting jointly, are hereby authorized to adjust, pay, and discharge on a fair and equitable basis any and all just and meritorious claims against the United States for or on account of the use or manufacture by or for the United States of any patented invention relating to radio communication in cases in which such patented invention was used without agreement with the owner as to compensation therefor; such settlement of claims to cover both past (whether prior to, during, or after the war) and future use where practicable in all cases, and to be based on the determination by such agency as the said Secretaries and Attorney General have designated or established or may designate or establish, of all questions of infringement, validity of patents, and value of such inventions: *Provided*, That this provision shall not be so construed as to deprive owners of patents who shall not accept settlement under this act of any rights of action conferred by the acts for the protection of the owners of patents approved June 25, 1910, and July 1, 1918, respectively; and for the payment of such claims the sum of 2,500,000, or so much thereof as may be necessary, is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated: *Provided further*, That no payment shall be made under the authority herein conferred to any person or persons entitled to recover unless such person or persons shall within a period of six months from the date of the approval of this act accept in writing the amount awarded jointly by the Secretary of War, the Attorney General, and the Secretary of the Navy.

Mr. KAHN. Mr. Chairman, I desire to offer an amendment.

Mr. GOODYKOONTZ. Mr. Chairman, I rise for the purpose of offering a preferential motion.

Mr. KAHN. Mr. Chairman, I desire to insert the dollar sign before the figures "2,500,000."

The CHAIRMAN. The Chair will recognize the gentleman from California.

Mr. BLANTON. Mr. Chairman, I make the point of order that the motion which I understand the gentleman from West Virginia [Mr. GOODYKOONTZ] is going to offer is preferential over anything else, inasmuch as it is a motion to strike out the enacting clause.

Mr. WALSH. The gentleman had not said that was his motion.

Mr. MANN. He was not recognized, anyway.

The CHAIRMAN. The Chair will be glad to recognize the gentleman at the proper time.

Mr. KAHN. Mr. Chairman, I think the chairman of the committee after a bill has been read has a preference to recognition.

The CHAIRMAN. The gentleman from California is recognized.

Mr. KAHN. Mr. Chairman, on page 2, line 13, before the figures "2,500,000," I move to amend by inserting the dollar sign.

The CHAIRMAN. The gentleman from California offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KAHN: Page 2, line 13, before the figures "2,500,000," insert the dollar sign.

Mr. WALSH. Mr. Chairman, I have no objection to the amendment which the gentleman from California has offered, provided it be followed up by the striking out of the figures, leaving the dollar sign there. I am not in favor of this measure. I think it is time we stopped being quite so tender in respect to the rights of people who file exorbitant claims against the Government for the use of their property during the war. This is an entirely new procedure, a little different from the Dent Act, but it extends the vicious provisions of the Dent Act further than I believe is warranted. These three Secretaries will not pass on these claims. Why, they did not even write the letter which is contained in the report. Here is a letter written within two or three months after the present Secretary and the Attorney General took office, and listen to what it says:

A board designated "Interdepartmental radio board" was appointed by ourselves consisting of experts in the War Department, Department of Justice, and the Navy Department to consider all such claims, each with reference to its own merits, and the merits of all the others. Such board has been considering the matter for nearly three years—

And they had been in office less than two months when they wrote that letter. It shows that the letter was written by some of these eminent experts, who succeeded in sifting down claims for radio patent violations to the sum of \$2,500,000. This is but an entering wedge. If this measure is passed it will permit claimants not yet heard of to come in and file their claims against this administrative board, and I do not think that under the circumstances a board of administrative officers should pass on and adjudicate claims that raise highly technical questions and legal propositions. We have a Court of Claims, but these three distinguished Secretaries through their three eminent experts say:

Realizing that the use by the Government had infringed the rights of many patentees, while some of the claims possess little or no merit, and that a fair and reasonable determination of the whole matter would be difficult, long drawn out, and expensive to the Government as well as to the claimants—

Mr. Chairman, a "fair and reasonable determination" might be difficult, but we have officials in the Government service whose duty it is to participate in hearings before judicial tribunals, to represent the Government, and that is where these claimants ought to go. We had a condition bordering almost upon scandal in some of the adjudications that were made or sought at least under the provisions of the Dent Act. It will not do any great amount of harm to permit these people to await a fair and reasonable adjudication of these claims, rather than to permit some subordinates down in three of the great departments of the Government to settle these claims upon a just and equitable basis.

It is provided in the bill:

Such settlement of claims to cover both past—whether prior to, during, or after the war—and future use, where practicable, in all cases.

While, of course, it could not be so written into this law, I think it would be a very wise provision to write into some law that when this great Government issues letters patent they should contain a reservation that in case of war the Government shall have the right to make use of those patent rights without compensation to the owners thereof and compensate them only for property that is taken.

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

Mr. WALSH. Mr. Chairman, I ask unanimous consent that I may speak for three minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WALSH. I apologize for asking that extension of time, but the chairman of the committee used 30 minutes in favor of the bill and there was no opportunity for people to get time in opposition except the energetic gentleman from Texas [Mr. BRANTON], who got three minutes, and the gentleman from Maryland [Mr. LINTHICUM].

Mr. WHITE of Maine. Mr. Chairman, will the gentleman yield?

Mr. WALSH. Yes.

Mr. WHITE of Maine. I call the gentleman's attention to the fact that the law of 1912, which authorized the Government to take over in time of war or emergency radio stations and the apparatus therein, was limited to the stations and the apparatus, and there was no provision for taking over patents or compensation for patents.

Mr. WALSH. Of course, some of this was done without any authority of law whatever, because right in this letter from which I quoted it is said that they did it before we entered this war, simply because the Government found it necessary to use apparatus of various kinds. It was done before we entered the war.

Mr. CHINDELOM. Will the gentleman yield?

Mr. WALSH. I will yield?

Mr. CHINDELOM. Of course, it has not escaped the very astute mind of my friend from Massachusetts that these claims are not the ordinary kind of claims that have been passed upon heretofore; these are speculative.

Mr. WALSH. They are highly technical claims, some speculative, and they involve questions which involve judicial determination the same as other patents have to submit to when their rights are claimed to have been violated.

Mr. McKENZIE. Will the gentleman yield?

Mr. WALSH. I will.

Mr. McKENZIE. I wish to state before I ask my question that, as one member of the Committee on Military Affairs, I did not have an opportunity to be present while the hearings were being had on this bill. It was my understanding—

Mr. MANN. This bill was introduced one day and reported the next.

Mr. KAHN. No.

Mr. MANN. The day after.

Mr. WALSH. Introduced June 13 and reported June 15.

Mr. KAHN. Will the gentleman allow me to explain that?

Mr. WALSH. I will yield, but it will probably consume all my time.

Mr. KAHN. I will get the gentleman more time if I can, but the bill was introduced some weeks before it was reported out. It had some amendments, and in order to get the bill before the House in the form that the War Department itself desired, and the committee desired, they ordered me to reintroduce the bill in its present shape and to report it with the committee's amendments, and the next day—

Mr. WALSH. The gentleman from Illinois is correct. This bill was introduced one day and two days later was reported.

Mr. KAHN. But it had been before the committee some weeks.

Mr. MANN. I do not know how it was originally introduced or what changes were made. Nobody said anything about that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER of New Jersey. Mr. Chairman, I desire to offer an amendment.

Mr. McKENZIE. I ask unanimous consent that the gentleman's time be extended five minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Massachusetts be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. McKENZIE. I want to say to the gentleman from Massachusetts, however, that I understand the purpose of this bill as reported by the Committee on Military Affairs is not to open the door of the Treasury to all these claims but to have the other effect; that is, to close the door. But the gentleman from Massachusetts has stated there are 2,500 of these claims—

Mr. WALSH. No; 2,500 patents.

Mr. McKENZIE. Of the four hundred and some odd claims, every one will have the right to go to the Court of Claims.

Mr. MANN. They still have the right.

Mr. McKENZIE. As I understand the purpose of this bill, it is to have this commission of experts sift out those who have claims that have some merit and act upon those, and in that way save the Government perhaps many millions of dollars that might be allowed by the Court of Claims.

Mr. WALSH. It is very apparent that the gentleman is not present at the hearings, because that is not what the bill means at all. [Applause.] The statement here is made:

Such a task has been stupendous and has required a force of experts—expert to begin with, but which became more expert daily in its specific task as it gained knowledge from experience.

No wonder we have been unable to reduce the personnel of some of these departments down here. They have been sifting out claims with some merit for the Committee on Military Affairs, and, by the way, the War Department had fewer claims filed than the Navy Department; the larger number are in the Navy Department, which run amuck, so to speak, amongst the radio telegraphers and those owning apparatus several months before we entered this war.

Mr. KAHN. The Navy Department owns almost all its radio stations.

Mr. WALSH. They may own some radio stations, but they had the larger number of claims for violation of these patents.

Mr. KAHN. They own most of the radio stations.

Mr. WALSH. They state here that—

Under our judicial system, and with extreme difficulty in presenting patent cases, it is probable that the task could not have been covered in the courts in 25 years in the same comprehensive but centralized method of the board.

Why, what they have done and what they intended to do will not relieve the courts. These claimants still have the right in case of an adverse decision, in case they do not present their claims to this board, to go to the courts and have a judicial determination of whether their rights have been invaded on any of these 2,500 patents.

Mr. MANN. Will the gentleman yield?

Mr. WALSH. I will.

Mr. MANN. The gentleman states that if they did not present their claims to this board under this bill—can not a claimant present his claim to the board and after a determination by the board, if he does not accept the determination, still go to the Court of Claims?

Mr. WALSH. I think under the language of the bill that is true.

Mr. KAHN. Will the gentleman yield?

Mr. WALSH. I will.

Mr. KAHN. I believe the gentlemen who appeared before the Committee on Military Affairs stated that they had sent letters to all the claimants asking them to put in writing just what their claims were and whether they would agree to accept this settlement and I understand they all agreed with the exception of two, the De Forest Co. and another company that had, I think, a \$150 claim.

Mr. BLANTON. The De Forest Co. has a \$2,000,000 claim.

Mr. WALSH. That is the information we get through this sifting process. We do not know as a result of this legislation how many claims now unknown may spring up encouraged at an opportunity to get into the Federal Treasury through the office of some assistant or some subordinate of these three great departments. These departments down here, as I understand, are also to administer the law. They have no business whatever to pass upon claims and to adjudicate legal questions and technical questions, and while during the war and immediately after in the great pressure Congress had established a precedent somewhat akin to this method now we are to go further away from constitutional conditions. It is time that we should go back and put these people where they belong and take away this extraterritorial jurisdiction, so to speak, from the administrative offices of the Government. For that reason I am opposed to conferring the authority contained in this bill.

Mr. PARKER of New Jersey. Mr. Chairman, I offer an amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, I desire to offer an amendment.

Mr. MANN. And I desire to be heard in opposition to the amendment that is pending.

The CHAIRMAN. The gentleman has already offered an amendment.

Mr. PARKER of New Jersey. I desire to offer an amendment to the amendment.

The CHAIRMAN. Is the amendment of the gentleman from Tennessee to the amendment?

Mr. DAVIS of Tennessee. No.

Mr. PARKER of New Jersey. I have an amendment to the amendment.

The CHAIRMAN. I think the Chair would have to recognize the gentleman from Illinois [Mr. MANN] in opposition to the amendment, pending the recognition of some other Member to offer an amendment to the amendment. The gentleman from Illinois [Mr. MANN] is recognized.

Mr. MANN. Mr. Chairman, the report in this case states, as the gentleman from Massachusetts [Mr. WALSH] has already called the attention of the committee to, that the Secretary of War, the Secretary of the Navy, and the Attorney General stated that the Interdepartmental Radio Board was appointed by "our

selves." The letter stating this is dated May 14. They went into office on March 4, and having said that they, "ourselves"—and everybody knows what "ourselves" means—had appointed this Interdepartmental Board and stated that the board had been in operation for three years. That of itself is an indication of the whole thing.

The Secretary signed this letter automatically, without knowing what was in it, and prepared by somebody in one of the departments. Who was authorized to name the board in the first place? Where was any authority granted by Congress to these three department heads to settle claims of this kind against the Government? There was no authority. Proceeding without authority to begin with, and then having proceeded without authority, they assume that they can settle these questions better than somebody else properly authorized to settle them.

This bill does not settle any claims at all. It authorizes the payment of claims to men who are satisfied with what they get; it does not settle any claims if a man is not satisfied with what he gets. It pays claims to people who receive and are satisfied that they are receiving their whole claim, but those who think they have more of a claim can sue in the Court of Claims. That is a one-sided arrangement. It does not give any protection to the Government whatever.

Then, these patent claims are all intricate. They are conflicting. It takes courts after years of testimony sometimes to determine the validity of a patent and the infringement of a patent and whether patents conflict or not. Here it is proposed to have three boys up there, not judicial officers, not judges, not experienced in patent law, perhaps, say that a certain patent covers a certain device used by the Government, and pay one man for that device, while another man claims he owns it. The latter can go into the Court of Claims and can prove that he owns it and the Government has to settle with him. There is no adjudication by this bill. There is no determination by this bill. It is simply giving a chance to those who can reach into the Treasury, but does not shut one single hand out of the Treasury. I believe it is a good time to stop this thing of presenting bills and claims without merit, simply because somebody wants them. [Applause.]

Mr. DAVIS of Tennessee. Mr. Chairman, I move to amend the amendment offered by the chairman of the committee, by striking out the figures "2,500,000" on page 2, line 13.

Mr. MANN. That is not an amendment to the amendment.

Mr. DAVIS of Tennessee. He moves to amend by adding the dollar mark in front of the figures "2,500,000."

Mr. KAHN. The amendment is certainly not an amendment to my amendment.

Mr. PARKER of New Jersey. Mr. Chairman, I offer an amendment.

Mr. GOODYKOONTZ. Mr. Chairman—

Mr. DAVIS of Tennessee. Mr. Chairman, I move to amend his amendment by offering a substitute to strike out the figures "2,500,000."

Mr. MANN. That is not a substitute. We should proceed to present these amendments in an orderly way.

Mr. GOODYKOONTZ. I rise to submit a preferential motion.

The CHAIRMAN. The Chair thinks that the proper way would be to dispose of the amendment now before the House and then take up the other ones.

Mr. PARKER of New Jersey. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey to the amendment offered by Mr. KAHN: Before the dollar sign insert the words "not more than," so as to read, "not more than \$2,500,000."

Mr. PARKER of New Jersey. Mr. Chairman, I would like to be heard on that.

Mr. GOODYKOONTZ. I offer a preferential amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not care anything about it, but of course that is no more an amendment to the amendment than was the one proposed by my colleague.

The CHAIRMAN. It is offered for that purpose, and the Chair can not pass upon it—

Mr. GARRETT of Tennessee. Then I make the point of order that it is not an amendment to the amendment.

Mr. PARKER of New Jersey. Mr. Chairman, when they insert a certain thing I can add something to the amount that was inserted, and I add the words "not more than" to the dollar mark.

Mr. KAHN. Mr. Chairman, my amendment simply proposed to add the dollar sign. Now, I think the gentleman is

clearly in order if he endeavors to amend the amendment by adding additional words that are not found in the bill.

Mr. FESS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FESS. If it is an amendment to the amendment, would it not be virtually "not more than a dollar sign"?

The CHAIRMAN. The Chair was under the impression when the amendment was offered inserting the dollar sign that it was not more than the amount provided in the bill. Now, this amendment provides that the words "not more than" shall precede the dollar sign. The Chair is inclined to believe that this amendment would be an amendment to the amendment, and so holds.

Mr. PARKER of New Jersey. Mr. Chairman, I hope I may not be limited absolutely to five minutes, because the committee does not understand this bill.

During the war the United States absolutely seized the use of all radio patents, for which there were 2,500. They seized the use of the great initial patents of the Marconi Co., and all sorts of improvements on them that are mentioned in the hearings. Suits were brought against Government contractors whom the Government had guaranteed and warranted in putting those machines in their vessels, or in manufacture, or whatever they might be. Hundreds of suits were pending, and the Government sent word to the courts and to the litigants, saying, "We can not try these suits now and take our experts away from this work. Stop the suits, and we will do justice by you." And they stopped their suits.

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

Mr. PARKER of New Jersey. Yes.

Mr. WOODRUFF. Is it not a fact that the Government also seized upon the persons of something more than 4,000,000 young men?

Mr. PARKER of New Jersey. We have tried to take care of the young men. Now we are trying to take care of these patentees whose property was confiscated by the Government. They made no objection, because they were patriots, just as the young men did not make objection. Now, at the end of the war here is this fact—the United States used the great radio patents. There were 2,500 patentees who could bring suits in the Court of Claims on their various patents against the Government under the claims act, and certainly they could sue the contractors of the Government who used these devices all over the United States, and the question is, What can be done that is just? There ought to be some way of disposing of the matter, as is done in claims against a vessel, by bringing everybody into court. There is no way of doing it through the Court of Claims. It is not practicable to have lawyers and agents going over the country separately litigating these cases and seeing that they do not interfere with each other. It would be interminable. And so, Mr. Chairman, the United States appointed a board of experts, assisted by the Attorney General, who sent word to everybody, saying, "We are going to try and adjust this matter in a fair way," and about three or four hundred patentees came before them. The rest were indifferent and would not come, and only two of them have said that they would not be bound by the decisions of this board, namely, the De Forest Co., with \$2,000,000 involved, and another concern with \$150,000 involved, both of which cases the board thought had no merit and was willing to defend the cases in court. There were other claims that were serious, including that of the Marconi Co., amounting to \$14,300,000, as they stated them, and other claims stating no figures, all aggregating \$30,000,000, and the claimants were willing to make an agreement to satisfy all these claims, amounting to \$30,000,000 by the payment of \$2,500,000. The United States officials state in their report how much they will pay to each claimant, and this bill authorizes them to go ahead and make that settlement. It is a fair thing, and for the benefit of the Government. [Applause.]

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. KAHN. Mr. Chairman, I ask unanimous consent that the time of the gentleman from New Jersey be extended five minutes.

The CHAIRMAN. The gentleman from California [Mr. KAHN] asks unanimous consent that the time of the gentleman from New Jersey [Mr. PARKER] be extended five minutes. Is there objection?

Mr. BLANTON. I object.

The CHAIRMAN. Objection is heard.

Mr. GOODYKOONTZ. Mr. Chairman, I move to strike out the enacting clause of the bill.

The CHAIRMAN. The gentleman from West Virginia moves to strike out the enacting clause.

Mr. GRAHAM of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GRAHAM of Illinois. Is it not in order to recognize somebody in opposition to the amendment before this motion is acted upon?

The CHAIRMAN. It is always in order to move to strike out the enacting clause.

Mr. GRAHAM of Illinois. That is true; but the gentleman from New Jersey [Mr. PARKER] offered an amendment to the amendment and debated it in the affirmative, and I think recognition should be given to some one against it.

The CHAIRMAN. The Chair having recognized the gentleman from West Virginia, he thinks he ought to be allowed to proceed.

Mr. GOODYKOONTZ. Mr. Chairman and gentlemen of the House, this Congress is in extraordinary session. I think it was the purpose and desire of the Executive in assembling this Congress in extraordinary session that the Congress should attend to matters of extraordinary importance—legislation affording relief in matters that could not wait, including tariff revision, tax revision, relief for our soldiers, and the peace resolution, ending the war and repealing the war laws. It was never intended that Congress should stay in session all summer long, and that Members have dinned into their ears by every committee of the House arguments in favor of the enactment of bills of all sorts and character. It was never intended that Congress should at this extra session take up and consider miscellaneous war claims, of which there are billions floating around. There are but few Members present, and the attendance will grow smaller as the days go by, and if Congress should continue in session and measures of this character were allowed consideration the country would be in constant danger.

The bill before us authorizes the appropriation of \$2,500,000 to be credited on claims aggregating \$30,000,000 asserted by certain people for alleged infringements of alleged patents relating to radio communication during the war. The recommendation of the Military Affairs Committee is that we vote out of the Treasury, as a starter, two and one-half millions of dollars, and as many more millions of dollars as the so-called interdepartmental committee shall see fit to dish out to Tom, Dick, and Harry for alleged infringement of patents. These claims are nebulous—as thin as air and as weak as skimmed milk. The Government, in justice, does not owe them, and they ought not to be paid.

Mr. Chairman and gentlemen of the House, the time has come when we should assert our independence of all committees and exert ourselves to defeat measures of this kind. [Applause.]

A gentleman suggested that if these patent holders had not come forward with their inventions and patents the Government could not have operated and we would not have won the war. I will say that if they had not come forward they ought to have been hanged. That is what I have to say about it. [Applause.]

And so we see here an effort to push ahead of meritorious measures a bill for the relief of tramp corporations that have patented so-called inventions for radiogram communication, and I will venture the suggestion that not a few of them never were able to radiate anything more than a lot of hot air. [Laughter.] And that is what we have been treated to this afternoon by some of those in support of this bill. I am in favor of defeating the bill, and I shall move to strike out the enacting clause. As the gentleman from Massachusetts [Mr. WALSH] has well said, this Government ought in time of war to have the power to use freely the patents issued by it, because the rights of the patentee are nothing more nor less than a grant without consideration—an act of mere grace by the Government of the United States. [Applause.]

A number of claims have not been paid. Many public-spirited men and women in this country all during the war devoted all their time and their energy, without money and without price, to help win the war. The soldiers, as has been suggested by a Member this afternoon, went forward and fought, and many of them bled and died, and yet those living have not been compensated. Their bill for claims has been sidetracked in the Senate, while this bill is being given right of way in the House. The dead can not be compensated, for they are gone to the dominions of silence.

If the claims of the Aerograph people be just, let them go to the Court of Claims and there vindicate their rights, if any they have. [Applause.]

Mr. DAVIS of Tennessee. Mr. Chairman, I ask to be recognized on the amendment just offered by the gentleman from West Virginia [Mr. GOODYKOONTZ].

The CHAIRMAN. For or against the amendment?

Mr. DAVIS of Tennessee. I ask to be recognized against it in order that I may speak for it. [Laughter.]

The CHAIRMAN. The gentleman from Tennessee [Mr. DAVIS] is recognized for five minutes.

Mr. DAVIS of Tennessee. Mr. Chairman and gentlemen, in the first place I do not know how it happened that this bill got before the Committee on Military Affairs. It should have been referred to the Committee on the Merchant Marine and Fisheries, the only committee of the House that has any jurisdiction over radio matters, and the committee which has handled all other radio matters which have been legislated upon by this House and the only committee that knows very much about the subject, judging from the action and report on the bill under consideration.

We have here the anomalous situation of a bill being introduced for the relief of men who so far failed to come into court with clean hands; that according to the report there were 2,500 patents involved and over 400 claimants, and after investigating them this board decided that there were only claims of 7 concerns as to 27 patents that were meritorious. They propose to pay these 7 claimants \$2,500,000 for claims aggregating over \$14,000,000 for 27 patents.

Mr. WARD of North Carolina. Will the gentleman yield for a question?

Mr. DAVIS of Tennessee. For a brief question.

Mr. WARD of North Carolina. Can the gentleman tell us what standard of measurement of damages they adopted?

Mr. DAVIS of Tennessee. No; we have no light on that subject. Now, in the hearings are set out these seven claimants whose claims it is proposed to recognize and who are to be paid this \$2,500,000. In that list is the Marconi Wireless Telegraph Co., with a claim of \$6,000,000. This Government purchased from that same company during the war, as I thought, most, if not all, of their property, and paid several million dollars for it, and that which they did not purchase they took over under the radio act, and, as I understand, have paid the Marconi Co. for the use of it. I can not understand how they could still have any claim against the Government. Yet it is one of the seven claims that are recognized by this board as being meritorious.

That simply gives you an indication of what this bill means and the extent to which it will go. These seven claimants have claims to the extent of \$14,860,000, and we are not told the amount of the claims of about 400 other claimants on 2,500 patents that they do not propose to settle and who, of course, will still have the right to go into the Court of Claims and prosecute their claims there.

Furthermore, as has already been suggested, it is proposed to recognize claims accruing "whether prior to, during, or after the war," although the title of the bill states that it is to provide for the "settlement of damages and compensation for infringement of radio patents connected with the prosecution of the war." Furthermore, it proposes, in line 7 of page 1, to settle claims "for or on account of the use or manufacture by or for the United States of any patented invention"; and it was explained by the chairman, as I understood him, that this was to cover devices which the Government had purchased from manufacturing concerns in which infringements had been made upon patents of others by those manufacturing concerns, and upon the theory that if the Government used them it was legally responsible. Now, any lawyer knows, and for that matter every sensible man knows, that, even if the Government is liable at all in a case of that kind, it can be only a secondary liability. These infringing manufacturing concerns would certainly be primarily liable for the infringement of the patent, no matter by whom used. And yet this bill proposes to authorize the settlement of such claims before it has even been judicially determined that such manufacturing concerns have infringed upon any patents in the manufacture of apparatus sold to the Government, and, of course, before efforts have been exhausted to first hold responsible such manufacturing concerns, if guilty of infringement. It is a preposterous proposition. This is a vicious bill, and the motion to strike out the enacting clause should prevail. [Applause.]

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

Mr. GRIFFIN. Mr. Chairman, I ask for recognition.

Mr. KAHN. Mr. Chairman, a parliamentary inquiry. Under the rules of the House has not any Member the right to speak in opposition to the amendment? The two speeches that have been made so far have been in favor of the amendment. I understand that the gentleman from New York [Mr. GRIFFIN] desires to speak against the amendment.

Mr. GRIFFIN. That is correct.

Mr. MANN. Mr. Chairman, I move that all debate on the amendment to strike out the enacting clause close in five minutes.

Mr. WINGO. A parliamentary inquiry. Is this debate running under the 5-minute rule?

The CHAIRMAN. Yes.

Mr. WINGO. Is not the debate already exhausted?

The CHAIRMAN. If the committee desires to give five minutes more, it can do so.

Mr. BLANTON. I make the point of order, first, that under the rule the motion to strike out the enacting clause is not debatable, although chairmen have held that it is.

Mr. MANN. The gentleman ought to go and study the rules.

Mr. BLANTON. Chairmen of the Committee of the Whole have held on various occasions that there may be two speeches, and two only, upon a motion to strike out the enacting clause.

Mr. MANN. What is the point of order against my motion, if the gentleman has one?

Mr. WINGO. The point of order is that the debate is already exhausted.

Mr. MANN. That is not a point of order against my motion.

Mr. WINGO. The gentleman's motion was to close debate on this amendment.

Mr. MANN. Yes; in five minutes.

Mr. WINGO. And I make the point of order that debate is already exhausted.

Mr. MANN. That is another question. That is no point of order against my motion.

Mr. WINGO. It is if the debate is already exhausted.

Mr. GRIFFIN. The gentleman's motion has the effect of extending the debate.

Mr. KAHN. The rule allows five minutes for and five against the motion?

The CHAIRMAN. What is the gentleman's point of order?

Mr. WINGO. I make the point of order that under the rules debate is exhausted.

Mr. FIELDS. I make the point of order that there has been no debate against the motion.

Mr. MANN. The point of order is not against my motion.

Mr. WINGO. The motion is to close debate, and I make the point of order that debate is exhausted under the rule, and you can not do that in committee.

Mr. MANN. The gentleman makes the point of order that debate is exhausted, but that has nothing to do with the motion I made. I insist that the point of order does not lie against the motion I made.

Mr. WINGO. Debate is already exhausted.

Mr. MANN. Debate is not already exhausted as far as that is concerned.

The CHAIRMAN. The Chair will rule that debate has not been exhausted, because there has been no debate in opposition to the preferential motion.

Mr. WINGO. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. If debate is not exhausted, anybody opposed to the amendment is entitled to five minutes without motion, and it is mere surplusage.

The CHAIRMAN. The Chair will rule that debate is not exhausted on the amendment, and the motion of the gentleman from Illinois is the question before the committee.

The question was taken, and the motion was agreed to.

Mr. GRIFFIN. Mr. Chairman and gentlemen of the committee, I judge from the way the debate has drifted that Members have jumped to a very hasty conclusion in regard to the purport of this bill. I am not on the Military Committee. I am opposed politically to the majority of the committee, and yet I must frankly say, after mature consideration, that I think this is a perfectly defensible bill; not only defensible but highly meritorious, in that it puts an end to litigation. The Secretaries of the Navy and War and the Attorney General in forming this interradio board displayed mighty good judgment, and the interradio board, in disposing of these claims without litigation, has accomplished a wonderful, commendable piece of work.

Now, gentlemen, have patience, do not rant wildly against this thing simply because it means the expenditure of \$2,500,000. Why, suppose these claimants should be driven into the courts to enforce their claims. Do you not see that they might hang there for years and that the delay might not be more injurious to them than to the Government itself? Suppose some of these devices commandeered during the war should jump into great

importance. To-day they can be bought for a song. To-morrow they may be worth millions of dollars. It takes from 5 to 20 years to decide these patent claims in our courts. When the cases are decided the Government, some day in the future, is likely to be mulcted out of millions.

Mr. KAHN. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. KAHN. The claim of the Marconi Co., one of the chief basic patents, is for \$6,000,000.

Mr. GRIFFIN. Yes. Gentlemen talk about this interradio board not being the proper tribunal in which to hear claims. What of that? Are we here to protect the Government or to make lawsuits? One would imagine that there was a lawyers' union and that their representatives in the House were determined that nothing shall be done unless done by the lawyers. We really ought to thank God that these men had common sense enough to settle these claims without putting them in the hands of lawyers and without compelling the claimants to go to law.

Mr. STEVENSON. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. STEVENSON. If the Marconi claim is \$6,000,000 and there are 27 other claims, they must think that their claims are not worth very much if they are willing to settle for \$2,500,000.

Mr. GRIFFIN. I will answer that. A compromise is always possible where there is a certain amount of patriotism involved. These ideas and devices were taken by the Government during the war, and I think you visualize the reason.

Mr. KAHN. They were promised that if they would take this money the claims should be settled up very quickly.

Mr. ARENTZ. Will the gentleman yield?

Mr. GRIFFIN. Yes.

Mr. ARENTZ. I want to say to the gentleman from New York that I am not a lawyer, but if they started out with four hundred and odd claims with the idea of settling with seven claimants with 27 patents for \$100,000 for every patent, or approximately \$425,000 for each of the seven claimants, in my estimation this committee has not done very much toward the settlement of the four hundred and odd claims.

Mr. GRIFFIN. That is a hasty conclusion and wrong in its figures, too. I am willing to give the interradio board the credit of exercising judgment and discrimination in the exclusion of the unjust claims. Here we have an adjudication practically upon 149 patents, and out of all they find only 27 claims worthy of allowance, which the Government can settle for \$2,500,000. I am bound to say that I consider this a very commendable achievement.

Rather caustic reference has been made to the letter of Secretaries Weeks and Denby, which is also signed by Attorney General Daugherty, and it is pointed out that they take the credit for the appointment of the interdepartmental radio board, although it has been working on these claims for three years. It is said, in effect, "We have found Cabinet members in a lie. They had only been in office two months when the letter of May 14 was written. Notwithstanding the apparent paradox, let me advise the learned gentlemen who are so hasty to criticize that the present Cabinet officials have full right in an official communication, signed with their official titles, to accept responsibility for the official acts of their predecessors. The man may change, but the office remains. There is no interregnum. They were, therefore, right when they said the board was appointed by themselves."

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GRIFFIN. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. Is there objection?

Mr. WALSH. Mr. Chairman, I object.

The CHAIRMAN. The question is on the motion of the gentleman from West Virginia to strike out the enacting clause: The question was taken; and on a division (demanded by Mr. GRIFFIN) there were—ayes 87, noes 11.

Mr. GRIFFIN. Mr. Chairman, I demand tellers, and pending that I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from New York makes the point of order that there is no quorum present. The Chair will count.

Mr. GRIFFIN (interrupting the count). Mr. Chairman, I withdraw the point of no quorum.

The CHAIRMAN. One hundred and twenty Members present, a quorum.

Mr. GRIFFIN. Mr. Chairman, I withdraw the request for tellers.

Mr. MANN. Mr. Chairman, I move that the committee do now rise and report the bill with the recommendation that the enacting clause be stricken out.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SCOTT of Michigan, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7111 and had directed him to report the same back to the House with a recommendation that the enacting clause be stricken out.

Mr. MANN. Mr. Speaker, I move the previous question on the recommendation of the committee.

The previous question was ordered.

The SPEAKER. The question is on striking out the enacting clause.

The question was taken, and the enacting clause was stricken out.

On motion of Mr. MANN, a motion to reconsider the vote by which the enacting clause was stricken out was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. HAWES, for 10 days, to appear in Jefferson City, Mo., to attend hearings on good-roads legislation before the Missouri State Legislature.

To Mr. BANKHEAD, indefinitely, on account of important business.

To Mr. CLOUSE, indefinitely, on account of important business.

To Mr. WHEELER, indefinitely, on account of illness in family.

To Mr. KNUTSON, indefinitely, at the request of Mr. NEWTON of Minnesota, on account of illness.

NORWEGIAN SHIP "INGRID."

The SPEAKER. The Chair lays before the House the following message from the President of the United States.

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

The SPEAKER. Does the gentleman desire to press his point before the reading of the message?

Mr. BLANTON. At the request of the minority leader, I withdraw the point of no quorum for the present.

The Clerk read the message, as follows, which, with the accompanying papers, was referred to the Committee on Foreign Affairs:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against the Government of the United States based on the action of the authorities of Hudson County, New Jersey, in holding for their appearance as witnesses in a criminal case in that county, in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that, as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

In view of the comparatively small amount of this claim and in view of the lapse of time since the case was first presented to the Congress, I hope that provision may be made for the payment thereof at an early date.

WARREN G. HARDING.

THE WHITE HOUSE, July 22, 1921.

MUSCLE SHOALS.

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing therein a letter from Henry Ford to Gen. Beach, containing an offer for the lease and future operation of Muscle Shoals.

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

Mr. MANN. Mr. Speaker, I understand this is the official letter released by the Secretary of War?

Mr. HULL. Yes.

Mr. GARRETT of Tennessee. It is a photostat copy of the letter released by the Secretary of War.

The SPEAKER. Is there objection?

There was no objection.

The letter referred to is as follows:

DEARBORN, MICH., July 8, 1921.

Gen. LANSING H. BEACH.

Chief of Engineers, United States Army,
Washington, D. C.

Sir: In response to your advice that the Government invites an offer for the power at the Muscle Shoals Wilson Dam on my part or on the part of a company to be formed by me (and throughout this proposal to be called "the company," I hereby and through you place at the disposal of the President, the Secretary of War, and Congress the following tender:

1. If the United States will promptly resume construction work on the Wilson Dam and as speedily as possible complete the construction of the dam and progressively install hydroelectric facilities and equipment for generating 600,000 horsepower, then the company will agree to lease from the United States the Wilson Dam, its power house, and all of its hydroelectric and operating appurtenances, together with all lands and buildings owned by the United States connected with and adjacent to either end of the Wilson Dam, for a period of 100 years from the date of the completion of the dam and its power-house facilities; and the company will pay to the United States 6 per cent on the remaining cost of the locks, the dam, and power-house facilities, taken at \$20,000,000, in payments of \$1,200,000 annually, except that during the first six years of the lease period payments shall begin and be made annually as follows:

Two hundred thousand dollars one year from the date when 100,000 horsepower is generated and continuously ready for service, and thereafter \$200,000 annually at the end of each year for five years. After the first six years payment of \$1,200,000 shall be made annually at the end of each calendar year during the lease period.

2. At the beginning of the seventh year of the lease period and annually thereafter the company will pay to the United States a sum not greater than \$39,537 to retire during the remaining period of 94 years the total cost of the Wilson Dam and its power house, substructures, superstructures, machinery, and appliances, including locks, all taken at \$40,000,000, the sinking-fund investments to bear the highest rate of interest obtainable, but not less than 4 per cent per annum.

3. The company will further agree to pay to the United States \$35,000 annually for repairs, maintenance, and operation of the dam, gates, and locks at Wilson Dam, all repairs, maintenance, and operation of the same to be under the direction, care, and responsibility of the United States during the 100-year period.

4. The company will furnish the United States free of charge, delivered at a point on the lock grounds designated by the Chief of Engineers, electric power not to exceed 200 horsepower for the operation of the locks.

5. If the United States shall accept the above proposal for leasing the Wilson Dam and its power installation, then as a condition of acceptance the company will ask that immediately upon release of suitable construction equipment and facilities at the Wilson Dam and upon the release of labor forces the United States will forthwith proceed to construct and fully complete with reasonable promptness Dam No. 3 as designed and proposed by the United States engineers, the power installation at Dam No. 3 to be taken in this proposal at 250,000 horsepower.

6. When the lock, dam, and power-house installations at Dam No. 3 are completed the company offers to lease Dam No. 3, its power house, and all of its hydroelectric and operating appurtenances for a period of 100 years from the date of the completion of the dam and its power-house facilities, and the company will pay to the United States 6 per cent on the cost of the dam, lock, and power-house facilities taken at a cost of \$8,000,000 in payments of \$480,000 annually, except that during the first three years of the lease period payments shall begin and be made annually as follows:

One hundred and sixty thousand dollars one year from the date when 80,000 horsepower is generated and continuously ready for service, and thereafter \$160,000 annually at the end of each year for two years. If and when after the first three years the entire power-house generating equipment of 250,000 horsepower is continuously ready for service, payments of \$480,000 shall be made annually at the end of each calendar year during the remaining 97 years of the lease period.

7. At the beginning of the fourth year of the lease period and annually thereafter the company will pay to the United States a sum not greater than \$7,010 to retire during the remaining period of 97 years the total cost of Dam No. 3 and its power house, substructures, superstructures, machinery, and appliances, including locks, all taken at \$8,000,000, the sinking fund investments to bear the highest rate of interest obtainable, but not less than 4 per cent per annum.

8. The company will further agree to pay to the United States \$20,000 annually for repairs, maintenance, and operation of dam, gates, and lock at Dam No. 3, all repairs, maintenance, and operation of the same to be under the direction, care, and responsibility of the United States during the 100-year period.

9. The company will furnish the United States free of charge at Dam No. 3, to be delivered at a point on the lock grounds designated by the Chief of Engineers, electric power not in excess of 100 horsepower for the operation of the lock.

10. If the United States shall accept the above several proposals in their entirety, then the company offers to purchase from the United States the following properties, viz:

(a) All of the property at nitrate plant No. 2 and its adjacent steam-power plant, land, buildings, material, machinery, fixtures, equipment, apparatus, appurtenances, tools, supplies, and the right, license, and privilege to use any and all of the patents, processes, methods, and designs which have been acquired by the United States (and which the United States has a right to transfer and assign the use of to any purchaser of nitrate plant No. 2), together with the sulphuric-acid units now in storage on the premises.

(b) All of the properties of the United States at nitrate plant No. 1, its steam power plant, land, buildings, material, machinery, fixtures, equipment, apparatus, appurtenances, tools, supplies, and the right, license, and privilege to use any and all of the patents, processes, methods, and designs appertaining to said nitrate plant No. 1, which have been acquired by the United States; but nitrate plant No. 1 shall not be operated as an air nitrogen fixation plant as designed to be.

(c) All of the property at the quarry of the United States, known as the Waco Quarry, including all material, buildings, quarry tracks, machinery, railroad tracks, tools, and other equipment.

(d) Also the steam plant, built and owned by the Government at Gorgas, Ala., on the Warrior River, including material, buildings, machinery, fixtures, apparatus, appurtenances, tools, supplies, and the transmission line from the Gorgas steam plant to nitrate plant No. 2, at Muscle Shoals; the United States to acquire title to the right-of-way lands necessary along the transmission line, and also to acquire the title to the land and site occupied by the steam plant and by all Government buildings and other structures at the Gorgas steam plant.

For the foregoing plants and other properties, as set forth and described above under a, b, c, d, the company offers to pay the United States five million dollars (\$5,000,000), the terms of payment to be agreed upon between the Secretary of War and the company, the Secretary of War having the authority to dispose of said plants and other properties as above enumerated.

11. At any time prior to the expiration of said lease period of one hundred (100) years, the company shall have the right to negotiate with the Government for a renewal of the leases for the two above dams, their power houses, etc. In the event of disagreement as to terms of the renewal, the United States and the company shall each appoint an arbitrator, and these arbitrators shall choose a third. The decision of the arbitration board of three shall be final and binding upon both parties.

12. If the United States agrees to sell, and the company purchases these several properties, nitrate plants, quarry, steam power plants, transmission lines, etc., and at prices and on terms mutually satisfactory, the company will operate nitrate plant No. 2 to approximate present capacity in the production of nitrogen and other fertilizer compounds, with the following special objectives:

(a) To determine by research on a commercial scale whether by means of electric furnace methods and industrial chemistry, there may be produced fertilizer compounds of higher grade and at cheaper prices than the fertilizer-using farmers have in the past been able to procure, and to determine whether in a broad way the application of electricity and industrial chemistry may do for the agricultural industry of the country, what they have economically accomplished for other industries.

(b) To maintain nitrate plant No. 2 in a state of readiness to be promptly operated in the manufacture of materials necessary in time of war for the production of explosives.

13. If the above offers of the company are accepted by the United States, and if the agreement between the Secretary of War and the company can be made for the purchase of the above-described properties, it will naturally and reasonably follow that the buyers of fertilizers, will desire to be assured that fertilizers produced at nitrate plant No. 2 shall be sold at fair prices and without excessive profits.

14. To meet this reasonable expectation on the part of the farmers of the country who buy fertilizer, the company proposes that the maximum net profit which it shall make in the manufacture and sale of fertilizer products at nitrate plant No. 2, shall not exceed 8 per cent. The company also suggests that a board be created composed of officially designated members and representatives of farmers' national organizations, such as the American Farm Bureau Federation, the National Grange and the Farmers' Union, together with a representative from the Bureau of Markets of the Agricultural Department (to be an ex officio member of this board, serving in an advisory capacity, without right to vote) and two representatives of the company. It is expected that the board shall have access to the books and records of the company at any reasonable time, and that its duty shall be to investigate costs and revenues and to determine, for public information, whether the profits of the company are being kept within the established limit of 8 per cent, as above set forth; and it is also suggested that this board determine upon the territorial distribution of fertilizers produced at nitrate plant No. 2. If and when this board can not agree upon its findings and determinations, then the points of disagreement by the board, at any time, shall be referred to the Federal Trade Commission for arbitration and settlement, and the decision of the Trade Commission shall be final and binding upon the board.

15. Whenever, in the event of war, the United States shall require any part of the operating facilities of nitrate plant No. 2, for the production of materials necessary in the manufacture of explosives, then the United States shall have the immediate right, upon notice to the company, to take over and operate the same for the national defense of the country, and the company will supply the United States with hydroelectric power necessary for such operations, together with the use of all patented processes which the United States may need in time of war for munition purposes, and which the company owns and has the right to use, and any of the company's personnel and operating organization, required in times of war for operating any part of nitrate plant No. 2, in the manufacture of materials for explosives, shall be at the disposal of the United States. All duly authorized agents and representatives of the United States shall have free access, at all reasonable times during the lease period, to inspect and study all of the operations, chemical processes, and methods employed by the company at nitrate plant No. 2, provided such agents and representatives shall not use the information and the facts about any of the company's operations, except for the benefit and protection of the United States.

16. It will be obvious to you that, should the above proposals and offers of the company be accepted by the United States, there will be many details in the lease and purchase agreements to be worked out; but it is believed that the above will furnish all of the information required for decision by the United States upon the tender herein submitted.

17. The above proposals of the company are submitted as a whole and not in part.

18. The plans of the company with respect to its hydroelectric power needs are such that it is hoped that you, and those to whom you refer these proposals, will be able to arrive at prompt decisions regarding the company's offer, and that it can be confidently expected that the undersigned will very soon receive an answer to this communication.

Respectfully,

HENRY FORD.

ADJOURNMENT.

Mr. KAHN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly at (4 o'clock and 42 minutes p. m.) the House adjourned until to-morrow, Tuesday, July 26, 1921, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. KING, from the Committee on Banking and Currency, to which was referred the bill (S. 1811) to amend the Federal farm loan act, as amended, reported the same with an amendment, accompanied by a report (No. 282), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LEHLBACH, from the Committee on Reform in the Civil Service, to which was referred the bill (H. R. 3164) supplemental to an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes" (Public No. 215, Sixty-sixth Cong.), approved May 22, 1920, reported the same without amendment, accompanied by a report (No. 283), which said bill and report were referred to the House Calendar.

He also, from the same committee, to which was referred the bill (H. R. 104) to amend an act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1913, and for other purposes," approved August 24, 1912, reported the same without amendment, accompanied by a report (No. 288), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. CURRY, from the Committee on the Territories, to which was referred the bill (S. 2062) ratifying, confirming, and approving certain acts of the Legislature of Hawaii, granting franchises for the manufacture, distribution, and supply of gas, electric light, and power, and the construction, maintenance, and operation of a street railway, and for other purposes, reported the same without amendment, accompanied by a report (No. 284), which said bill and report were referred to the House Calendar.

Mr. BUTLER, from the Committee on Naval Affairs, to which was referred the bill (H. R. 7264) providing for the transfer to the Regular Navy of certain chaplains of the Naval Reserve Force, reported the same with amendments, accompanied by a report (No. 285), which said bill and report were referred to the House Calendar.

Mr. KALANIANAOLE, from the Committee on the Territories, to which was referred the bill (H. R. 7881) to authorize the governor of the Territory of Hawaii to ratify the agreements of certain persons made with the commissioner of public lands of the Territory of Hawaii, and to issue land patents to those eligible under the terms of said agreements, reported the same without amendment, accompanied by a report (No. 286), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 7908) to authorize and regulate the grazing of live stock on the public domain, and for other purposes; to the Committee on the Public Lands.

By Mr. KAHN: A bill (H. R. 7909) to amend section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 3, 1917, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. RAMSEYER: A bill (H. R. 7910) to amend Title IV of the revenue act of 1918; to the Committee on Ways and Means.

By Mr. FITZGERALD: A bill (H. R. 7911) creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of employees killed in hazardous employments, providing for the administration of such fund by the United States Employees Compensation Commission, and making appropriation therefor; to the Committee on the District of Columbia.

By Mr. UNDERHILL: A bill (H. R. 7912) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case; to the Committee on Claims.

By Mr. BEGG: A bill (H. R. 7913) to extend for the period of 24 months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919,

and for other purposes; to the Committee on the District of Columbia.

By Mr. KISSEL: Joint resolution (H. J. Res. 179) for the relief of ex-service men and women; to the Committee on Ways and Means.

By Mr. IRELAND: Concurrent resolution (H. Con. Res. 25) to authorize the payment of compensation to the operators of Capitol telephone exchange; to the Committee on Accounts.

By Mr. RHODES: Memorial of the Legislature of the State of Missouri, favoring the use of the interest on our loans to foreign countries during the late war in the payment of a bonus to our soldiers of the World War; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BEGG: A bill (H. R. 7914) granting a pension to James W. Tuckerman; to the Committee on Pensions.

By Mr. BOND: A bill (H. R. 7915) for the relief of Philip A. Hertz; to the Committee on Military Affairs.

By Mr. CLOUSE: A bill (H. R. 7916) granting a pension to John F. Beaty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7917) granting a pension to Claiborne Beaty; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7918) to remove the charge of desertion standing against Arkley Christian; to the Committee on Military Affairs.

By Mr. CRAMTON: A bill (H. R. 7919) to remove the charge of desertion from the military record of Aaron Middaugh; to the Committee on Military Affairs.

By Mr. KAHN: A bill (H. R. 7920) for the relief of the United Railroads of San Francisco; to the Committee on Claims.

Also, a bill (H. R. 7921) granting six months' pay to Alice P. Dewey; to the Committee on Naval Affairs.

Also, a bill (H. R. 7922) to authorize the Secretary of War to release a certain right of way no longer needed for military purposes at Springfield Armory, Mass.; to the Committee on Military Affairs.

By Mr. KELLER: A bill (H. R. 7923) for the relief of the Canadian Pacific Railway Co.; to the Committee on Claims.

By Mr. KING: A bill (H. R. 7924) granting an increase of pension to Samuel M. Childs; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 7925) granting a pension to Henry C. Block; to the Committee on Pensions.

By Mr. LANGLEY: A bill (H. R. 7926) granting an increase of pension to Harlin L. Clark; to the Committee on Pensions.

By Mr. LYON: A bill (H. R. 7927) granting an increase of pension to Robert H. Cowan; to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN of Michigan: A bill (H. R. 7928) for the relief of B. G. Oosterbaan; to the Committee on Claims.

Also, a bill (H. R. 7929) granting a pension to William J. Barr; to the Committee on Invalid Pensions.

By Mr. MONTOYA: A bill (H. R. 7930) for the relief of the estate of Reymundo Trujillo, deceased; to the Committee on Claims.

Also, a bill (H. R. 7931) referring to the Court of Claims the claims of the heirs and legal representatives of John P. Maxwell and Hugh H. Maxwell, deceased; to the Committee on Claims.

By Mr. MOORES of Indiana: A bill (H. R. 7932) granting a pension to Emma Wiley; to the Committee on Invalid Pensions.

By Mr. NORTON: A bill (H. R. 7933) to authorize the President of the United States to appoint James Dickson Polley, late a captain in the Ordnance Department of the United States Army, a first lieutenant in the Ordnance Department; to the Committee on Military Affairs.

By Mr. PURNELL: A bill (H. R. 7934) granting a pension to Phebe Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7935) granting a pension to Catherine Moler; to the Committee on Invalid Pensions.

By Mr. SEARS: A bill (H. R. 7936) for the relief of Louisa Frow; to the Committee on Claims.

By Mr. SHELTON: A bill (H. R. 7937) granting a pension to Walter H. Cannon; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 7938) granting a pension to Rosa De Graff; to the Committee on Invalid Pensions.

By Mr. TINCHER: A bill (H. R. 7939) granting a pension to Emma A. Littrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7940) granting a pension to Hannah M. Morris; to the Committee on Invalid Pensions.

By Mr. WEAVER: A bill (H. R. 7941) for the relief of Rufus Hunter Blackwell, jr.; to the Committee on Claims.

By Mr. WHITE of Maine: A bill (H. R. 7942) granting a pension to John W. Fish; to the Committee on Invalid Pensions.

By Mr. CLOUSE: Resolution (H. Res. 160) authorizing and directing the Clerk of the House of Representatives and the Clerk of the Ways and Means Committee of the House of Representatives of the Sixty-sixth and Sixty-seventh Congresses of the United States to disclose by deposition certain minutes and proceedings of said committee, and the vote of former Congressman Cordell Hull, one of its members, on a certain bill referred to said committee; to the Committee on Rules.

By Mr. REAVIS: Resolution (H. Res. 161) authorizing the Committee on the Judiciary to investigate the pardoning of one Thomas H. Matters, to sit during the sessions of the House, to send for persons and papers, to compel the attendance of witnesses, and to administer oaths to witnesses; to the Committee on Rules.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2135. By the SPEAKER (by request): Resolution adopted by the delegates at the Midbiennial Conference of the Federation of Women's Clubs in Salt Lake last month, favoring the passage of the Fess-Capper bill; to the Committee on Education.

2136. Also (by request), petition of Mrs. Julia Ryan and 599 others, of the eleventh congressional district of Missouri, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

2137. By Mr. BEGG: Petition of citizens of the thirteenth Ohio district, praying for relief from 10 per cent sales tax upon bottled carbonated beverages; to the Committee on Ways and Means.

2138. By Mr. BULWINKLE: Petition of C. H. Robinson and 32 residents of Burke and Catawba Counties, in the State of North Carolina, praying for the repeal of the 10 per cent sales tax on manufactures of carbonated beverages, as provided in section 628a of the revenue act of 1918; to the Committee on Ways and Means.

2139. By Mr. COOPER of Wisconsin: Petition of citizens of Waukesha and other citizens of Wisconsin against passage of Sunday observance bill, House bill 4388; to the Committee on the District of Columbia.

2140. By Mr. CRAMTON: Petition of Theodore Stringer and other residents of Lapeer County, Mich., protesting against the passage of Senate bill 1948, known as the Sunday observance bill; to the Committee on the Judiciary.

2141. By Mr. KAHN: Resolution by San Fernando Valley, San Gabriel Valley, San Bernardino Valley, and Shafter Potato Growers' Associations, of California, denouncing the present high freight rates and urging relief and an investigation of freight rates on California vegetables; to the Committee on Interstate and Foreign Commerce.

2142. By Mr. KIESS: Resolution from Miners' Local Union 1924, of Bitumen, Pa.; to the Committee on Mines and Mining.

2143. By Mr. KNUTSON: Petition of Auxiliary to United Spanish War Veterans, Los Angeles, Calif.; Caroline Steele, Toledo, Ohio; Auxiliary to United Spanish War Veterans, San Francisco, Calif.; General Eugene Griffin Camp, No. 11, United Spanish War Veterans, Schenectady, N. Y.; Walker-Jennings Camp, No. 4, United Spanish War Veterans, St. Louis, Mo.; Auxiliary to United Spanish War Veterans, Long Beach, Calif.; United Spanish War Veterans, Department of Rhode Island, Providence, R. I.; Ida Saxton McKinley Auxiliary, No. 27, United Spanish War Veterans, Long Beach, Calif.; J. R. Beebe, Leavenworth, Kans.; J. C. Annis, Sacramento, Calif.; and Col. Edward Kittilsen Camp, No. 27, Department of Illinois, United Spanish War Veterans, favoring passage of House bill No. 4; to the Committee on Pensions.

2144. Also, petition of Mrs. William Eldridge, of Port Townsend, Wash., and Gen. O. O. Howard Camp, No. 7, National Indian War Veterans, Soldiers' Home, Calif., favoring the passage of House bill No. 5; to the Committee on Pensions.

2145. By Mr. LEHLBACH: Petition of citizens of Newark, N. J., favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

2146. By Mr. MONDELL: Petition of veterans of Spanish-American War, Mexican border service, and Regular Army and Navy men located at Battle Mountain Sanitarium, Hot Springs,

S. Dak., relative to hospital treatment; to the Committee on Interstate and Foreign Commerce.

2147. By Mr. MOORES of Indiana: Petition of 10,000 people of Indiana, asking that 10 per cent sales tax on beverages be removed; to the Committee on Ways and Means.

2148. By Mr. A. P. NELSON: Petition of residents of Price County, Wis., protesting against the passage of House bill 4388; to the Committee on the District of Columbia.

2149. By Mr. RAKER: Petition of Mrs. Fannie Hackney, of Long Beach, Calif., urging the passage of House bill 4, providing for increase in the pensions of widows of Spanish War veterans; to the Committee on Pensions.

2150. Also, petition of the Republican Study Club, of Los Angeles, Calif., indorsing legislation for the relief of ex-service men; to the Committee on Interstate and Foreign Commerce.

2151. Also, petition of J. E. Rhoads & Sons, of Wilmington, Del., indorsing the Sterling bill, Senate bill 1253; International Typographical Union, Indianapolis, Ind., protesting against House joint resolution 171; and International Longshoremen's Association, Buffalo, N. Y., protesting against the importation of Chinese coolie labor into the Hawaiian Islands; to the Committee on Immigration and Naturalization.

2152. Also, petitions of Federal Highway Council, of Washington, D. C., protesting against any tariff on oil; Fred H. Hall, of Bakersfield, Calif., urging tariff on oil; Corning Chamber of Commerce, of Corning, Calif., urging tariff on olives; and Automobile Club of Southern California, of Los Angeles, Calif., protesting against any tariff on oil; to the Committee on Ways and Means.

2153. Also, petition of Tom A. Nerney, of San Francisco, Calif., urging support of increased tariff for almonds; C. L. Preisker, supervisor of Santa Barbara County, Santa Maria, Calif., urging a tariff of 3 cents per pound on foreign beans; to the Committee on Ways and Means.

2154. Also, petition of California Bean Dealers' Association; Poultry Producers of Central California; Harry S. Maddox, State market director; Central California Berry Growers; California Pear Growers' Association; and California Bean Growers' Association, all of San Francisco; Lompoc Valley Chamber of Commerce, Lompoc, Calif.; and California Prune and Apricot Growers' Association, San Francisco, Calif., urging a 3-cent tariff on beans; to the Committee on Ways and Means.

2155. Also, petition of Chico Almond Growers' Association, Chico; M. French Gilman, Banning; and Corning Chamber of Commerce, Corning, all of California, urging increased tariff on almonds; and California Almond Growers' Exchange and 25 other producing interests of California, urging increased tariff protection for basic agricultural industries of California; to the Committee on Ways and Means.

2156. Also, petition of California Almond Growers' Exchange, San Francisco; Antelope Almond Growers' Association, Roseville; H. C. Compton, Chico; I. N. Rosekrans, Winton; A. P. Barrow, Red Bluff; Nelson Realty Co., Arbuckle; United Chambers of Commerce of the Sacramento Valley, Benicia; George X. Fleming, Sacramento; Northern California Counties' Association, Redding; T. C. Tucker, San Francisco; California Almond Growers' Exchange, San Francisco; Heileman, of Berkeley; California Development Board, California Industries Association, San Francisco; Merchants' National Bank, San Francisco, all in the State of California, relative to tariff on almonds; to the Committee on Ways and Means.

2157. By Mr. ROGERS: Petition of J. Stepien and 68 others of Lowell, Mass., favoring the elimination of the 10 per cent sales tax on manufacturers of carbonated beverages in closed containers, now imposed under section 628a of the revenue act of 1918; to the Committee on Ways and Means.

2158. By Mr. ROSSDALE: Petition of the American Legion, national legislative committee, Washington, D. C., favoring the passage of House bill 1 and Senate bill 506; to the Committee on Ways and Means.

2159. By Mr. SMITH of Michigan: Petition of 31 citizens of Battle Creek, Mich., protesting against House bill 4388; to the Committee on the District of Columbia.

2160. By Mr. TAYLOR of Tennessee: Resolution of the First Baptist Church of Alcoa, Tenn., indorsing the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159) and urging its immediate passage; to the Committee on the Judiciary.

2161. By Mr. WALSH: Petition of 36 retailers of carbonated beverages in southeastern Massachusetts, praying for the elimination of certain taxes under sections 628a and 630 of revenue act of 1918; to the Committee on Ways and Means.

2162. By Mr. WEAVER: Petition of various citizens of North Carolina relative to tax on carbonated beverages; to the Committee on Ways and Means.

SENATE.

TUESDAY, July 26, 1921.

(Legislative day of Friday, July 22, 1921.)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhulse, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to the control of its floods.

The message also announced that the House had passed a joint resolution (H. J. Res. 163) authorizing the Secretary of War to loan to the Eighty-eighth Division Association for their reunion at Des Moines, Iowa, tents, cots, mattresses, blankets, and galvanized-iron buckets, in which it requested the concurrence of the Senate.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. KELLOGG obtained the floor.

Mr. McNARY. Mr. President—

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Minnesota yield to the Senator from Oregon?

Mr. KELLOGG. I yield.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Minnesota yield for that purpose?

Mr. KELLOGG. I yield for that purpose, if I shall not lose the floor.

The PRESIDING OFFICER. The Secretary will call the roll.

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

Ashurst	Harris	McNary	Simmons
Ball	Harrison	Moses	Smith
Brandeggee	Heflin	Nelson	Smoot
Broussard	Johnson	New	Spencer
Capper	Jones, Wash.	Newberry	Sterling
Caraway	Kellogg	Nicholson	Swanson
Culberson	Kendrick	Norbeck	Townsend
Curtis	Kenyon	Norris	Trammell
Dial	King	Oddie	Underwood
Dillingham	Ladd	Overman	Wadsworth
Edge	La Follette	Phipps	Walsh, Mass.
Ernst	Lenroot	Poindexter	Walsh, Mont.
Fernald	McCormick	Ransdell	Warren
Fletcher	McCumber	Reed	Watson, Ga.
Gerry	McKellar	Robinson	Watson, Ind.
Hale	McKinley	Sheppard	Willis
Harrell	McLean	Shortridge	

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES], who is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. SMOOT. I desire to announce that the Senator from Pennsylvania [Mr. PENROSE] is detained from the Senate on account of the hearings on the tariff bill before the Committee on Finance. I ask that this notice may stand for the day.

I also wish to announce that the Senator from West Virginia [Mr. SUTHERLAND] is absent because of a death in his family.

I wish to announce also that the Senator from Arizona [Mr. CAMERON] is unavoidably absent.

The PRESIDING OFFICER. Sixty-seven Senators have answered to their names. A quorum is present. The Senator from Minnesota is entitled to the floor and will proceed.

Mr. KELLOGG. Mr. President, I send to the desk an amendment in the nature of a substitute affecting the proposed legislation now under discussion, Senate bill 1915, and ask, as there is no print yet made of it, that it may be read, and I then desire to submit a few remarks upon it.

Mr. NORRIS. Mr. President, I wonder if there will be any objection on the part of the Senator from Minnesota and others, both in the Senate and in the White House and in the Cabinet who have prepared this substitute, to members of the Committee on Agriculture and Forestry remaining in the Senate while it is being read. We have not been able to find out anything about what has been going on for two or three days or to get a copy of the proposed substitute.

Mr. KELLOGG. Mr. President, I think the remarks of the Senator from Nebraska are unnecessary and unjust. Before the proposed amendment is read perhaps I should say that the amendment is offered by me not through any hostility to what the chairman and his committee are attempting to do. I had not expected until late last evening to offer it. The substitute does not represent my ideas entirely. I mean by that that its