

willingly the instrumentality of this organization, but that is the language of the bill, and if Senators favoring it had read it they must have known it.

Mr. President, I promised to yield to the Senator from Alabama [Mr. HEFLIN].

Mr. HEFLIN. Mr. President, I want to submit a few remarks upon this question.

The VICE PRESIDENT. The Chair is in doubt as to whether the Senator from Arkansas yielded the floor.

Mr. LODGE rose.

Mr. HEFLIN. If the majority leader is ready to adjourn until Friday at 12 o'clock, I am willing to yield for that purpose.

Mr. LODGE. I do not think the Senator from Alabama has the floor.

Mr. CARAWAY. I yield the floor.

Mr. HEFLIN. The Senator from Arkansas yielded to me.

Mr. LODGE. The floor can not be handed over by one Senator to another. A Senator has to be recognized by the Chair.

Mr. HEFLIN. He yielded to me, and then I proceeded in my own time.

The VICE PRESIDENT. The Chair was trying to find out whether the Senator from Arkansas yielded the floor.

Mr. CARAWAY. I yielded to the Senator from Alabama; I yield the floor.

Mr. LODGE. Mr. President—

The VICE PRESIDENT. If the Senator from Arkansas has yielded the floor, the Chair is going to recognize the Senator from Massachusetts.

Mr. HEFLIN. Then we ought to have a quorum. Very well; if the Senator wants to make a motion, I will withhold my point of no quorum.

#### ADJOURNMENT OVER THANKSGIVING DAY.

Mr. LODGE. Mr. President, I am satisfied from the inquiries I have made on both sides of the Chamber that it would be almost impossible to get a quorum in the Senate to-morrow, and I think we ought to adjourn over Thanksgiving Day. I move that when the Senate adjourns to-day it be to meet on Friday next at 12 o'clock.

The motion was agreed to.

The VICE PRESIDENT. The Chair will recognize the Senator from Alabama now if he desires recognition.

Mr. LODGE. Unless Senators desire to continue the debate—

Mr. HEFLIN. What was the motion? I was interrupted when the Senator from Massachusetts made a motion.

The VICE PRESIDENT. The motion was that when the Senate adjourns it be to meet on Friday, and the motion has been put and carried.

Mr. LODGE. Unless Senators desire to remain here to carry on the debate—

Mr. HEFLIN. I have no desire to speak now, if it is the wish of the Senate to adjourn.

Mr. LODGE. Very well; then I move that the Senate adjourn.

The motion was agreed to, and the Senate (at 4 o'clock and 55 minutes p. m.) adjourned until Friday, December 1, 1922, at 12 o'clock meridian.

## HOUSE OF REPRESENTATIVES.

WEDNESDAY, November 29, 1922.

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

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

Our heavenly Father, as we are now approaching our national festival day, in which labor ceases and our firesides are made radiant with the joy of thanksgiving, in the sanctity of this quiet moment we would breathe: "Praise ye the Lord!" For the sacrifices, services, and the traditions of our forefathers we give Thee thanks; for the preservation of our free institutions we bless Thee; for bread enough and to spare we offer Thee our tributes of gratitude. Bless our President, the judicial and legislative branches of our Government, and may the spirit of Thy wisdom dwell with them. Be with all governors of the States and all who interpret the laws of our land. Direct our country on its errands of helpfulness. O let us work that which is good toward all men. May the law of justice be in our Nation's conscience, the law of truth in our country's will, the law of love in all hearts and the law of self-denial in all lives. O may the spirit of the Lord God be in the very soul of our Republic. May ignorance and intolerance fade away as the night

before the dawn. Bless all schools, all instruments of education, and all institutions of beneficence. O abide with our Republic and may it always be a defender of the helpless, an example for the oppressed, and a Christian light for the world. Amen.

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

#### THE MERCHANT MARINE.

Mr. GREENE of Massachusetts. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 12817.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were 36 yeas and 22 noes.

Mr. GARRETT of Tennessee. Mr. Speaker, I object to the vote on the ground that there is no quorum present.

The SPEAKER. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 229, nays 99, answered "present" 1, not voting 103, as follows:

#### YEAS—229.

Anderson	Fairfield	Larson, Minn.	Reed, N. Y.
Andrew, Mass.	Faust	Lawrence	Rhodes
Andrews, Nebr.	Fenn	Layton	Ricketts
Appleby	Fess	Lea, Calif.	Riddick
Arentz	Fish	Lee, N. Y.	Roach
Atkeson	Foster	Lehlbach	Robertson
Bacharach	Frear	Lineberger	Rogers
Barbour	Free	Little	Rose
Beck	Freeman	Longworth	Rosendale
Beedy	Frothingham	Luce	Sanders, Ind.
Begg	Fuller	Lubling	Scott, Mich.
Benham	Funk	McDuffie	Scott, Tenn.
Bird	Gahn	McFadden	Shaw
Bixler	Gerner	McLaughlin, Mich.	Shelton
Bland, Ind.	Gifford	McLaughlin, Nebr.	Siegel
Boles	Glynn	McLaughlin, Pa.	Sinclair
Bond	Gorman	McPherson	Slemp
Bowers	Graham, Ill.	MacGregor	Smith, Idaho
Brooks, Ill.	Graham, Pa.	MacLafferty	Snell
Brooks, Pa.	Greene, Mass.	Madden	Snyder
Brown, Wis.	Greene, Vt.	Magee	Speaks
Burdick	Griest	Maloney	Sproul
Burton	Hadley	Mapes	Stafford
Butler	Hardy, Colo.	Merritt	Stephens
Cable	Haugen	Michener	Strong, Kans.
Campbell, Kans.	Hawley	Mills	Strong, Pa.
Campbell, Pa.	Hays	Millsbaugh	Summers, Wash.
Cannon	Henry	Mondell	Sweet
Chalmers	Hersey	Montague	Swing
Chandler, N. Y.	Hickey	Montoya	Taylor, N. J.
Chindblom	Hicks	Moore, Ill.	Taylor, Tenn.
Clague	Hill	Moore, Ohio	Temple
Clarke, N. Y.	Hoch	Moore, Ind.	Thorpe
Clouse	Hogan	Morgan	Tilson
Cole, Iowa	Hul!	Morin	Timberlake
Cole, Ohio	Humphrey, Nebr.	Mott	Tincher
Colton	Husted	Murphy	Towner
Connolly, Pa.	Hutchinson	Nelson, Mo.	Underhill
Cooper, Ohio	Ireland	Nelson, A. P.	Vare
Cooper, Wis.	James	Nelson, J. M.	Voigt
Coughlin	Jeffers, Nebr.	Newton, Minn.	Volk
Crago	Johnson, Wash.	Norton	Volstead
Cramton	Kahn	O'Connor	Walters
Crowther	Kearns	Paige	Ward, N. Y.
Curry	Keller	Parker, N. J.	Wason
Dale	Kelly, Pa.	Parker, N. Y.	Watson
Dallinger	Kendall	Patterson, Mo.	Webster
Darrow	Kennedy	Patterson, N. J.	White, Kans.
Dempsey	Ketcham	Perkins	White, Me.
Dickinson	Kiess	Perlman	Williams, Ill.
Dowell	King	Petersen	Williamson
Dupré	Kirkpatrick	Porter	Woodruff
Echols	Kissel	Pringley	Wurzbach
Edmonds	Kline, Pa.	Purnell	Wyant
Elliott	Knutson	Radcliffe	Young
Ellis	Kopp	Ransley	
Evans	Kraus	Reber	
Fairchild	Lampert	Reece	

#### NAYS—99.

Abernethy	Dominick	Lankford	Sandlin
Almon	Doughton	Larsen, Ga.	Sears
Aswell	Drewry	Lazaro	Smithwick
Bankhead	Driver	Lee, Ga.	Steagall
Barkley	Favrot	London	Stedman
Bell	Fields	Lowrey	Stevenson
Black	Fisher	Lyon	Stoll
Bland, Va.	Fulmer	McClintic	Summers, Tex.
Blanton	Garner	McSwain	Swank
Bowling	Garrett, Tenn.	Mansfield	Tague
Box	Garrett, Tex.	Mead	Taylor, Colo.
Briggs	Gilbert	Moore, Va.	Thomas
Buchanan	Goldsborough	O'Brien	Tillman
Bulwinkle	Hammer	Oldfield	Turner
Burke	Hardy, Tex.	Oliver	Tyson
Byrnes, S. C.	Harrison	Parks, Ark.	Upshaw
Byrnes, Tenn.	Hayden	Pou	Vinson
Carew	Hooker	Quin	Ward, N. C.
Carter	Huddleston	Rainey, Ala.	Weaver
Collier	Jeffers, Ala.	Raker	Wilson
Collins	Johnson, Ky.	Rankin	Wingo
Connally, Tex.	Jones, Tex.	Rayburn	Wise
Crisp	Kincheloe	Rouse	Woods, Va.
Davis, Tenn.	Kindred	Rucker	Wright
Deal	Lanham	Sanders, Tex.	

## ANSWERED "PRESENT"—1.

Sabath

## NOT VOTING—103.

Ackerman	Focht	Kunz	Ryan
Ansorge	Fordney	Langley	Sanders, N. Y.
Anthony	French	Leatherwood	Schall
Blakeney	Gallivan	Linthicum	Shreve
Brand	Gensman	Logan	Sinnot
Brennan	Goodykoontz	McArthur	Sisson
Britten	Gould	McCormick	Smith, Mich.
Brown, Tenn.	Green, Iowa	McKenzie	Steenerson
Burroughs	Griffin	Mann	Stiness
Burtness	Hawes	Martin	Sullivan
Cantrill	Herrick	Michaelson	Taylor, Ark.
Chandler, Okla.	Himes	Miller	Ten Eyck
Christopherson	Huck	Mudd	Thompson
Clark, Fla.	Hudspeth	Newton, Mo.	Tinkham
Classon	Hukriede	Ogden	Treadway
Cockran	Humphreys, Miss.	Opp	Tucker
Codd	Jacoway	Osborne	Vaile
Copley	Johnson, Miss.	Overstreet	Vestal
Cullen	Johnson, S. Dak.	Park, Ga.	Wheeler
Davis, Minn.	Jones, Pa.	Rainey, Ill.	Williams, Tex.
Denison	Kelley, Mich.	Ramseyer	Winslow
Drane	Kitchin	Reed, W. Va.	Wood, Ind.
Dunbar	Kleeska	Riordan	Woodyard
Dunn	Kline, N. Y.	Rolsion	Yates
Dyer	Knight	Rosenberg	Zihlman
Fitzgerald	Kreider	Rosenbloom	

The Clerk announced the following pairs:

On this vote:

Mr. Mann (for) with Mr. Sabath (against).  
 Mr. McArthur (for) with Mr. Clark of Florida (against).  
 Mr. Codd (for) with Mr. Cockran (against).  
 Mr. Smith of Michigan (for) with Mr. Taylor of Arkansas (against).

Mr. Osborne (for) with Mr. Jacoway (against).  
 Mr. Dunbar (for) with Mr. Brand (against).  
 Mr. Ryan (for) with Mr. Williams of Texas (against).  
 Mr. Burroughs (for) with Mr. Kitchin (against).  
 Mr. Kreider (for) with Mr. Overstreet (against).  
 Mr. Newton of Missouri (for) with Mr. Hudspeth (against).  
 Mr. Dunn (for) with Mr. Humphreys of Mississippi (against).

Until further notice:

Mr. Focht with Mr. Logan.  
 Mr. Davis of Minnesota with Mr. Cullen.  
 Mr. Jones of Pennsylvania with Mr. Kunz.  
 Mr. Dyer with Mr. Hawes.  
 Mr. Denison with Mr. Gallivan.  
 Mr. Reed of West Virginia with Mr. Sisson.  
 Mr. Shreve with Mr. Cantrill.  
 Mr. Ramseyer with Mr. Martin.  
 Mr. Michaelson with Mr. Drane.  
 Mr. Langley with Mr. Tucker.  
 Mr. Fordney with Mr. Sullivan.  
 Mr. Thompson with Mr. Linthicum.  
 Mr. McKenzie with Mr. Park of Georgia.  
 Mr. McCormick with Mr. Riordan.  
 Mr. Stiness with Mr. Rainey of Illinois.  
 Mr. Winslow with Mr. Johnson of Mississippi.  
 Mr. Rosenbloom with Mr. Griffin.

The result of the vote was announced as above recorded.

The doors were opened.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union with Mr. TILSON in the chair.

The Clerk reported the title of the bill.

The Clerk read as follows:

## TITLE VII.—MISCELLANEOUS PROVISIONS.

## TRANSPORTATION BY WATER OF GOVERNMENT OFFICIALS.

SEC. 701. (a) Any officer, employee, or agent of the United States, including legislative, judicial, diplomatic, and consular officers, and officers serving in the military or naval forces of the United States, traveling by water, when the expense of such passage is chargeable directly or indirectly to the United States, shall when practicable travel in a public vessel of the United States or a vessel registered, or enrolled and licensed, under the laws of the United States. When passage in such a vessel is not practicable, the voyage may be made in a vessel under a foreign flag only when specifically ordered by the head of the department or other Government establishment concerned or upon order specifically approved by such head of department or other Government establishment, who shall as promptly as possible report each such voyage made in a vessel under a foreign flag, together with the reasons showing necessity therefor, to the board.

(b) Any person subject to the provisions of subdivision (a) who fails to comply therewith in respect to the passage taken shall not be reimbursed for such passage money, or shall be surcharged in his accounts with the United States with the amount thereof, as the case may require.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DAVIS of Tennessee: Page 57, line 13, after the words "to the" strike out the word "board" and insert in lieu thereof the following: "the appropriate official in the Government department of which he is a member."

Mr. DAVIS of Tennessee. Mr. Chairman, I am in full sympathy with the general principle of this section. I think that all Government officials should be required to travel upon American ships whenever possible. My amendment provides that whenever they can not travel on American ships and do travel on a foreign ship, and make a report of the reason why they did so, they should not be required to make such report to the Shipping Board, but they should make it to their own department. The section provides that any officer, employee, or agent of the United States, including legislative, judicial, diplomatic and consular officers, and officers serving in the military or naval forces of the United States, traveling by order, when the expense of such passage is chargeable directly or indirectly to the United States, must make their report not to their own departments but to this all-powerful, autocratic Shipping Board, and that Shipping Board is to determine whether or not they were justified in making such passage, and they are thus given the power to determine whether or not the traveling expenses of such officials shall be paid. I say that no such power should be lodged in the Shipping Board. I say that the powers of other departments of the Government should not be thus invaded, and that such report should be made to the proper official of the department of which the traveling official is a member. That is what my amendment proposes to do, and that is all.

Mr. EDMONDS. The gentleman's amendment, if he wishes to accomplish what he proposes, is not necessary. Any employee who wants to travel in a foreign vessel under this act is required to report to his department and get orders to do so. The only reason the report is made to the board is for the purpose of finding out whether it was necessary for him to do so, and the only place you can find that out is in the board. The board can report back then to the head of the department and say whether he should have taken a foreign ship. If the gentleman wants to make the statement that this is something new for the autocratic board, to say whether a man can travel in a ship or not, then let anyone read the section, and he will see that it is not so.

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

Mr. EDMONDS. Yes.

Mr. LEHLBACH. Is not the gentleman from Tennessee [Mr. DAVIS] in error when he says that the officer, employee, agent, and so forth, must report to the Shipping Board? Does not the section say that the report shall be made to the head of the department?

Mr. EDMONDS. That is correct.

Mr. LEHLBACH. And the head of the other department is the sole person who may order these people to travel on the foreign ships.

Mr. EDMONDS. That is correct.

Mr. LEHLBACH. And the only report made to the Shipping Board is of that fact, not by the subordinate but by the head of the department, so that the board may have a record of it.

Mr. EDMONDS. That is correct.

Mr. DAVIS of Tennessee. But I call attention to the fact that, in lines 11 and 13, this section expressly provides—

who shall as promptly as possible report each such voyage made in a vessel under a foreign flag, together with the reasons, showing necessity therefor, to the board.

The very next section provides that they shall not be paid unless the reasons are accepted.

Mr. EDMONDS. Will the gentleman read lines 9 and 10?

Mr. DAVIS of Tennessee. Oh, yes; they may also report, but the final report is to be made to the Shipping Board.

Mr. EDMONDS. By the head of the other department. That is what it says—by the man who gives them permission to ride on a foreign ship. He makes the report to the Shipping Board.

Mr. DAVIS of Tennessee. It says—

when specifically ordered by the head of the department or other Government establishment concerned or upon orders specifically approved by such head of department or other Government establishment.

That is, when he is ordered to make the trip.

Mr. EDMONDS. Yes.

Mr. DAVIS of Tennessee. But the report of his reasons for traveling on a foreign ship shall be made to the board.

Mr. EDMONDS. By the head of the department.

Mr. DAVIS of Tennessee. Oh, no.

Mr. EDMONDS. It so says.

Mr. DAVIS of Tennessee. I do not agree with the gentleman; but suppose that to be true, why should the head of any other department be required to make these reports to the Shipping Board?

Mr. EDMONDS. In order to determine whether the board could have supplied the transportation.

Mr. DAVIS of Tennessee. Yes; as I say, in order for the Shipping Board to determine the reason.



The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee.

The amendment was rejected.

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. Yesterday afternoon just before adjournment the chairman of the committee, the distinguished gentleman from Massachusetts [Mr. GREENE], put into the RECORD a telegram received from Malcolm Stewart, chairman of the Middle West Merchant Marine Association, sent from Milwaukee, Wis., dated November 28, indorsing in effect the provisions of this bill.

I note in a copy of the Washington Post, in a dispatch dated November 27, 1922, among other things, the statement that three of the prominent speakers who spoke in favor of the merchant marine were E. C. Plummer, of the United States Shipping Board; Matthew Hale, president of the South Atlantic State Association; and Malcolm Stewart, chairman of the committee. There is considerable significance in connection with that statement. This Malcolm Stewart, whose telegram the chairman inserted into the RECORD, is the same Malcolm Stewart who appeared before our committee in May and deliberately asserted that if this bill did not provide for at least a five-year extension of the established trade routes now operating for the benefit of the Middle West commerce, he would oppose the bill and could not give it his approval. I want to read very briefly from the record exactly what he did say in that connection. I asked him the question: Whether, if the finding of the joint committee should not approve and indorse the amendment he had suggested in the bill, to guarantee the operations of these trade routes for a period of the next five years, but left the option to the Shipping Board, as now expressed in the bill, of doing what they think proper, he would indorse the bill under those circumstances, and Mr. Stewart said that he did not believe he would.

This same Matthew Hale, who was also mentioned in connection with this telegram, when before the committee, I asked whether he would favor the passage of this bill if he thought it contemplated the sale in bulk or in gross of the entire fleet within the next 30 months without any limitation on the operation of established trade routes, and he said no; that he would not. I then asked him whether he would oppose it, and he said he would; that he had so stated many times.

Mr. EDMONDS. Will the gentleman yield?

Mr. BANKHEAD. I can not yield. These are the very same gentlemen who as representatives of their respective localities and communities offered an official amendment which I sought to have incorporated in this bill when we had that section under consideration, guaranteeing for five years the operation for the Middle West of shipping facilities for the trade routes which we had established, and it seems that Mr. Matthew Hale and Mr. Malcolm Stewart, under the sponsorship and leadership of Mr. E. C. Plummer, of the Shipping Board, traveling at Government expense, forsaking his duties in Washington, where he should be attempting to reduce the extravagant expenditures of the Shipping Board—Mr. Plummer, of the Shipping Board, has now taken those two apostates, Stewart and Hale, under his wing and has gone off and now is undertaking to sell to the citizens and taxpayers of the Middle West this 18-carat gold brick you are seeking to foist upon the people of America. [Applause].

The CHAIRMAN. The time of the gentleman has expired.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto do now close.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman withhold that? I want to offer an amendment and one more parting shot. Five minutes is all I ask. I want to offer a genuine amendment.

Mr. EDMONDS. Does the gentleman want to offer a genuine amendment to the section?

Mr. HARDY of Texas. To this section.

Mr. EDMONDS. And speak to the amendment?

Mr. HARDY of Texas. I do.

Mr. EDMONDS. All right. I will move that all debate close in five minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

Mr. HARDY of Texas. Mr. Chairman, I offer the amendment which is to be attached to the end of the section.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 57, after line 18, insert: "Provided, That the Shipping Board shall be authorized to prescribe reasonable rates for services performed by privately owned United States vessels under this section."

Mr. HARDY of Texas. Now, Mr. Chairman and gentlemen, here is a section of this bill which requires that every officer, employee, or agent of the United States, and any legislative, judicial, diplomatic, and consular officer shall, when it can be done, travel by a privately owned ship of the United States or upon Government ships, and the bill proposes to turn all Army and Navy transportation over to the privately owned ships. When we require by law that officials of the Government on Government service shall travel by these subsidized vessels it does seem to me that we ought to require the Shipping Board to prescribe reasonable charges for that service. Here we are transporting troops, say, to Manila, and it may be that private ships are called into requisition to do it, the law absolutely compelling the military authorities of the Army to utilize these private ships, and there is not one syllable anywhere in this bill that authorizes any department of the Government to require reasonable rates for that service. It might be that foreign ships are willing to transport those men at \$100 from San Francisco to Manila, and our privately owned ships would want \$200, but they must go that way according to this provision, and I want the proviso to be added to it providing that the Shipping Board may have the right to prescribe reasonable charges for the service. That is all, gentlemen. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question was taken, and the Chair announced the yeas appeared to have it.

On a division (demanded by Mr. HARDY of Texas) there were—yeas 68, yeas 93.

So the amendment was rejected.

The Clerk read as follows:

#### TRANSPORTATION OF GOVERNMENT SUPPLIES.

SEC. 702. All goods, wares, merchandise, and material of every nature (including supplies for the military or naval forces of the United States) belonging to or intended for the United States, transported by water, shall when practicable be shipped in a public vessel of the United States or a vessel registered, or enrolled and licensed, under the laws of the United States. When shipment in such a vessel is not practicable and the shipment is made in a vessel under a foreign flag, it shall be the duty of the officer, employee, or agent of the United States authorizing or making the shipment, within one month thereafter, to mail a written notice to the board, stating the ports of departure and destination, the date, the name of the vessel, and the reason why the shipment was not made in a public vessel or a vessel registered, or enrolled and licensed, under the laws of the United States.

The CHAIRMAN. Without objection the pro forma amendment is withdrawn.

Mr. DAVIS of Tennessee. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 58, line 6, after the words "notice to the" strike out "board" and insert in lieu thereof the following: "proper official of the Government department of which he is a member."

Mr. DAVIS of Tennessee. Mr. Chairman, this is an amendment along the same line as the one I last offered, except it refers to shipment of materials and supplies instead of passenger travel. Some gentlemen on the other side quibbled over the language of the other, but this language is plain and I want to read it for your own information:

When shipment in such a vessel is not practicable, and the shipment is made in a vessel under a foreign flag, it shall be the duty of the officer, employee, or agent of the United States authorizing or making the shipment, within one month thereafter, to mail a written notice to the board, stating the ports of departure and destination, the date, the name of the vessel, and the reason why the shipment was not made in a public vessel or a vessel registered, or enrolled and licensed, under the laws of the United States.

Now, my motion simply is to strike out the word "board" and insert the name of the appropriate official in the department of which such officer or agent is a member.

Now, what is the consequence of this? This section provides that "All goods, wares, merchandise, and material of every nature (including the supplies for the military or naval forces of the United States) belonging to or intended for the United States, transported by water, shall, when practicable, be shipped," and so forth, and no exception is made in case of war. Consequently, if we should become involved in war and the Navy or the Army desires under the preceding section to transport troops, or under this section desires to ship munitions or any other supplies and it is necessary to do so upon a foreign ship, or upon a ship of an ally in the war, they would be required, even in the midst of war, to make a report of their reasons and all about it to this autocratic Shipping Board, for their approval or disapproval. Now, the question is whether you want to give such extraordinary powers to this

board, not only in time of peace but in time of war, and in respect to every branch of this Government. I ask for a vote. [Applause.]

Mr. LEHLBACH. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from New Jersey [Mr. LEHLBACH] is recognized in opposition to the amendment.

Mr. LEHLBACH. Mr. Chairman, the gentleman from Tennessee [Mr. DAVIS] is unduly alarmed concerning the autocratic powers given to the Shipping Board under this section. No powers whatever are given to the Shipping Board by this provision.

Mr. ANDREWS of Nebraska. Mr. Chairman, will the gentleman yield for a question?

Mr. LEHLBACH. Yes.

Mr. ANDREWS of Nebraska. When was the Shipping Board created?

Mr. LEHLBACH. In 1916, under a Democratic administration and upon the recommendation of a Democratic President.

Mr. ANDREWS of Nebraska. It is therefore autocratic? [Laughter.]

Mr. LEHLBACH. Yes; it is therefore autocratic.

No power is given to the Shipping Board to control any shipment of supplies or goods by any department of the Government whatsoever. The only thing this section provides is that where it is necessary for an official of the Government to ship supplies or goods on foreign vessels he shall report that fact to the Shipping Board, in order that the board may have information that the American Government has not facilities for shipment at that place, so that this board may, upon the information brought home to it of the necessity for American service at that point, take appropriate action to provide it.

I move, Mr. Chairman, that all debate on this section and all amendments thereto close in five minutes, those five minutes to be used by the gentleman from Texas [Mr. BLANTON].

The CHAIRMAN. In the confusion the Chair did not catch the wording of the gentleman's modified motion.

Mr. LEHLBACH. I did not modify it. It is the original motion, that all debate on this section and all amendments thereto be closed in five minutes, the five minutes to be used by the gentleman from Texas [Mr. BLANTON].

Mr. LONGWORTH. That would require unanimous consent, but I give mine.

Mr. CLARKE of New York. I rise in opposition to that proposal. [Laughter.]

The CHAIRMAN. The proposal is not debatable. Is there any point of order raised against the form of the motion? If not, the Chair will put it. The question is on agreeing to the motion of the gentleman from New Jersey.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] is recognized for five minutes.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. There is an amendment already pending.

Mr. BLANTON. I offer it for information.

The CHAIRMAN. Without objection, then, the amendment will be read for the information of the House. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 57, line 20, strike out all of section 702.

Mr. BLANTON. Mr. Chairman, I hope the House will not tie the hands of the Navy and of the Government by passing any such a provision as this section.

We have in the Navy now between 600 and 700 boats that are subject to the orders of the Secretary of the Navy in time of war. If we pass this provision we could not transport any of our military supplies in those boats without having a controversy with the shipowners concerning those ships that are subsidized by this bill. They would claim that they have the right to ship every portion of our military supplies and be paid for it by the Government, notwithstanding the fact that the Government has 600 or 700 naval ships upon which many of these supplies could be shipped.

That is just an illustration of the way in which we are seeking to tie the hands of this Government at the expense of the people of this Nation.

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

Mr. BLANTON. In just a moment. Strange as it may seem, I find myself in direct accord, for one time at least, with the American Federation of Labor and with Mr. Samuel Gompers. I want to commend every single suggestion that he this morning made to every Member of this House with reference to this bill.

What did he suggest? Let me read a few of his suggestions. He says that he is convinced that in the recent election the country displayed its hostility to this subsidy. He says that after careful study the American Federation of Labor has failed to find anything in this bill that is constructive and helpful, and that he condemns it without reservation. He says—

Mr. EDMONDS. Mr. Chairman, will the gentleman yield there?

Mr. BLANTON. He says that the debate has served only to increase his condemnation. He says we are expending the people's money stupidly, if not criminally. He says that in order to pass this bill the shipping interests have used methods more subtle than bribery. He says that the bill is the most brazen Treasury-looting scheme ever devised. He says that the framers of this measure have wrongfully sought to take refuge in patriotism. He says that labor denounces this bill as a fraud and as a robbery and as wholly indefensible, and for one time in my life I say "Amen" to every single suggestion that this distinguished president of the American Federation of Labor to-day makes to the membership of this Congress. [Applause.]

Mr. LEHLBACH. And the gentleman is now following the leadership of Samuel Gompers.

Mr. BLANTON. In this particular instance I am working in double harness, shoulder to shoulder, with the American Federation of Labor and its president to save the people of this country from the results of this awful ship subsidy bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on agreeing to the amendment of the gentleman from Texas.

Mr. HARDY of Texas. Mr. Chairman, I have a perfecting amendment to the proposal to strike out. There should be a vote on mine first.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. DAVIS].

The question being taken, the amendment was rejected.

The CHAIRMAN. The gentleman from Texas [Mr. HARDY] offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HARDY of Texas: Page 58, line 10, after the words "United States" insert: "Provided, that the Shipping Board shall have the right to prescribe reasonable rates and charges for services performed under this section."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas.

The question being taken, the amendment of Mr. HARDY of Texas was rejected.

The CHAIRMAN. Does the gentleman from Texas [Mr. BLANTON] insist on his motion to strike out?

Mr. BLANTON. I take it that it would be futile in the present atmosphere, so I withdraw it.

The CHAIRMAN. The gentleman asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### REPORTS BY SHIPPING BOARD.

SEC. 703. The second paragraph of section 12 of the shipping act, 1916, is amended to read as follows:

"It shall, on or before the 1st day of December in each year, make a report to the Congress, which shall include its recommendations and the results of its investigations, a summary of its transactions, a statement of all expenditures and receipts (including the merchant marine fund and the construction loan fund), and of the operations of the Emergency Fleet Corporation and of any corporation which is managed or controlled by the board, and the names and compensation of all persons employed by the board."

Mr. CARTER. Mr. Chairman, I move to strike out the last word. A great many absurd claims have, in my opinion, been made for this ship subsidy bill, but the most absurd of all is that it will benefit the farmers and laboring people of the country. The difficulty with certain gentlemen is that they underestimate the intelligence and understanding of the producing classes of this country. There may have been a time in the past when such statements would mislead the great mass of producers of this land, but the farmers and working people have learned a few things within the past few years. They know that this measure is being fostered and promoted strictly in the interests of those few persons who expect to own and operate ships, and that any assertions to the effect that the farmers and laboring people will prove the beneficiaries constitutes pure unadulterated bunk. They know that a subsidy is a sort of bonus given to some company, institution, or class for performing some alleged service on behalf of the public and that such bonus is given in addition to the regular charges made in their rates and fare. They understand that a ship subsidy is a bonus given to the ship operators for performing some alleged service and



that this bonus is paid from the Treasury of the United States. They understand that the money is placed in the Treasury of the United States from taxes which are assessed upon all the people in one way and another, and that the subsidies and bonuses carried in this bill are a donation to a class of special interests, which must be paid by taxing all others. Gentlemen representing agricultural and labor districts will have a difficult time convincing their people that they are benefited by a system which taxes money out of their pockets and places it in the coffers of the Shipping Trust and other special interests.

The best evidence of how the great producing classes of this country look upon this measure is the expression that has been given by their own organizations. Since debate began on this bill protests against the passage of any character of ship subsidy has been voiced under resolutions read into the RECORD from practically every farming organization in the United States. Protests from many labor organizations have also been presented to show their feeling in the premises, but one of the strongest arguments yet put forth is that contained in the letter of the President of the American Federation of Labor under date of yesterday. Since our friend from Texas [Mr. BLANTON] has brought himself into complete accord with union labor I would suggest that it is now appropriate to have the full letter of Mr. Gompers spread in the RECORD, and I therefore ask unanimous consent that it be read from the Clerk's desk in my time.

The CHAIRMAN. The gentleman asks unanimous consent for the reading of the letter indicated by him in his time. Is there objection?

Mr. UNDERHILL. I object.

The CHAIRMAN. Objection is made.

Mr. CARTER. Then I will read it myself.

Mr. UNDERHILL. The gentleman has the right to read it himself.

Mr. CARTER. Mr. Gompers's letter is as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., November 28, 1922.

SIR: Because the ship subsidy bill is to come before you on Wednesday for a vote, I take the liberty of communicating with you at this time in order to lay before you a point of view which will, I am sure, impress you as worthy of consideration.

I am convinced that the country in the recent election intended to convey, among other things, its hostility toward the proposed subsidy. However, there are others who either do not so interpret the country's decision or who do not see fit to follow the country's decision.

It is unlikely that anyone has given the subsidy bill more careful study than has the American Federation of Labor. We have tried to find if by any possibility there was anything constructive and helpful in the measure. We are bound, as the result of study, to condemn the measure without reservation.

If study of the bill itself has failed to convince labor of its soundness, the debate upon it thus far has been equally without result. Little that has been said in official circles indicates any real understanding of the subject.

When former subsidy bills were before Congress the whole cry was "Ships, ships, ships; give us ships and we will have a merchant marine." Now we have the ships and the one great question is, What are we going to do with them? We can not compete, so it is stated; and as things really are, it is largely true.

Within the last two years the shipowners and the Shipping Board have done their utmost to destroy what skill and efficiency exist on American vessels at sea. That they are doing this consciously is not conceivable. They are doing it, however, and evidently because they do not understand that the human element in shipping, as in all other competition, is the determining factor. While we are driving all the skilled men from the sea, England is drawing to herself the skilled men by her policy. This last spring England adopted the policy of gradually getting rid of inefficient men. She is doing it by a combination between the seamen themselves through their organization, the shipowners through their organization, and the board of trade. The officers on the vessels provisionally select the men, who then go to the office of the union, to be further passed upon under a regulation known as port consultant regulation No. 5. Under this system and the wages paid, she is drawing to herself the efficient men and pushing the inefficient men over to us.

When the war ended Germany had no ships. She had shipowners who knew commercial geography, and therefore were to have their ships, if possible, at a given time. She had officers and seamen who could handle ships at sea and in harbor and keep those ships out of the repair yards. She is coming back into ocean carrying with the speed of a race horse. We have the ships, but our shipowners seem to have no understanding of the world's freight market or commercial geography, nor any appreciation of the skill and efficiency needed on board of vessels, and we are spending money stupidly if not criminally. Why is it that business men who ordinarily have common sense seem to be incapable of realizing that in the competitive business success is determined by the human element to the extent of at least 75 per cent, while something less than 25 per cent is dependent upon the material element?

The subsidy bill now before you will not bring men and competence into the merchant marine. It will bring enormous sums of money into the pockets of a group of subsidized shipping financiers, and this group will constantly grow smaller under the monopoly-creating provisions of the bill.

Labor's position on the question of subsidy remains without change. The most strenuous efforts have been made to bring about a change in this position. In earlier years shipowners resorted to attempts at bribery, these being matters of official court record. I know of no such crude efforts in connection with the present bill, but in abundant measure friends of the bill have used subtler methods. Our position on this

bill, however, is based on a study of the bill itself. It is without doubt one of the most brazen Treasury-looting schemes ever devised.

And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting.

This bill will not give America a merchant marine, though it may give us a bankers' marine. Labor joins with all others who want a well-manned, adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

Let it not be forgotten, either, that once enacted the bill must remain in force for 20 years. Contracts made for that length of time will tie the hands of future Congresses.

I am laying these views before you in behalf of the executive council of the American Federation of Labor and in conformity with the findings on the subject as approved by the last convention of the American Federation of Labor.

Sincerely hoping that the above may receive your early and favorable support, I am,

Very truly yours,

SAM'L GOMPERS,

President American Federation of Labor.

Hon. CHARLES D. CARTER,  
House Office Building, Washington, D. C.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CRAMTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Michigan is recognized in opposition to the pro forma amendment.

Mr. CRAMTON. Mr. Chairman, yesterday an amendment was adopted with reference to the nonpayment of this subsidy to owners of vessels where liquors had been transported on such vessels. Of course the intent of the House was in the direction of the enforcement of our prohibitory laws. Many of us are very much afraid that the effect of the amendment, if it should become a law, would be the opposite of what was intended. There is existing a penal statute against the transportation of liquors under those conditions. That penal statute is being sustained by the courts. The provision adopted yesterday it is true is not a penal statute, but it is the imposition of a penalty by the withholding of a subsidy. It is not as strong or as far-reaching in its terms as the existing law, and the adoption of it at this time by Congress might lead to complications. On the one hand it can accomplish nothing desirable, because there is already sufficient law. On the other hand, by reason of complications that it might introduce as to what was the intention of Congress, it might even be argued that it was intended to supplant the existing penal statutes. For these reasons it is to be hoped that when the committee rises the amendment adopted yesterday will not be concurred in by the House.

Mr. LINEBERGER. Will the gentleman yield?

Mr. CRAMTON. In just one moment, when I have uttered one more sentence. I shall ask a separate vote on the amendment and hope that it will then be voted down. In that connection I invite the attention of the Members of the House to the statement of the Anti-Saloon League and the Woman's Christian Temperance Union on this matter, which I inserted in the RECORD yesterday on page 269. Now I yield to the gentleman from California.

Mr. LINEBERGER. On what page is the amendment?

Mr. CRAMTON. The amendment is on page 269.

Mr. HILL. Will the gentleman yield?

Mr. CRAMTON. I yield to the gentleman from Maryland.

Mr. HILL. I should like to ask the gentleman why it was that his orders which he received from Wayne B. Wheeler were dated Toronto, Ontario? Is the House taking orders from Canada now?

Mr. CRAMTON. The gentleman has been keeping such close watch on St. Louis, Mo., from which he has been taking his orders [laughter], that he has evidently overlooked the fact that there has been a world convention of those believing in temperance held in Toronto, Ontario.

Mr. HILL. Then is Wayne B. Wheeler now in Ontario?

Mr. CRAMTON. No; the gentleman had better watch out. Mr. Wheeler is in Washington.

Mr. HILL. And the gentleman is against this amendment?

Mr. CRAMTON. I am against it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CRAMTON. I yield to the gentleman from Alabama.

Mr. BANKHEAD. On yesterday I offered a real, bona fide prohibition amendment—

Mr. CRAMTON. Does the gentleman desire to ask a question?

Mr. BANKHEAD. The amendment of the gentleman from Pennsylvania was not a prohibition amendment, and on a separate vote in the House I trust the amendment of the gentleman from Pennsylvania will be defeated.

Mr. CRAMTON. I think the gentleman will admit that no such provision is needed in the law; that we have sufficient law already.



Mr. MILLS. Will the gentleman yield for another question?

Mr. CRAMTON. If I have the time.

Mr. MILLS. As I understand it, the House yesterday adopted an amendment to this bill relating to prohibition. Since yesterday the gentleman has heard from the Anti-Saloon League.

Mr. CRAMTON. No; the gentleman is incorrect. I heard from it yesterday, as the Record will demonstrate.

Mr. MILLS. I should like to ask the gentleman whether he is solemnly asking this House to reverse the vote taken yesterday because the Anti-Saloon League objects to that vote?

Mr. CRAMTON. Not at all, but because the action taken yesterday was undesirable; and I hope that those who are sincerely interested in this movement will not be afraid to take advantage of a little information that comes from those who are making a particular study of the question, whether they come from New York or not.

Mr. MILLS. May I say to the gentleman that I think he is asking this House to make itself ridiculous?

Mr. CRAMTON. I am sure the gentleman from New York can never make himself any more ridiculous on this question than he has for some time past.

Mr. WINGO. Mr. Chairman, I do not like to let the bill pass without saying what I think is a deserved tribute to the Republican organization in the handling of this bill. They have used considerable finesse. There were a good many weak sisters on the Republican side who were between two fires—one the outraged conscience of their constituents and the other the demands of the administration to pass this bill. It was recognized that the bill could not be passed in the form in which it was reported to the House and in which the President demanded you should pass it. So they have adopted the old scheme that those who are experienced in legislative procedure recognize of saying to those gentlemen, "Now, we are going to give you ample opportunity to show the defects of our bill and we sincerely want to meet the objections, throw it open to amendment, and give you plenty of time." Of course, there were some provisions that the leaders were willing to use for trade purposes and for skid purposes to let those gentlemen down easily into the organization pool. Some of the gentlemen, after serious consideration and prayerful consideration, believe that they can vote for it. Of course, the administration does not have much hope of this bill becoming a law, but they think by bringing it out they can get you hog tied so that in the future you will favor the legislation. They think that if they put the bill through the Senate they appreciate the wisdom of having you gentlemen hog tied, having met your captious objections, as they call it, in the consideration in the House, and when the bill is written as they really want it in conference and it comes back here you have got your feet wet, they have got you lined up with the organization, and you will take your orders, and you will follow the line of least resistance and continue to vote with the gang and vote for the conference report, although it may contain some of the objectionable features which you have fought the last few days and which you will advertise to your constituents as a great victory on your part.

The tragedy of the bill is that instead of building up an independent merchant marine—and if it did do that there would be some justification for you gentlemen in voting for the infamous scheme—but the tragedy of it is that instead of building up an independent merchant marine it will tend to prevent the building up of an independent merchant marine; and this bill, if it becomes a law, would have only one net result, and that would be that under the specious plea of building up an independent merchant marine you would have paid out of the Treasury a subsidy to gentlemen who do not need it and who are not moved by patriotic motives when they ask you to give them this grab and this raid on the Treasury. [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and amendments thereto be closed.

The motion was agreed to.

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

#### RATES OF INTERSTATE WATER CARRIERS.

SEC. 704. The last three paragraphs of section 18 of the shipping act, 1916, are amended to read as follows:

"Every such carrier shall file with the board and keep open to public inspection, in the form and manner and within the time prescribed by the board, the rates, fares, and charges for or in connection with transportation between points on its own route; and if a through route has been established, the rates, fares, and charges for or in connection with transportation between points on its own route and points on the route of any other carrier by water.

"No such carrier shall demand, charge, or collect a greater or less compensation for such transportation than the rates, fares, and charges filed in compliance with this section, except with the approval of the board and after 15 days' public notice in cases of increases and 5 days' public notice in cases of reductions, in the form and manner prescribed by the board, stating the increases or reductions proposed to be made; but the board for good cause shown may waive such notice.

"Whenever the board finds that any rate, fare, charge, classification, tariff, regulation, or practice, demanded, charged, collected, or observed by such carrier is unjust or unreasonable, it may determine, prescribe, and order enforced the just and reasonable rate, fare, or charge, or the maximum or minimum, or the maximum and minimum, to be charged, or the just and reasonable classification, tariff, regulation, or practice."

Mr. ANDREW of Massachusetts. Mr. Chairman, some surprise has been expressed that a Representative from Massachusetts on this side of the House should keep an open mind upon the merits or demerits of this bill. The obvious and perhaps expected course for such a Member to follow—the easiest way—is to support this bill. To me that course appeals very strongly because the bill is sponsored by my beloved and respected colleague, the dean of the Massachusetts delegation. But no Member wants to see a bill put through which involves a large expenditure of the public money unless he is convinced that that expenditure will bring at least an equal return, and will not constitute a bad precedent for future legislation. Nor ought it to be assumed that all of the Representatives from a particular section of the country must inevitably think exactly alike upon all public questions. It will be a very unfortunate day for this country of ours, if ever it arrives, when the representatives of particular geographical sections all come to think and vote together like mechanical automatons. It will mark the end of our United States.

I can claim no expert knowledge upon this question. There is nothing that I can add to what has been said. But I have followed the debates on both sides with intense interest, and I have reluctantly come to a different conclusion from many, or most, or perhaps all of my New England colleagues. I believe that this bill, which involves a possible expenditure of a billion dollars of the people's money during the next decade, is not likely to reduce shipping charges substantially or bring an equivalent benefit to the country as a whole. And I believe that, if adopted, it will offer another precedent in the way of Federal aid and paternalism which will plague us for the rest of our days. I should like the privilege of presenting to the House very briefly my reasons for voting against this measure.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. ANDREW of Massachusetts. The ship subsidy bill has been greatly modified during the last three days and has been substantially bettered on the floor of the House through the elimination of several of its most objectionable features. When the committee presented the bill to the House last week one provision was that \$125,000,000 of Government money could be loaned to shipbuilders for 15 years at a rate as low as 2 per cent. If this had been adopted, it would have offered a precedent for Government lending rates that would have been seized upon by many other prospective Government beneficiaries. Fortunately, although the Government shipbuilding loan provision still remains in the bill, the minimum rate for such loans has now been raised to 4½ per cent.

Another provision was that shippers of goods on American vessels could deduct from their income taxes 5 per cent of all shipping charges. This would probably have exempted the majority of the most important shippers from all payment of income taxes whatever, but this indirect subsidy to shippers has been altogether eliminated.

Another provision of the bill offered to industrial corporations, like the Standard Oil Co. or the United States Steel Corporation, which operate their own ships, both direct and indirect subsidies for carrying their own merchandise (an out and out subsidy in cash and an income tax rebate as vessel owners). This would have resulted in paying millions of dollars to such corporations as those mentioned, but the bill has now been so modified that such corporations will receive no direct subsidy. They will, however, still receive a disguised subsidy in the form of a rebate upon their income taxes as shipowners during a period of nine years.

The bill is much less objectionable in its details than it was when this discussion opened three days ago, but I believe that it still offers a dangerous precedent, which, if adopted, will bound us for years to come. I am inclined to believe that the time has now come when we ought to consider, first of all, the interest of the heavily burdened and long-suffering taxpayers, and when we ought, on that account, to think very seriously before opening up new channels for Federal aid. If we do not,



then very soon everybody in the country will be getting Federal aid and no one will be as well off as he was before. I can not help thinking that in the present stage of our economic development commercial, financial, and industrial undertakings ought to stand on their own, ought to sail under their own power, and ought not to look to the Government to help pay their running expenses. It seems to me time that we begin to re-inspire ourselves with the spirit of self-reliance which animated our forefathers. When they settled these shores and pushed on through the West and transformed the wilderness and the prairies into a thriving continent they did not look to others to assume the risks and to pay their way. The sooner our people recover some of that ancestral spirit of self-reliance and self-help the better it will be for us all.

It is one thing for the Government to build highways or dig canals or make river and harbor improvements or reclaim arid lands. Those are permanent additions to the capital of the country; but it is another and very different thing for the Government to use the taxpayers' money to pay the running expenses of particular businesses, and that is what this bill proposes to do.

Under the guise of getting rid of ships constructed by the Government during the war, this bill proposes to establish a whole program of Government aid to meet the running expenses of different businesses. It proposes to lend Government money to ship buyers and to shipbuilders for 15-year periods at 4½ per cent, and to give Government money each year for a period of at least 10 years to shipping companies, both in the form of payments in actual cash and in the form of income-tax rebates. It sets aside for this purpose one-tenth of all our customs dues, which would mean about forty-five million this year and not improbably sixty or more million in years to come, and to add to this sum all tonnage dues, which are at once to be doubled. These funds, together with the income-tax rebates and the ship-construction fund might easily aggregate a billion dollars in the next 10 years, which means that the bill proposes to authorize a billion-dollar gift from the taxpayers' money to help meet the running expenses of private individuals and corporations, and no one has ever ventured to claim that this measure will substantially reduce shipping charges and give an equivalent benefit to shippers as a whole. It has been claimed rather that the subsidy was only a kind of adjusted compensation which would equalize the profits of American steamship lines. I believe that those who are the guardians of the people's money when confronted with such proposals to enter upon new lines of expenditures and fresh fields of paternalism might well say with the hero of Verdun, "They shall not pass." If we do not say so now or soon, we are likely to regret it for the rest of time.

As for the 1,500 Government vessels built during and after the war which we still have upon our hands, my suggestion would be this: Let us give instructions to the Shipping Board to sell as many as they can to American citizens during the next two or three years, when in all likelihood ocean traffic will increase, and then scrap the rest. The low price at which these vessels may be sold is of itself a not unsubstantial subsidy for our merchant marine.

Mr. EDMONDS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. EDMONDS: Page 58, strike out section 704.

Mr. EDMONDS. Mr. Chairman, the other day when explaining the bill I stated to gentlemen that when we arrived at this particular section I would move to strike it out. The section was originally intended to regulate the competition that was occurring between the Atlantic and Pacific coasts, which was driving the smaller and less financially strong operators out of business. My colleagues, Mr. HARDY and Mr. BANKHEAD, on the committee suggested that we ought to have some hearings, and as this has an effect in a number of other directions that possibly would not be beneficial, I want to strike it out now, so that at a later date we can have full hearings on the subject and find out what would happen if it were put into effect.

Just a word in regard to the remarks of my friend from Massachusetts, Mr. ANDREW. He objects to paternalism, but he is in favor of Government ownership, which is a rather peculiar thing to me.

Mr. BARKLEY. Mr. Chairman, I dislike to inflict myself on the House at this time, because I recognize the impatience of Members to get to a vote. However, I do not desire this bill to reach its conclusion without expressing my opposition to it.

Mr. Chairman, it is astonishing to observe the callous indifference of this administration to the sentiments of the

American people. Just a few weeks ago there was an election in this country. It recorded the greatest political turn-over in the history of the Nation. That repudiation was overwhelming, and was caused by the universal disapproval of the record made since the beginning of the Harding administration.

One of the things which this Congress ought to realize was condemned by the people is this ship subsidy bill. Although it had not been enacted, it was and is one of the chief corner stones of this administration's shifting policies, and the American people passed on it as unerringly as if it had been already enacted into law.

They knew then, as they know now, that it is a fraud; that it is proposed in the interest of private shipowners at the expense of the American taxpayers. They knew then, as they know now, that this spurious makeshift will not preserve nor maintain the American merchant marine for the benefit of all the interests of the Nation, but that it robs the masses of the people to enrich a small group. They knew then, as they know now, that linking this subsidy up with the tariff subsidy, also given to a little group of selfish campaign contributors, instead of stimulating our merchant marine it will stifle it and handicap it beyond even the fears of those who have attempted to warn against it. Ships can not prosper unless they carry cargoes both going and coming across the ocean. There has never been a merchant marine of any nation that could maintain itself by carrying freight only one way and riding the waves empty on the return. Under the blighting influence of the Fordney tariff there will be precious little freight for our ships to bring back from abroad, and this fact will also reduce the amount they can carry from our shores to the world's markets. We can not expect to have the markets of the world open to us if we close ours to other nations. Consequently this policy of narrow provincialism will depress our foreign commerce, as it has already done, and make it difficult for our great merchant marine, built up at a cost of \$3,000,000,000, to maintain itself under conditions that are honorable and appropriate. Now it is proposed to give them out of the Treasury enough money to make up for their losses on account of reduced cargoes. Having given a subsidy in the tariff to a little group of Americans who do not want our ships to carry freight, this Congress now proposes to make the American people pay the shipowners enough out of the Treasury to compensate them for hauling cargoes that do not exist and can not exist under such a foolish policy.

I do not propose to lend myself to such an outrage, and while the measure may go through this House, I hope the Senate will kill it. It is not too late for even a repudiated Congress to do one sensible thing before it expires. [Applause.]

Mr. YATES. Mr. Chairman, commenting upon what the gentleman from McCracken County, Ky. [Mr. BARKLEY], has just said, I desire to recall the attention of the House to an old story. The story is that once upon a time the proprietor or manager of a cotton field conceived a bright and happy idea, which was that a monkey might be taught to pick cotton. He started in on the experiment, and it was almost a success. The monkey was a willing worker, very industrious. He gave his whole mind to the subject. There was only one trouble, and that was that he did not recognize any geographical distinctions or limitations or boundaries, and when he got to the end of the field, instead of going back on the next row, he just hopped over the fence and plucked the neighbor's cotton, which was not in the bargain. So that, although he was very industrious, he was somewhat of a disappointment.

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

Mr. YATES. Oh, no; I can not yield. The recent election reminds me of that story. Far be it from me to compare the American voter to a monkey. I do not mean that, and you can not say that I did. I seek his vote and will continue to seek it, but when he got through cotton picking in New York and New Jersey and in Indiana and Michigan and Minnesota and Wyoming he just calmly hopped over the fence and landed in a beautiful cotton plantation called Ohio. There he proceeded to pick all of the nice delicate blooms from a lively boomlet for the Presidency, being nurtured and tenderly cared for in the broad fields of one POMERENE. [Laughter.] Then, after three or four more lively skips, he landed in Nebraska, and there he picked all of the delicate blooms from another boomlet, cherished and fondly cultivated by one HIRCHCOCK.

Mr. BARKLEY. What about Beveridge, of Indiana?

Mr. YATES. Oh, wait a minute. I object to being interrupted by McCracken County. [Laughter.] Then, when he got through with Nebraska, he hopped over into Texas and brought back WURZBACH, Republican Member reelected. [Applause on Republican side.]

Now, if you gentlemen on the Democratic side can get any consolation out of this last election, you are welcome to it.



You were licked just exactly where it hurt the most. I have some right to say a few words, because I am here with a majority of 276,000 from the State of Illinois. It does amuse me—

Mr. UPSHAW rose.

Mr. YATES. No; I can not yield to the gentleman from Georgia. It does amuse me, day after day, hour after hour, to hear gentlemen on the Democratic side who have not gained a real thing but who have lost a lot of Presidential boomlets, get up here and talk about the reverses of the Republican Party and attempt to sympathize with us in regard to the matter. [Laughter.]

The fact of the case is that there was no reversal. In 1920 the American people, by a verdict unprecedented, wiped out Woodrow Wilson and all of his works, root and branch. [Applause.] But there was a swing of the pendulum, and it had to come back. As far as I am concerned, I am glad to say, owing to the fact which I have stated before that both of my parents were born in Kentucky and grandparents in Virginia, I am glad to see you come back, gentlemen, and the gentlemen over there who are going out never expected anything else. [Laughter.] There has not been any reversal. There was just one swing of the pendulum; and two years from now, in spite of our great regard for you, we are going to wipe you out again, root and branch. [Applause.]

Mr. STEVENSON. Mr. Chairman, we have now gotten down to the point where the political effect of this thing is being considered. I have not heard anything about that up to this time; but, speaking of the political effect, I want to cite you to an authority on that subject. The gentleman from Wisconsin [Mr. FREAR] preached a sermon over here the other day and called for repentance for all the evil deeds contemplated here, but he did not tell you what would happen. I want to read you what is going to happen to you, because I have always noticed it did not matter how much the preacher preached about repentance, it did not have any effect until he pointed out what you would suffer if you did not repent. [Applause.] There has never been a time when you attempted to pass one of these bills except at a session of Congress after an election. They did it in 1873, after the election of 1872. They tried it in 1891, after the election of 1890, and they undertook to do it in 1901, after the election of 1900, and now you are trying it again after you have been licked. Now let us read what the distinguished gentleman from Illinois—ancient history—JOSEPH G. CANNON, said in the Forty-fifth Congress about what will happen to fellows and had happened to folks who would vote for this sort of thing. Here is what he said:

The subsidizing of these steamship lines, from the Collins Line in 1852 up to the present time, has bankrupted every prominent man that has favored it. The political ghosts of departed politicians that have squandered the money of the people for this kind of unwarrantable expenditure from the Treasury rise up and warn Representatives to avoid the errors heretofore committed by our predecessors.

[Applause.]

Now, that is the opinion of the distinguished sage of Illinois; and if any of you do not believe he is a politician, you go and look at his record of having stayed here longer than anybody else in the world ever has been here, and nobody else will ever hereafter equal his term of service, and you should accept his word spoken when he was in full vigor.

Mr. YATES. That was because he was a Republican.

Mr. STEVENSON. And Republicans are surely good politicians, but they lost their heads this time, and they are driving as straight to the devil as possible and will not heed his words of warning. Now, the gentleman talks about booms that have been canceled. They started a good one out in Indiana, and Mr. Ralston, it seems to me, canceled one of Mr. Beveridge's. We have gone over into West Virginia and canceled a good deal of Republicanism over there. We have even carried the State of New Hampshire and retired one Congressman from that State; and I suggest, if the gentleman is satisfied with that, he will consent to a judgment by default for the same kind of result in 1924.

Mr. CLARKE of New York. Mr. Chairman, another pair of World War waifs have been found on the front doorstep of the Harding administration, and the names given them were ships—wooden and steel (correct spelling, steal).

In trying to trace their ancestry, no proud father arises to exclaim, "I am the man," but we have located their dejected mother, Mrs. Willful Wanton Waste; the grandmother was "too proud to fight" and the grandfather was "neutral in thought and act," all prominent officeholders in the previous Democratic administration.

At the official christening or launching of steel and wooden ships came two prominent figures who loomed larger on the horizon short years ago than now, the one, genial Newton B.,

Secretary of War, the man in charge of our national fighting right arm, a man who boasted he had "never even fought with wooden soldiers"; the other sprang full armed and equipped for the fray from a North Carolina editorship, in command of our national fighting left arm as Secretary of the Navy, the delightfully delicious Sir Josephus.

With an abandon that knew no bounds they first "watchfully waited" unprepared, until we got into the World War, then feverishly expended, gave away, squandered in the shameful reign of the war profiteer, three billions of dollars of the people's money on a shipbuilding program subscribed and paid into the Treasury of the United States through self-denial and sacrifice, but all to patriotically back up our fighting forces.

As a result there were started or built 589 wooden ships that cost over \$300,000,000, and about 1,700 steel ships that cost about \$3,300,000,000.

We have, fortunately, gotten rid of those monuments of folly, the wooden ships, at approximately one one-hundredth of their cost, but there still remain about 1,500 steel ships of various kinds in good, bad, and indifferent shape, but all more rapidly deteriorating from lack of use than they would if in use.

Our exports (exclusive of trade with near-by West Indian and Central American countries) are now over three times our imports. Of these exports foreign ships are carrying about 76 per cent and our American ships carry but 24 per cent—19 per cent in Shipping Board vessels, and 5 per cent in privately owned vessels. This is the measure of our success with our own ships, unequally competing against foreign ships, seeking to establish markets for our products. To carry this 19 per cent in our Shipping Board vessels costs approximately \$50,000,000 in direct operating loss, to say nothing of deterioration, depreciation, insurance, and so forth, to say nothing of the fact that we have no forward-looking plan that means a real, progressive program for the upbuilding of a merchant marine for the United States.

The question squarely presented to this Congress is, what are we going to do toward taking these steel vessels we already have as a basis or the beginnings of a real merchant marine, and how are we to meet the handicaps of existing laws unless we pass the bill now under consideration, so that our own enterprising citizens can compete on an even basis with foreigners in carrying our products?

As President Harding wisely pointed out in his strong, logical, economically sound argument to the Congress, three courses lie open to us: (1) Destruction; (2) obstruction; (3) construction. The first plan, destruction, is unthinkable to me, for I do not believe in my heart that the American people would tolerate such a policy; on the other hand, I do believe our people want a merchant marine.

The second policy, obstruction, is the one that is evidently the Democratic policy. I freely admit that I was inclined at first to vote against this bill, for I am prejudiced against the idea of a subsidy, and I have been patiently waiting for the foster parents of this willful, profligate pair—wooden and steel ships—to evolve some constructive plan for the utilization of what is still left of this great fleet. So far the only constructive plan suggested from the most exhaustive study and research of the painstaking, hard-working Judge DAVIS is to wobble along with the present policy that is admittedly costing over \$50,000,000 a year, and that is all that is offered against President Harding's clearly stated, forward-looking, constructive plan for now using these ships at an estimated annual cost of \$30,000,000, a saving of at least \$20,000,000, with the possibility of getting the Government out of the business, instead of the Democratic way of either keeping the Government in the business or watchfully and prayerfully waiting for God Almighty and more propitious times, as if our previous experience in the Government operation of the railroads had not taught us a lesson.

Brother NELSON of Wisconsin (JOHN M.) says the farmers are unanimously against the bill, in the face of the indorsement of the Farm Bureau, while Brother ATKINSON, of the Grange, is against the upbuilding of a merchant marine in accordance with the President's plan and specifications, as embodied in this bill, and only arrived at after the most exhaustive investigation and study. Now, I disagree with both Brothers NELSON and ATKINSON as to the attitude of the farmers; the trouble is the facts have not been squarely presented to them, and for that reason no verdict of real value obtained. I can as proudly claim to represent the farmer as they can, and the only letters I have received from my constituents are for the bill and urge me to follow the leadership of the President. I am proud to represent a constituency upon whose lovely hills and in whose enchanting vales roam more good dairy cows per acre than upon any equal acreage in the world. At times we need to ship our surplus dairy products in manufactured form into the outside markets of the world, and what



is our dairy farmers' condition in a small way reflects a national condition and need.

The whole question with me is simply this: I believe the decisive factor in determining whether this country is prosperous or not is in finding markets abroad for the 8 to 12 per cent excess products we produce, and I am positive that we are more certain of finding markets for those excess products when we have our own ships carrying our own products, sailing to the Central and South American countries and to the Orient, on routes determined by Americans, than we are when we have to depend on foreign ships or the advice of foreign experts. I propose, therefore, as between Judge Davis's policy of painful, costly "watchful waiting," that he was so used to under the former President, or Government operation, and President Harding's policy, which he outlined to the Congress in his masterly message, with its definite, concrete proposals, to follow the President rather than to wait for some favoring breeze from somewhere, to somehow bring us into an era of prosperity or meet a national need. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Pennsylvania striking out the section.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### HOME PORT OF VESSEL OF UNITED STATES.

SEC. 705. (a) The Secretary of Commerce is authorized to designate such ports of entry as he deems advisable as ports of documentation for vessels.

(b) For the purposes of section 30 of the merchant marine act, 1920, and of the navigation laws, the home port of a vessel shall be that port of documentation at or nearest to and in the same customs district as the place at which there is conducted the greater part of the vessel business of the owner of the vessel; except that the Secretary of Commerce shall by regulation prescribe the home port in cases where he finds that the above rule is not applicable, including among other cases the case of vessels owned by the United States or any governmental agency thereof, the case of vessels not engaged in trade, and the case where there is no port of documentation in the same customs district as the place at which the greater part of the vessel business of the owner is conducted. The decision of the Secretary of Commerce as to the home port of a vessel shall be final. Nothing in this section shall be held to repeal section 4178 of the Revised Statutes, as supplemented.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas moves to strike out the last word.

Mr. JONES of Texas. Mr. Chairman, on yesterday the distinguished chairman who is in charge of this bill made the statement that there was nothing in the existing law which forbade railroads to own stock in steamships or any steamship companies engaged in foreign trade. Simply in the interest of accuracy I want to read a part of section 9 of paragraph 5 of the interstate commerce act, which is as follows:

From and after the 1st day of July, 1914, it shall be unlawful for any railroad company or any common carrier subject to the act to regulate commerce to own, lease, operate, control, or have any interest whatsoever, by stock ownership or otherwise, either directly, indirectly, through any holding company, or by stockholders or directors in common, or in any other manner, in any common carrier by water operated through the Panama Canal or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic or any vessel carrying freight or passengers upon said water route or elsewhere with which said railroad or other carrier aforesaid does or may compete for traffic; and in case of the violation of this provision each day in which such violation continues shall be deemed a separate offense.

Under section 604 of the pending bill that provision is repealed in so far as railroads are concerned, if they desire to own an interest in ships engaged in foreign trade or even in trade where they touch the Philippine Islands ports. Here is the point that I wanted to call attention to: The transcontinental railroads will be able to own ships plying through the Panama Canal from one coast of this country to the other coast by touching some foreign port. By doing that they can put out of commission the steamship companies that are simply plying between ports of the Pacific coast, say, San Francisco, and ports of the Atlantic or Gulf coast, because the railroad companies can afford to buy an interest in a steamship line and ply through the Panama Canal from coast to coast and then, touching some foreign port, get a subsidy on the foreign portion

of the cargo but, what is far more important, get an interest in the canal shipping lines.

In that way the railroads of the United States can control the traffic through the Panama Canal, and that is the thing that this section of the interstate commerce law was enacted, I understand, to forbid. But here in the section that we passed yesterday, section 607, paragraph 9 of section 5 of the interstate commerce act is amended by putting on a proviso that this part of the interstate commerce act shall not apply to railways owning an interest in ships operating under this bill.

Now, I submit to the Members of this Congress that when the gentleman from Pennsylvania [Mr. EDMONDS] made the statement that there is nothing in the law—in his effort to keep us from striking out that section 604—nothing in the law which forbids a railroad under the present law from owning stock in a steamship company, he was in error.

I take it that no one wants to authorize the transcontinental railroads of the United States to get control of shipping that passes through the Panama Canal. That is what the railroads wanted to do all along, and it seems to me that it is a great mistake to pass a measure which would permit that. [Applause.]

Why was the Panama Canal constructed? Primarily, of course, in the hope that we would get cheaper freight rates between the coasts. In order to prevent the railways from getting control of the traffic through the canal and thus defeating the very purpose of its construction, section 5 was put in when the interstate commerce law was enacted forbidding railways from owning any interest in ships plying through the canal or elsewhere. Now it is proposed to repeal section 5, or at least to modify it in such a way as to destroy its effectiveness.

Of course, if the railways can get control of some such shipping companies, they will not care whether they make any money out of them; they can put their competitors out of business, destroy the traffic through the canal, and then force the freight back to the railroads, with the consequent increase in rates. Where does the public come in on such a proposition?

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

Mr. EDMONDS. Mr. Chairman, I would like to speak on the amendment to the section.

The CHAIRMAN. The gentleman from Pennsylvania is recognized on the pro forma amendment.

Mr. EDMONDS. Mr. Chairman, I do not suppose this will need very much explanation to the Members of the House. A few years ago in the merchant marine act of 1920 we passed a mortgage bill. When the Department of Commerce came to investigate the situation in regard to these mortgages it was found that under any law that we had or any law or definition of a home port that we had they would have to be registered at the home of the man who owned the ship. Therefore, having no specific place where any other person could find out where these documents were registered, the Department of Commerce sent to us and asked us if we could not define a home port in this bill, and we have done it by stating it to be the nearest customs office to the place where the man conducts the greater part of his vessel business.

You gentlemen will realize, particularly those of you who are attorneys, the value of this section. It will enable any of you who wish to look up the documents of a ship and find out what is recorded against the ship to ascertain the place to go. I do not believe you want any further discussion on this subject, because you must all understand it.

Mr. LOWREY. Mr. Chairman, my genial friend from Illinois, Governor YATES, has, I believe, escaped from the House. [Laughter.] I certainly do not want to shoot him in the back. Before going, however, he told us a good monkey story in a very happy way. By his discussion I am reminded of a discussion which took place between a gentleman from New York and a gentleman from Mississippi in regard to a recent Democratic victory in New York. The New Yorker was saying, "The State of New York is easily Republican, and when it does happen to go Democratic it is simply because the Republicans do not hang together." "Yes," replied my friend, "that is a weakness with the Republicans down South. Most of them, if they get anything like what is coming to them, do hang sooner or later, but they do not hang together." [Laughter.]

From my own observation I can testify that my southern friend is right. They generally hang at different county seats and on different Fridays.

But, if I yet have the time, I want to tell another monkey story to match that of the gentleman from Illinois. In a southern town two negroes were watching a monkey dressed



in a brilliant red coat and dancing to the music of a hand organ. One negro said, "He's des ole time folks; dat's all he is. He ain't nuffin' but des ole time folks."

"Ef he ole time folks," replied the other negro, "den why don' he talk?"

"Case he got too much sense to talk," replied the first. "He kno' ef he talk de white folks will fin' out he des a common nigger and take dat fine coat off him and put him to work in de cotton patch." [Laughter.]

My friend from Illinois undertook to apply his story to illustrate the situation in the recent elections. I rather think my story illustrates it better. Some of our friends on the other side have talked entirely too much, and consequently some of them after the ides of March will find themselves stripped of their official robes and perhaps working in harder fields.

Again, I am afraid that during the discussion of this bill some who have rejoiced in reelection have been doing some talking that will cause them to "hang together" or "separately" at the November elections two years from now. I am glad to see, however, that quite a number of those who sit on the left side of the center aisle with the goats have been wise enough and brave enough to see straight and talk straight on this ship subsidy question. And for this reason some of the most objectionable features of the original bill have been corrected by amendment, and when the bill passes this House it will be by a majority many times smaller than the Republican majority in the House.

Finally, I want to say that no man on the majority side is more anxious than I to see a creditable and efficient American merchant marine, but I very profoundly believe that this bill, if passed, would cost the taxpayers many millions of dollars, encourage and strengthen dangerous monopolies, and finally mean little or nothing toward the establishment of American trade routes and the maintenance of the American flag on the high seas.

Some gentlemen have insisted that the policy of those on this side of the aisle is entirely destructive; that we oppose this bill without offering anything in its place. In refutation of this charge, I need only to call attention to speeches such as those of the gentleman from Tennessee [Mr. DAVIS], the gentleman from Texas [Mr. HARDY], and the gentleman from Alabama [Mr. BANKHEAD]. Of course, we on the minority side have had no chance whatever during this session to frame and present a merchant marine bill. Our leaders, however, have pointed the way, and when this bill fails of passage, as I believe it will when it reaches the Senate, then I hope the majority will be willing to walk in the better way that has been pointed out to them, or that the Sixty-eighth Congress will at least see the way more clearly.

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section close in one minute.

Mr. LANHAM. May I have about three minutes?

Mr. EDMONDS. I modify my motion and move that all debate close in four minutes.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section close in four minutes.

The motion was agreed to.

Mr. SNELL. Mr. Chairman, I have listened carefully to the debate on this measure and have given special attention to the opposition, as I was desirous of getting reasons, if there were any of importance, why this House should not support this bill. We all agree that as a result of the war we have three billions of public money invested in an unprofitable and unsatisfactory enterprise. Both political parties proclaim their support for an American merchant marine, privately owned and privately operated. Every speaker on the bill and every Member of the House is not only disgusted with the past or present management and accomplishments of the Shipping Board but absolutely doubtful about its future. Every man here knows it is costing the taxpayers of this country fifty millions per year loss in operating expenses, to say nothing about depreciation, interest on capital invested, and so forth, which will easily amount to another fifty millions, or, if the whole truth is actually known, it is costing this country on the annual basis of one hundred millions per year to keep less than 30 per cent of its fleet in actual operation, and with nothing but absolute ruin staring us in the face. The longer we go on under present conditions the worse we are off, and in a few years we will have wasted our capital, spent fifty millions of good new money each year, forced privately owned American ships from the sea, and have completely wiped out a possibility of an American merchant marine for the next half century. Every member of the Shipping Board—four Republicans and three Democrats—absolutely agree on this.

We all agree that is the condition that confronts us. Now, are we going to stand idly by, bickering over party politics, personal prejudices and jealousies, and let this three billions be eaten up, or are we going to act like business men and at least try and save what we can out of the wreck? The question before you to-day is not how to develop and place a merchant marine on the ocean; it is how to utilize to the best advantage the one that is now on the ocean and ready to work. If we did not have these ships, I would not consider this bill for a minute; but the proposition now is what is the best way to get out of a bad mess. Let me say in passing, the party here that is solidly opposing this rescue measure had more to do in getting us into this trouble than we did, and they are solidly refusing to lift one pound to help get us out. This Shipping Board is not a Republican child. It was created under your administration. You spent the money. We are only trying to save as much as we can. If you do not like this measure, why do you not assume your share of the responsibility and try and make it better in committee, and all of us act on behalf of the people and try and save the taxpayers' money?

This bill does not entirely please any of us, but it is the result of the best thought and best knowledge we have and the only constructive measure along this line yet presented. The only constructive suggestion that has been offered by the opposition is to abolish the whole Shipping Board and put one man in charge, and if we can not do anything better I do not know but what I would do that. The whole debate on the opposition has developed into a tariff debate, and it is largely the main principle involved in this measure. This bill aims to protect an infant industry. It aims to protect American shipyards, employing high-paid American labor, as against cheaply paid Europeans. It aims to protect well-paid, well-fed, well-housed American seamen as opposed to the coolie labor of our competitors. I am in favor of the American protective policy as applied to our ships at sea just the same as I am in favor of protecting American agriculture and industry on land. It is exactly the same proposition, and I can not understand how any man who claims to be a protectionist and believes in it can be unwilling to give this industry the same protection he asks for his home products.

I represent a purely rural district. My home county is reputed to have more dairy cows than any county in the United States. The farmers of my district want a market for their butter and cheese, and any legislation that helps to build up an American industry that employs well-paid labor in this country helps to make a bigger and better market for the products raised on the farms of my State, and I can not see how any class of people are going to be more directly benefited by this legislation than the American farmer, for when we encourage shipbuilding in this country we are increasing the high-grade consuming class to buy his product at home, thus increasing demand, and with increased demand comes increased prices. With increased prices on agricultural products comes increased prosperity for rural communities.

When we encourage sailing ships in ocean trade, we increase competition there, and that tends toward lower freight rates on his product shipped abroad. I maintain the western farmer is just as much interested in freight rates on his wheat from New York to Liverpool as from St. Louis to New York. If he is as vitally interested as some of us think he is in water transportation from Duluth to Montreal, let me tell you he is interested in water transportation from Montreal to Liverpool. And that is what we are taking care of for him in this bill. The whole trouble is that this proposition has not been put up to him in the proper way. He has not been told the whole truth. If the press and public men had spent one-half as much time telling the honest truth about the merchant marine, its possibilities and benefits, as they have in maligning it and demagoguing about it the situation and feeling in certain parts of this country would be entirely different.

Do you suppose if the honest hard-working farmers of this country knew that to-day they were being taxed this year \$50,000,000 to subsidize a Government-owned merchant marine they would object to legislation that has for its purpose a much more effective privately operated merchant marine at an actual saving to them in taxation of at least \$20,000,000 per year? You need not tell me he would not understand it or object to the legislation. You put all the facts before the people and I am not afraid of their judgment.

Mr. Chairman, (1) I am for this bill because it favors building American ships in American shipyards, employing American labor who eat American farm products, some of which will be produced in my State.

(2) I am in favor of this bill because of the absolute assurance of reasonable freight rates it gives the American pro-



ducer in peace times and the necessary added auxiliary defense it gives our Navy in time of war. As a defense proposition alone it is worth its cost.

(3) I am for this bill because it is the only constructive measure along this line presented by anyone.

(4) I am for it because I believe that American-owned lines of communication between foreign countries and our home markets are just as necessary for our future growth and development as efficient lines of transportation at home.

(5) I am for it because every true American believes in an American merchant marine, and you will never have one unless you utilize the ships you have now.

(6) I am for it because this favors private ownership and operation as opposed to the present inefficient and wasteful Government ownership and operation.

(7) Lastly, I am for it because it will be an absolute saving of from twenty-five to fifty millions a year to the present overburdened taxpayers of our country. I am for this legislation because it is in the interest of America as against England and Japan, and every interest these countries have in America is working against any legislation that tends to perpetuate American shipping on the high seas.

Mr. LANHAM. Mr. Chairman and gentlemen of the committee, I have been seeking to analyze the statement of my good friend from Illinois [Mr. YATES] and have come to the conclusion that it is tantamount to this, that under the anesthetic of his own personal majority he did not feel the pain of the recent operation which the Republican Party underwent. [Laughter.] The situation reminds me of the story of the young man from the East who went out West. His parents did not hear from him for a long time. One day they received a telegram to this effect:

Your son John was killed here to-day in a railway wreck. His head was mashed to a pulp, his chest crushed, both arms broken and both legs broken.

Then after about an hour there came to the grieving parents another telegram which said:

Mistaken as to details. Left arm not broken.

[Laughter.]

I think that summarizes the results of the recent election, and my good friend from Illinois [Mr. YATES] is taking comfort from the fact that the left arm was not broken. [Laughter.]

The CHAIRMAN. The gentleman's time has expired. All time has expired. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

SEC. 706. Subsection B of section 30 of the merchant marine act, 1920, is amended to read as follows:

"Subsection B. When used in this section—

"(1) The term 'document' means certificate of registry or enrollment and license, whether permanent or temporary, but does not include a provisional certificate of registry;

"(2) The term 'port of documentation' when applied to any vessel means the home port of that vessel as shown in its documents;

"(3) The term 'vessel of the United States' means a vessel having a document issued under the laws of the United States, and for the purposes of this section such vessel shall be held to continue to be a vessel of the United States until the document is surrendered with the approval of the board; and

"(4) The term 'mortgagee,' in case of a mortgage involving a trust deed and a bond issue thereunder, means the trustee designated under the deed."

Mr. LANGLEY. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Kentucky [Mr. LANGLEY] is recognized for five minutes.

Mr. LANGLEY. Mr. Chairman, I have not sought to take any of the time of the committee in the discussion of this bill, but have contented myself with voting on motions and amendments that have come up for consideration. I am going to say only a few words now because the time for debate is nearly exhausted, and every Member has made up his mind how he is going to vote, and the only purpose I could accomplish would be to have the RECORD show my reasons for the vote which I intend to cast when the time arrives for the voting on the final passage of the bill. I believe in economy of time, and therefore prefer to set forth those reasons in the RECORD rather than undertake to do so verbally at this juncture, and I shall do the former if the request for the privilege of extension in the RECORD, which I shall presently make, is granted, except as to one or two observations I desire to make now. In the first place, I am going to vote for this bill because I believe, aside from the importance of my country having commercial prestige upon the high seas, that it proposes the best, the most business-like, and economical method of handling the legacy which we inherited from the late criminally extravagant Democratic administration. [Applause on the Republican side.] In the

second place, I propose to stand by our great leader and patriotic President upon this question, and I pause here to assert that I have listened attentively to this entire debate and I have not heard a single logical answer made by either Democrat or Republican to any one of the arguments contained in his superb message in support of this bill. [Applause on the Republican side.]

It is not my purpose to assume the rôle of lecturer to any colleague on my own side of the House, but I wish to state that I think it is high time that we had some solidarity of action and some teamwork in our own party [applause] if we are going to maintain the prestige of the Republican Party in the Nation. We can not do that unless we stand by our President and our own party leaders, once in awhile at least. [Laughter and applause.] If we can not legislate with the majority we have, and are going to permit the Democrats to bullyrag us and run this Government with the Republicans in power, we might as well disband and go home. [Laughter and applause.] We need more of the spirit of cooperation, my fellow Republicans, more unity of action, if we expect to stem the tide two years hence. [Applause on the Republican side.] Our Democratic friends seem to take great pleasure in referring to what they think and what they claim was a spanking which the people of the country gave the Republican Party at the late election, and in contending that this was chiefly due to the opposition of the people to this bill. To me these are amusing contentions. In the first place, the President openly and repeatedly advocated the enactment of this legislation two years ago when he was a candidate for the presidency, and the people knew this when they gave him 7,000,000 popular majority. My version of it is that the people were so anxious to rebuke the Democratic Party two years ago when they gave this 7,000,000 popular majority for the Republican ticket that they lost sight largely of the congressional races and of necessity gave us a very large and abnormal Republican majority in both Houses of Congress. In view of all of the misrepresentation that was indulged in in the late campaign and of existing conditions in general, following as it did the abnormalities succeeding the war, we ought to be satisfied and proud of the fact that we have a majority of 10 in the Senate and 20 in the House. [Applause.] It shows one thing at least, and that is that this country is normally Republican and that it is back of the man now at the helm of the ship of state who has been confronted with the greatest problems that ever confronted a President of this Republic, Abraham Lincoln not excepted. [Applause.] That is all I have to say now. I shall say more in the RECORD a little later on. [Applause.]

Mr. HUDDLESTON. Mr. Chairman, there is room for difference of opinion as to the merits of this measure. There can be no difference of opinion among honest men as to the way in which this bill is being passed.

There is always room for honest differences of opinion upon economic measures, and for those who believe in the principle of a public subsidy for the shipping interests I have no sharp criticism. But there is never room for difference of opinion upon matters of straight dealing and political and public honor, so that I am compelled to feel contempt for the shiftiness, evasiveness, and chicanery which inspire the effort to pass this bill under whip and spur at this particular time and by special session of Congress called for that purpose.

The administration has known for 18 months that it intended to put this legislation through Congress. The Republican leaders have been in full harmony with the administration's purpose and have acquiesced in the way the matter has been handled. From the time the present administration was inaugurated on March 4, 1921, until the present, Congress has been in session practically continuously. Why has not this bill, which has for its purpose the grant of public funds from the Treasury in aid of shipowners, been brought up before now? The answer is obvious. We were to have an election on November 7. Those in control did not dare to bring the bill up. It has been on the calendar for months, but they did not dare to ask for its passage because they feared that Congressmen of their own party who were seeking reelection could not be induced to violate the wishes of their constituents and support it—they feared that such of their members as did support it would pay dearly for their action in the elections.

And why is a special session called? Why not wait until the next Congress assembles, with its new mandate from the people? Again the answer is clear that new Members of the next Congress, fresh from the people and willing to perform the will of their constituents, could not be induced to vote for the bill. The measure is being presented now and under the existing circumstances because it is realized that there is no hope to get it passed by the next Congress. Its sole hope of



passage lies in the votes of Republican Congressmen who have been defeated for reelection and to whom the people have already done all that it is possible to do to show their displeasure.

This Chamber bears the aspect of a legislative hall but in reality at this time it is a morgue, a charnel house. It seems to be a place for the living; in reality it is the abode of the dead. Upon the Republican side of the House there are 110 Members who have not been reelected to the next Congress. It is by the support of these "dead men" that this bill will be passed.

You may go up and down the aisles on the Republican side and look into the face of many a dear departed one and say, "Does not he look natural?" Color is in his cheeks and he has the semblance of life but in reality he is dead. By reason of a provision of our Constitution, applicable to the old stage-coach days when it took months for Members to reach Washington after being elected, a new Congress begins on March 4 after the November election. For the intervening months Members who have been politically executed by their constituents continue in their seats and may legislate in utter disregard of the public welfare and the people's wishes. Due to this out-of-date constitutional provision, these 110 Republicans continue in office and are able to reach dead hands out of political graves to push this measure to passage.

Was there ever a greater farce? A bill brought forward with the deliberate purpose of it being passed by those who really represent no one but themselves, who are merely the gray ghosts of dead politicians. Oh, you ghostly Congressmen, I beg you to sustain in your political graves the same principles of public honor and good faith that you cherished while alive! [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section and amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from Pennsylvania moves that all debate on this section and amendments thereto close in 15 minutes.

The motion was agreed to.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from Alabama has made a speech against the merchant marine bill which is under consideration. In that 5 minutes the gentleman from Alabama has advanced all the arguments against the measure which are at his command. The sum and substance of the argument of the distinguished gentleman is that we ought not to follow out the provisions of the Constitution which decide the terms of the members of the American Congress, but that we ought to follow the leadership of the new advocates who pay no attention to the Constitution and want to set up their own judgment and say that when the elections are over every member who is not to serve in the next Congress is not permitted to vote on any measure before the House. The gentleman seems to think the country in the recent elections repudiated the Republican Party in the House. Is there a Democratic victory in the House? No. The country sent back a Republican House. The country retained a Republican Senate. This country believes in an American merchant marine and this bill will be written into law.

My notion is that the people of this country want this great American Republic to have an American merchant marine, and that the people of this country want us to dispose of this great perplexing problem of \$5,000,000,000 worth of ships left to us by a former administration for disposition which are costing us a loss of 50 millions per year. We can not shirk the duty which confronts us, I care not what the gentleman from Alabama may say. We must meet this problem not as politicians seeking votes but as American statesmen undertaking to deal with a great economic and national problem. [Applause.]

I do not believe personally in national disarmament, and a merchant marine is necessary unless the Republic shall entirely disarm. I believe in international agreements for the limitation of armament and we have a certain agreement pending. But my friends, unless we have an American merchant marine such as is proposed by this measure—and no substitute is offered—unless we have an American merchant marine, if the terms of the Armament Conference are carried out, we shall leave America defenseless among the nations of the world. [Applause.]

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. Mr. Chairman and gentlemen, it has frequently been said during this debate that there has been offered for consideration of the committee no substitute proposition to take the place of the bill with which you are presented. Anyone familiar with the legislative situation knows that that would be absolutely futile. If we attempted to present a concrete proposition it would meet the same fate as the amendments

which we have proposed. Before the debate closes I desire to suggest some alternate propositions to meet the emergency situation in which we are placed.

First. Abolish the monopoly of the American shipbuilders by permitting the American shipowners to buy ships wherever they can be bought cheapest and to sail her where she can make the most money, and put all ship material on the free list.

Second. Enforce in letter and spirit all the provisions of the seaman's act, thereby insuring safety at sea and the most skillful efficiency in operation and equalization of wages on American and foreign ships on all lines to and from American ports.

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

Mr. BANKHEAD. No; I have not the time.

Third. Eliminate for all time all suggestions of cash subsidy.

Fourth. Enforce with full vigor the provisions of sections 5, 6, and 7 of the Jones Act. These sections provide, respectively, for the sale and temporary operation of Shipping Board vessels.

Fifth. Sell to Americans or foreigners, give away, or scrap the undesirable portion of our fleet. Mr. Lasker says that only about half of it is desirable for operation in competition. This will reduce the overhead of upkeep and administration very greatly.

Sixth. Repeal section 34 of the Jones Act.

Seventh. Abolish the managing agency form of contract and have Government ships operated by competent shipping men for a stipulated salary on a business basis.

The following Government compensation to private operators is not unconscionable—does not involve any vicious direct subsidy out of the Treasury, and, if thought desirable, involves the exercise of a reasonable discretion:

1. To provide that Army, Navy, and Marine Corps transportation may be done by privately owned vessels, at the discretion of the President, where such ships are available and will contract to perform the service on reasonable terms.

2. To require all officials of the Government, where the expense is out of the Treasury, to travel on privately operated ships where such ships are available and will contract to perform the service on reasonable terms.

3. Require 50 per cent of all immigrants to come in American vessels, after agreements to make existing treaties harmonize with immigration laws of the United States are concluded.

4. Adequate, direct compensation to ship operators for carrying United States mails.

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

Mr. BANKHEAD. I do not think it would be possible for me to get an extension of time under the agreement.

Mr. MONDELL. How much more time does the gentleman want?

Mr. BANKHEAD. I would like to have five minutes more.

Mr. MONDELL. Could not the gentleman make the statement in three?

Mr. BANKHEAD. I would be very glad to have the opportunity to make the statement if I could.

Mr. LANGLEY. Mr. Chairman, reserving the right to object, if the gentleman will yield to me for a question I will not object.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that the gentleman may continue for five minutes more.

The CHAIRMAN. Is there objection?

Mr. LANGLEY. Mr. Chairman, I reserve the right to object.

Mr. BANKHEAD. Mr. Chairman, I ask for the regular order. If there is objection I want it made.

Mr. LANGLEY. Will the gentleman yield?

Mr. BANKHEAD. I do not make the agreement under any conditions.

Mr. LANGLEY. Then I object.

Mr. BANKHEAD. Very well. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BEGG. Mr. Chairman and gentlemen of the committee, the first part of the debate upon this question was devoted by the opposition to the question of taxation. That was horribly exploded just the other day, but in order to emphasize it I want to call attention to-day to the fact that nearly all of the time of the opposition to this bill has been consumed by gentlemen from Alabama, gentlemen from Tennessee, and gentlemen from Texas. After the bill is practically through they confine themselves to sounding condolences to the Republican Party upon what is going to happen to it. I want to say to you men seriously that if you will quit worrying over what is going to happen to the Republican Party and give a little bit of your consideration to what is going to happen to the United



States of America after we have written the subsidy bill into law and provided an American merchant marine, the people from your States will be a great deal more interested than in the demagogic utterances of gentlemen on the floor of the House of Representatives.

I get tired listening to men making speeches after every great measure telling what is going to happen to the American people. We went through a period of that after the tariff bill, and I am going to tell you what happened in Ohio after the tariff bill was passed. The 5,000,000 men that you threw out of work by the Underwood bill were set to work and put on the pay rolls so they could make a decent living for their families. The same thing will happen under this bill.

Just to show the membership of this House the kind of statesmanship that is fighting this bill, I am going to begin with Alabama, because my distinguished friend here, Mr. HUDDLESTON, from that State seemed to be troubled and worried because some men on the Republican side are going to cast their ballot after the election is over. Do you know that if this bill passes and becomes a law your people in Alabama will be taxed the magnificent sum of 5 cents per head per annum, and in 10 years that every single possible cent that you can pay, so far as the money goes, will be 50 cents per head, and at the same time you drew out of the Treasury a direct subsidy for education alone last year of \$1 per head. It seems to me it is about time for a man who pays a 5-cent tax and gets a 10-cent tax given him, to begin to get into line and do a little less demagoging and give a little more serious thought and study to the question of finance. [Applause on the Republican side.]

Let us now take the State of Tennessee. My genial friend, the minority leader, the other day was very much exercised over the fact that it was going to cost the State of Tennessee 9 cents per capita; and what for? To fly the American flag on the high seas over every dollar's worth of commerce that sails from this land. Go home, you men, and tell your constituents the truth. Do not demagogue about \$30,000,000, because it is not going to cost \$30,000,000; but tell them the truth—that the maximum tax that they can pay in 10 years is 90 cents per head, and ask them if they would rather have their American soldiers shipped under the British flag or have the Stars and Stripes flying over them?

I want to ask you men from Texas whether you would rather ship your beef and cotton in American ships, under the American flag, or pay a tribute to Great Britain or Japan? [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Ohio has expired. All time has expired. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

SEC. 707. Section 4141 of the Revised Statutes is amended to read as follows:

"SEC. 4141. Every vessel, except as otherwise provided by law, shall be registered by the collector of customs at the home port of the vessel."

Mr. STEVENSON. Mr. Chairman, I move to strike out the section. I have been very much entertained by the gentleman from Ohio [Mr. BRIGGS], who never demagogues. The gentleman continually refers to the fact that some States pay a great deal more income and other Federal taxes than other States. The fact that it is collected in New York does not mean that it is produced there. The gentleman ought to know, if he is not a mere politician or demagogue, instead of a business man, that it is what a State produces, it is the basic production of this country, that establishes the position of a State industrially and otherwise, and that because of the handling and manipulation of things at certain great centers, great profits are drawn to those centers, and the Government is enabled to collect its tax at those centers, and thus make it appear, for instance, that everything is produced in New York. The basic products which produce the wealth of the country are farms, forests, mines, mineral production, lumber, and so forth. New York, about which the gentleman speaks, produces 3.05 per cent of these basic products. South Carolina produces 2.04 per cent, and Ohio 3.83 per cent. In other words, they all run along in a class. South Carolina produces a million and a half bales of cotton and the whole South produces 10,000,000 bales of cotton; yet in New York alone they sold 101,000,000 bales of cotton on the cotton exchange and robbed the people who actually made the stuff by this manipulation and depreciation and speculation, and thereby had great income taxes. I set out here the statement of this matter, showing the per cent of basic products each State makes and the per cent of public road fund each State received from the \$275,000,000 appropriated up to 1920. This table is by an expert of the Commerce Department, found on page 2949, CONGRESSIONAL RECORD, Sixty-sixth Congress.

The total value of the basic annual products of the United States from farms, forests, and mines, namely, mineral products, lumber, wool, poultry and eggs, dairy products, domestic animals, and agricultural crops, was \$30,251,702,506. The following summary indicates the proportion of that total produced by each State, and the proportion of Federal aid received by each State in the allocation of the \$275,000,000 heretofore appropriated under the present highway plan:

State.	Per cent of production.	Per cent of Federal aid.
Alabama.....	2.26	2.17
Arizona.....	2.17	1.41
Arkansas.....	2.01	1.73
California.....	2.70	3.14
Colorado.....	1.30	1.79
Connecticut.....	.35	.63
Delaware.....	.14	.17
Florida.....	.64	1.18
Georgia.....	2.64	2.78
Idaho.....	.84	1.26
Illinois.....	5.08	4.51
Indiana.....	3.07	2.78
Iowa.....	4.85	2.98
Kansas.....	3.73	2.96
Kentucky.....	2.52	2.01
Louisiana.....	1.97	1.40
Maine.....	.61	.99
Maryland.....	.69	.90
Massachusetts.....	.46	1.52
Michigan.....	3.24	2.98
Minnesota.....	3.39	2.93
Mississippi.....	2.21	1.85
Missouri.....	3.27	3.50
Montana.....	1.38	2.06
Nebraska.....	2.78	2.20
Nevada.....	.43	1.33
New Hampshire.....	.29	.43
New Jersey.....	.49	1.23
New Mexico.....	.70	1.65
New York.....	3.05	5.13
North Carolina.....	2.90	2.35
North Dakota.....	1.33	1.58
Ohio.....	3.83	3.82
Oklahoma.....	3.98	2.38
Oregon.....	1.42	1.63
Pennsylvania.....	5.50	4.73
Rhode Island.....	.07	.24
South Carolina.....	2.04	1.48
South Dakota.....	1.73	1.67
Tennessee.....	1.96	2.33
Texas.....	5.43	6.03
Utah.....	.96	1.17
Vermont.....	.45	.47
Virginia.....	1.86	2.05
Washington.....	1.72	1.49
West Virginia.....	1.99	1.10
Wisconsin.....	2.95	2.62
Wyoming.....	.62	1.26
	100.00	100.00

Mr. ROSSDALE. Will the gentleman yield?

Mr. STEVENSON. The same way with Chicago. The people out West make an enormous amount of wheat, but what becomes of the profits of it? It is all absorbed in Chicago. The same way about the packers. The cattle business of the West is large, but the packers absorb and monopolize and get all the profits. You talk about basic products and talk about demagoguery and talk about the fact that we pay a small amount in South Carolina and they pay a large amount out in Ohio, when we make nearly as much basic products as they do, and say for that reason we ought to vote for what is wrong. I say the people of Ohio, the people of Illinois, and the people of New York need protection against the fellows they send here who brazenly vote large taxes and large expenditures of money and confessedly say they do it because they have the right to do it. The gentleman from Ohio has spoken to this House from time to time in a sneering way in referring to Texas, and says that the Texas people pay very little. Let us see about Texas. It produces of the basic products of this country 5.43, while Ohio produces 3.81. Pennsylvania alone exceeds Texas, producing 5.50 per cent of basic products.

Mr. BLANTON. Nearly twice as much as Ohio produces?

Mr. STEVENSON. Yes. Illinois produces 5.08 and she has got some right to come here and talk; and if the gentleman sneers at Texas and sneers at the small tax they pay, why, if you will keep a lot of the centers from robbing the Texas farmers of what they make and depressing their prices and confiscating their property—if you will stop that, Texas will pay more than Ohio and as much as New York pays next year. [Applause.]

Mr. HOGAN. Mr. Chairman, when we vote upon this measure to-day we are called upon to do more than decide whether we shall enact a subsidy bill into law—we are asked to determine whether the American people shall develop this into the greatest of maritime nations with resultant prosperity and



civilization or give way to the power and convenience of the British Empire.

The issue is simple: Since the time of Alexander Hamilton we have contended in this country that Congress should provide a protective tariff high enough to cover the difference between the cost of production here and abroad, to encourage our manufactures, to stimulate agriculture, and to give employment to our wage earners. So unanswerable has been this contention that the Democratic Party which has opposed it in principle has not failed to provide a modicum of it in practice. And so efficacious has it been that there is no reason why it should not be extended to our merchant marine. By a subsidy we are no more benefiting a few at the expense of the many than when we restrict foreign competition with our commodities and thereby save them for the benefit of America. By a subsidy we cover labor and other differences in cost here and abroad and thereby enable our ship builders and owners to survive upon the ocean. It seems to me it is just as worth while to save our merchant marine for America, in order that we may carry our own goods in our own bottoms, as it is to save our farms and our factories and the standard of living of our workmen, the highest in the world, for America. If we do not do so, the British marine will carry our goods. It is not good for one nation to depend upon another for anything, much less free and independent America. Great Britain is for Great Britain. I do not blame her for that. But I blame anybody here who is for Great Britain before he is for America. I want America to continue to be what she is, the first nation in the world, and therefore I want her to be first on the sea. You can not be first in anything unless you are willing to sacrifice. The sacrifice in money called for in this bill is infinitesimal as compared to the great good to our commerce which will result. And so I heartily support it.

If we look back over the past we find that the peoples of the earth which have risen to dominating position have been those which have been able to maintain themselves on the sea. Had the merchants and mariners of Tyre not gone down to the sea in ships, Phœnicia would not have given to the world the alphabet. The arrogance with which she used her power at last brought her to the doom prophesied by Ezekiel. By sea power Carthage also arose to dominion and for a time disputed with Rome for command of the Mediterranean. She held it with varying success during three Punic wars, until the hand of Scipio wrested it from her, and thereby was enabled to give us Roman law. Had Athens not built ships to meet Persia at Salamis, Alexander and his successors would not have been enabled to spread abroad the civilization of Hellas. When she, too, had finally passed under the power of Rome, the Italian peninsula developed state after state, which grew to prosperity through merchant fleets. Venice, Genoa, Florence, and Naples added their chapters to the maritime history of our globe and, therefore, to the spread of civilization. Portugal rounded the cape. Spain took a mariner from Genoa and discovered the continent which was to become the beacon to free the earth and which was to supply more wealth than the rest of the world combined. Spanish pride was brought low when Drake destroyed her armada. The Hanse towns followed in the wake of the Norse sailors in seeking new lands and markets. Holland enriched herself and gave herself strength to grant an asylum for the molested of other countries by the development of a marine which also fell before that of England. Then London, "great in the midst of many waters," became a second Tyre. She swept from the seas the merchant as well as the war ships of Napoleon and gave him the incentive for selling to us the vast territories comprised within the Louisiana Purchase, extending from New Orleans up the Mississippi to the Rockies.

In the very moment of England's zenith on the seas a new people which had sprung up out of her injustice in the days of the American Revolution challenged her supremacy. By the skill of her builders, the daring of her fishermen and sailors, and the genius of her merchants the United States outstripped the motherland and earned the title of mistress of the ocean. We gained a heritage with the reckless daring exemplified by John Paul Jones. Bath in Maine and Gloucester in Massachusetts rose to fame. In 1789 the United States had 123,000 tons of deep-water shipping, carrying 17 per cent of our imports and 91 per cent of our exports. Five years later we carried 91 per cent of our imports and 86 per cent of our exports. We caused Edmund Burke to declare in the House of Commons:

Neither the perseverance of Holland nor the activity of France nor the dexterous and firm sagacity of English enterprise ever carried this most perilous mode of hardy industry to the extent to which it has been pushed by this recent people—a people who are still, as it were, in the gristle and not yet hardened into the bone of manhood.

The War of 1812, fought by Great Britain to maintain the right of search and seizure, interrupted our marine development. But when the war was over we took hold again, and 12 years after the war was over the London Times asked:

Twelve years of peace and what is the situation of Great Britain? The shipping interest, the cradle of our navy, is half ruined. Our commercial monopoly exists no longer, and thousands of our manufacturers are starving or seeking redemption in distant lands. We have closed the western Indies against America from feelings of commercial rivalry. Its active seamen have already engrossed an important branch of our carrying trade to the eastern Indies. Her starred flag is now conspicuous on every sea and will soon defy our thunder.

From 1830 to 1836 our merchant marine increased 12 per cent a year while that of Great Britain increased 1 per cent. In the forties and fifties we were supreme on the seas. Then came the Civil War—four years of it. After that came the development of our manufactures. Railroad construction, manufacturing development, and the lure of the great West furnished new outlet for American capital and manhood. In 1870 we carried 35 per cent of our trade in our own bottoms, in 1880 but 17 per cent, and in 1914 but 9 per cent.

We have built up the West. We have developed our industries until we are the wealthiest Nation of all time. We have produced the inventive genius to enlighten and transform the world. We furnished the manhood in the Great War to turn the tide of battle and save our allies. We must now return to the great task we laid down in 1860 and again show what American intrepidity can do on the ocean. We must maintain our commerce and our civilization by our trade upon the sea. We must not lag behind in our quest of outlet for our energy, but must go on and enable our ships to carry forward the message of our civilization and our liberty. We must not admit that England can do that which we can not do. Republicanism is better than monarchism. Our civilization is superior to hers. Certainly the prosperity of our people is as vital to us as that of the English people is to England. Let us then give to our marine the few millions necessary to enable us to use the fleets we developed during the Great War and to use them for the benefit of America. [Applause.]

Mr. EDMONDS. Mr. Chairman, I move that all debate on this section do now close.

The motion was agreed to.

The Clerk read as follows:

SEC. 708. Subdivision (a) of subsection O of section 30 of the merchant marine act, 1920, is amended to read as follows:

"Subsection O (a). The documents of a vessel covered by a preferred mortgage may not be surrendered without the approval of the board, except (1) in the case of forfeiture of the vessel or its sale by order of any court of the United States or any foreign country, or (2) in case of the renewal of the documents without change in ownership of the vessel, or (3) in case of change of documents incident to change of trade but without change in ownership of the vessel. The board shall refuse its approval unless the mortgagee consents to the surrender."

Mr. BLACK. Mr. Chairman, the gentleman from Ohio [Mr. BEGG] has repeated to-day his oft-used argument in the House that Members from those States which do not show a large payment of income taxes should be reluctant to express their views upon pending legislation involving public expenditures. The gentleman took occasion to emphasize in his remarks that debate to-day upon the Democratic side of the House has been chiefly conducted by Members from Alabama, Tennessee, and Texas, and he referred to the speeches of these Members as demagoguery. Not having participated in the debate myself until now, I think I can say without immodesty that the debate from this side of the House has been of a very enlightening and informing nature and has been very far from demagoguery. Now, the gentleman from Ohio is, of course, a statesman, also an orator and a scholar. No one will dispute it, not even himself. The press of his State speak highly of him; the pulpit of his State speak highly of him; the bar of his State speak highly of him, but I have heard no one speak as highly of him as he does himself. [Laughter and applause.]

The gentleman refers, not only in this debate but he did so in the debate upon the good roads bill, to the small amount of income tax paid by the people of such great agricultural States as Texas, which produce a large part of the real basic wealth of the Nation, as compared to the amount of tax paid by certain financial and industrial States like New York, Pennsylvania, and Ohio. I want to say to the gentleman that the people of our great agricultural States are waking up to the fact that it is a matter of very serious concern to inquire why such a very large part of the income of the country flows into these great industrial and financial centers instead of being distributed to those who really produce it. [Applause.] And we are finding out—the people are finding out the reason why New York pays such an enormous income tax. They are finding out



why States like Pennsylvania and Massachusetts have such impressive income-tax figures. They know these great incomes have been built up largely because of subsidy legislation such as is proposed in this ship subsidy bill and by the Fordney-McCumber protective tariff. [Applause.] I am glad, Mr. Chairman, I have an opportunity at this hour to register my protest against this bill and my emphatic vote against it when the vote is taken.

One of the most serious economic and social problems with which we are now perplexed is the concentration of such a large part of the wealth of the country in the hands of so small a minority of the people.

I have no war to make upon capital legitimately acquired. I would like to see more men of capital. By that I mean more men of moderate means who are able by thrift and industry to accumulate something ahead and invest it in homes, in farms, in industries. Men will better be able to do this by equalization of opportunity, by removal of favoritism. Their task is made much more difficult by legislation like this we now have before us, which would vote a direct subsidy out of the pockets of the taxpayers into the pockets of the shipowners; it is made more difficult by laws like the Fordney-McCumber tariff law, which give indirect subsidies by means of high tariff rates.

These kinds of laws must stop if the average man is to have his chance. I voted against the Fordney-McCumber tariff law and I will certainly register my vote just as emphatically against this ship subsidy bill.

Mr. EDMONDS. Mr. Chairman and gentlemen of the committee, as I will not probably have another opportunity to say anything on this bill, I wish just to make a few observations.

#### WHAT IS A SUBSIDY?

It is peculiar of the present age that we are apt to speak in positive objection to propositions which upon investigation prove entirely different from the ideas we have acquired by superficial thought. One of the most recent examples of this is the turmoil created by the proposition to pay compensation to equalize the cost of operation between American and foreign ships, which can be termed "compensation," "subsidy," or "subvention" with equal propriety.

If you study your Standard Dictionary you will find a subsidy means:

Pecuniary aid directly granted by a government to an individual or commercial enterprise deemed productive of public benefit.

Synonyms: Aid, allowance, bonus, bounty, gift, grant, indemnity, pension, premium, reward, support, etc.

Illustration: A nation grants a subsidy to an ally, pays a tribute to a conqueror.

A subvention means "a grant" and compensation means "to recompense," taken in connection with the merchant marine. Any or either of these terms could be used to describe what it is proposed the Government should do to aid in the establishment of a merchant marine.

Subsidies for many purposes can be found by investigation into the history of all nations. The building of a merchant marine was only one of the many ways a subsidy was applied.

This also has been true of our own Government almost from the time of its origination and in many lines of endeavor. For instance, what is a tariff but an indirect tax on all of the people for the purpose of keeping American labor at a standard unknown in other countries? It is a subsidy to labor.

Much has been said about the opposition of the farmer to a subsidy to ships, particularly those farmers in the Middle West. It is a marvel to me that the farmer whose very existence on a farm was made possible by a subsidy can even think of a subsidy as an improper legislative proposition. No one knows better than he does that it was the 133 separate land grants made between 1850 and 1870 to railroad companies, covering a total of nearly 200,000,000 acres of the public domain, that made possible the opening of his markets. These grants were made with the full consent and assistance of the settled portions of the country and were indirectly a subsidy to the farmer, rendering his existence possible. A list of these grants will give an idea to many of the beneficiaries of this subsidy how dependent for their start they were upon them.

Land grants made by Congress for railroads, wagon roads, and canals.

	Total acreage.
Alabama	3,593,986
Arizona	1,615,534
Arkansas	3,784,023
California	23,273,548
Colorado	4,650,339
Florida	2,497,717
Idaho	6,165,633
Kansas	5,974,127
Illinois	2,919,415
Indian Territory	1,615,534
Indiana	1,916,803

	Total acreage.
Iowa	9,956,496
Louisiana	3,446,174
Michigan	5,455,157
Minnesota	17,386,521
Mississippi	1,292,851
Missouri	8,078,958
Montana	6,165,633
Nebraska	5,084,852
Nevada	2,423,955
New Mexico	1,615,534
North Dakota	6,165,633
Ohio	1,019,031
Oregon	12,855,268
Texas	1,165,534
Utah	2,423,955
Washington	6,165,633
Wisconsin	11,870,689
Wyoming	2,226,384

#### Roads—Federal-aid projects.

Geographic divisions and States.	Total cost.	Federal aid.	Per cent of total.
New England	\$9,489,651.07	\$4,199,541.65	44
Maine	1,629,481.90	765,880.65	47
New Hampshire	1,896,220.91	898,470.92	48
Vermont	417,352.96	202,388.65	48
Massachusetts	3,944,658.06	1,618,810.25	41
Rhode Island	1,284,454.89	550,080.40	43
Connecticut	347,482.35	163,910.78	47
Middle Atlantic	27,181,576.03	10,964,006.27	40
New York	3,661,043.05	1,654,722.81	45
New Jersey	3,073,022.31	1,161,457.31	38
Pennsylvania	20,447,510.67	8,047,826.15	39
East North Central	56,925,879.61	23,188,240.07	41
Ohio	16,621,864.40	5,555,550.57	33
Indiana	3,489,845.38	1,676,894.90	48
Illinois	22,826,302.37	10,432,933.60	46
Michigan	3,528,217.33	1,680,192.96	48
Wisconsin	10,459,660.13	3,842,668.04	37
West North Central	31,242,756.67	12,151,084.63	39
Minnesota	10,015,595.10	3,892,395.23	39
Iowa	8,632,692.90	3,264,878.62	38
Missouri	3,086,395.55	1,370,645.18	45
North Dakota	1,245,117.35	581,000.16	47
South Dakota	1,422,493.84	699,618.84	49
Nebraska	1,114,073.18	490,495.73	44
Kansas	5,736,474.75	1,881,540.87	33
South Atlantic	32,670,071.35	14,621,019.78	45
Delaware	1,615,761.45	393,654.83	24
Maryland	4,804,945.57	2,272,317.90	47
Virginia	2,244,087.68	1,082,056.08	48
West Virginia	2,652,694.80	1,175,746.28	44
North Carolina	5,318,607.40	2,403,197.92	45
South Carolina	3,892,032.75	1,820,326.80	47
Georgia	12,072,475.38	5,444,019.34	45
Florida	69,466.31	29,700.63	43
East South Central	8,471,955.65	3,975,182.38	47
Kentucky	1,882,002.53	844,787.46	45
Tennessee	1,241,632.29	580,897.44	47
Alabama	3,074,933.09	1,450,008.29	47
Mississippi	2,273,357.74	1,093,489.19	48
West South Central	20,472,996.43	8,248,017.00	40
Arkansas	4,921,772.29	1,625,965.00	33
Louisiana	2,577,021.44	1,121,901.86	44
Oklahoma	2,398,173.00	1,117,967.15	47
Texas	10,576,029.70	4,382,182.99	41
Mountain	24,506,593.42	11,687,463.15	48
Montana	5,181,458.02	2,533,322.95	49
Idaho	6,398,969.93	3,028,399.88	47
Wyoming	2,435,718.70	1,131,882.71	46
Colorado	3,315,210.11	1,556,392.59	47
New Mexico	1,737,692.74	866,992.27	50
Arizona	3,025,004.35	1,466,266.49	48
Utah	548,904.15	266,499.90	49
Nevada	1,863,635.42	837,706.36	45
Pacific	19,874,304.14	9,127,153.63	46
Washington	7,740,830.16	3,670,259.11	47
Oregon	9,086,285.21	4,032,957.06	45
California	3,097,188.77	1,423,937.46	46

Modern conditions have required that transportation to railroads and into near-by urban settlements should be made by vehicles and economy demanded that the old mud road should make way for the hard road so that greater loads and quicker passage of products would be guaranteed. Here, within the past few years, we again find Congress legislating in conjunction with the States for the expenditure of hundreds of millions of dollars for the joint construction of roads all over the country. Did the farmer then find the heavy taxpaying districts of the country refusing to countenance this subsidy which was of peculiar benefit to him?

And again in the past 10 years, from 1911 to 1921, the War Department has expended \$357,000,000 for river and harbor improvements, \$119,000,000 of which went for harbors and \$238,000,000 for rivers, just to enable the people of the Middle West to market their products cheaply—another subsidy from the Government for sectional benefit, and again no objection from the large centers of the country as to the charges involved.

Does the farmer not recognize the valuable assistance given him in the eradication of plant and animal disease by both



National and State Governments? In 1921 the National Government spent \$24,500,000 in this work. It is fair and proper to argue that the whole country is benefited by this subsidy, but the financial benefit from this expenditure of the taxpayers' money remains with the farmer and not with the taxpayer.

In the McKinley tariff of 1890, which provided for the free admission of sugar, the cane-sugar grower of Louisiana and the beet-sugar producer must remember the bounty on sugar of 2 cents per pound provided for in that bill, and did we ever hear of those interested protesting against the payment of that subsidy?

And yet with all of these subsidies continued for years, and with the good results achieved by them, and let us hope for many years to come that the good work will go on, we find the so-called agitator describing the farmer as up in arms against a ship subsidy, the only reason for opposition being that a ship subsidy will benefit but some few capitalists, when if his better thought is given to the subject he would find that he himself is the principal beneficiary. To no one industry in the country is the prompt removal of surplus so vital as it is to the farmer. Within the past year he can remember the advance in the price of corn occasioned by the removal of the corn for Russia, and surely no farmer is so ignorant as to expect the best thought and service for the removal of his surplus products to come from his competitor whose own personal interests must always be paramount.

If you do not pay a subsidy to your ships you must perforce pay tribute to your commercial enemies.

The late David Lubin said if shipping interests had a private understanding of what rates are to be "the few holders of such advance information will be in a position to operate in the bourses or exchanges as successfully as a gambler playing with loaded dice," and further, "Such information will enable them to manipulate directly or indirectly the principal market centers in the world." Is it the desire of our people to place such power in the hands of foreign shippers instead of American shippers? Remember the price abroad sets the price at home.

The opposition to subsidies for shipping in this country in the past has not been so much to the subsidy as it has been to the manner in which the subsidy was obtained and the payment of it to certain favored individuals under suspicious circumstances. The present proposed subsidy has no favorites; it is paid to all who qualify properly; and when a reasonable return is made by the recipient, he is required to return to the Government 50 per cent of all over that return until the full subsidy is replaced in the fund. No one can ask for a fairer provision than that.

If we turn our memories back to the years following the outbreak of the war in Europe and notice the unfortunate trend of prices when the foreign shipping that we depended upon to remove our surplus disappeared, we can readily realize the enormous value to the people, particularly the farmer, in having the shipping under our flag both for commercial purposes and, if the necessity arises, for defense. All the country was united in appropriating for one or two battleships annually, costing \$40,000,000 or more apiece. For the cost of one of those ships you are going to have afloat under the American flag from 700 to 800 merchant ships, useful not only for commerce but for purposes of defense. What more reasonable security could a nation like ours indulge in?

Carl Vrooman, Assistant Secretary of Agriculture under President Wilson, after experiencing the difficulties in the early days of the war, said in his address entitled "The Farmer and the Shipping Bill":

In the past the average farmer has not considered a merchant marine necessary to his happiness or his financial welfare. Our farmers have never been slow to make use of the most up-to-date agricultural implements, of the automobile, or of the tractor. Nor have they been at all backward about fighting for what they considered to be their rights in the matter of railway freight rates. But up to date most of our farmers, particularly in the Middle West, have paid little or no attention to their commercial rights and requirements in the way of ocean transportation. This is not because the question is not to them a vital one, but merely because the facts about it have not been brought to their attention.

If for any unforeseen reason Congress should fail to take steps at this session to provide the country with an independent American merchant marine, it would pay the farmers of America, and "pay them big," to chip in and build a merchant marine for themselves. Our farmers could readily afford to spend not merely the \$50,000,000 called for by the pending shipping bill, but \$100,000,000, or even \$200,000,000, in such an enterprise. If it were necessary, which it would not be, they could run such ships at a yearly loss of from 5 to 10 per cent on the last-named sum and still profit by the undertaking.

In other words, it is a fact capable of demonstration that the most crying need of agriculture in this country to-day is for an independent American merchant marine.

#### EXORBITANT OCEAN RATES.

At the beginning of the war it cost about 5 cents a bushel to ship wheat from New York to Liverpool, but during the past few months it has cost over 40 cents. The rate is now 48 cents. At the beginning

of the war it cost about one-fourth cent per pound to ship cotton across the Atlantic. To-day it costs in the neighborhood of 3 cents a pound. Other products of our farms and factories are paying similar extortionate freight rates.

As the world price of wheat is determined by the law of supply and demand, and is established at Liverpool rather than at your local market or mine, it is clear that if the cost of ocean transportation were to-day 8 cents instead of 48 cents, the wheat growers of this country would receive a substantial part of this difference in a higher price for their wheat. It is a highly significant fact that on February 15, 1916, the cash price of No. 2 hard winter wheat was 49 cents higher in Liverpool than in New York, while on the same day the ocean freight rate for wheat from New York to Liverpool was 47.9 cents. With facts like this staring us in the face it is not difficult to see the close connection existing between ocean freight rates and the price the American farmer gets for his wheat. It is true that we are getting good prices for wheat now, but, as Liverpool is paying enormously higher prices, there seems to be no good reason for allowing the international shipping combine to take advantage of the crop shortage in Europe and the ship shortage on the high seas to boost freight rates 100 to 1,600 per cent.

This year we have the largest wheat crop and one of the largest corn crops in our history. If we had adequate shipping facilities for carrying our goods at reasonable rates to the markets of the world, prices of farm products would be so enormously increased as to bring a net gain to our farmers of over \$300,000,000 on our wheat alone or our cotton alone. Moreover, even at present exorbitant rates, it is impossible to get ships in which to transport to market a large percentage of our products of farm and factory. Not only are all the docks and storehouses of our leading Atlantic ports glutted with goods but every important railway between the West and our seaboard has its terminals so crowded with loaded cars that a practical railway embargo recently has been declared on further grain shipments from the West.

Secretary McAdoo, in an address made January 9, 1915, in Chicago, said:

If ship subsidies can not be obtained, if discriminating duties are unavailable, if Government guaranties of the bonds of private corporations can not be granted, if the standard of wages of the American sailor can not be lowered, if private capital can not, for all or any of these reasons, be induced to build up an American merchant marine, what is the remedy?

You will note his recognition first of all of a subsidy as the most favorable and permanent way of upbuilding the American merchant marine.

The only option we have that it is possible to consider is Government ownership and operation. Surely no student of our Government would be willing to have the powers expressed by David Lubin placed in the hands of a government official or board. Again the experience of the past few years has shown conclusively that our Government as it is constituted is not flexible enough to enter into a business enterprise in which foreign competition is the principal factor. Decisions must be made on a moment's notice, and can be possible only by a management which is capable and has the authority to do so. Such powers can not be conferred upon a Government board with the expectation that they would act as would a private corporation or individual. Many times during the past few years Shipping Board boats have moved in ballast at an expense to the Government because cargo that was offered at rates lower than the fixed rate could not be taken for fear that the Government or its representatives would be charged with favoritism.

Overseas trade with the competition incident thereto does not lend itself easily to rules and regulations. Nothing more could be desired by our competitors than the defeat of this bill. By the use of every argument, both openly and by underhand methods, they have impeded our efforts to build up a merchant marine. They know control of shipping means control of the world's markets, and it must be evident to us that this opposition should arm us to guard against any propaganda that would confuse the issue, which is plainly before us, and that is American ships, under the American flag, delivering American merchandise for Americans, or foreign control of our markets through control of shipping under foreign flags. [Applause.]

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

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. EDMONDS. Mr. Chairman, I move that debate on this section do now close.

Mr. HARDY of Texas. I would like to have five minutes on this section—well, all right.

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk read as follows:

#### SURRENDER OF DOCUMENTS.

Sec. 709. Section 42 of the shipping act, 1916, is amended to read as follows:

"Sec. 42. That any vessel registered, enrolled, or licensed under the laws of the United States shall be deemed to continue to be documented under the laws of the United States within the meaning of section 9 and of subdivision (b) of section 37, until such registry, enrollment, or license is surrendered with the approval of the board, the provisions of any other act of Congress to the contrary notwithstanding."



Mr. TAYLOR of Tennessee. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of Tennessee: Page 62, after line 19, add a new section to be known as section 7091, as follows: "Sec. 7091. All vessels which receive the benefits of this act shall be equipped with an efficient and quickly applicable vessel-saving device for quickly and effectively closing accidental openings in the hull of the vessel below the water line so as to stop the inrush of water and prevent the vessel from sinking."

Mr. BLANTON. Mr. Chairman, I make a point of order against the amendment.

Mr. EDMONDS. I make a point of order on the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas and the gentleman from Pennsylvania make a point of order against the amendment.

Mr. BLANTON. It is not germane.

The CHAIRMAN. What is the gentleman's point of order?

Mr. BLANTON. That it is not germane to the purpose of the bill.

The CHAIRMAN. Has the gentleman from Pennsylvania any additional point of order?

Mr. EDMONDS. This is not germane to the section. Safety devices and such things are all covered in the present law, so far as it is possible to go.

Mr. BLANTON. If the gentleman wants to discuss it I will withhold.

Mr. TAYLOR of Tennessee. I do not want to discuss the point of order, but I want to discuss the merits of the amendment.

Mr. BLANTON. I will withhold my point of order.

Mr. TAYLOR of Tennessee. Mr. Chairman, I desire to take occasion now to state that I am in full accord with the principle of the American merchant marine. While there are provisions in this bill that do not meet with my entire approbation, my belief in the American merchant marine is such that I shall support the bill notwithstanding. I have the honor to represent a district that is distinctly American, a district that believes in flying the American flag in the commerce of all the seas. [Applause.]

I was actuated in offering this amendment mainly by the fact that I have in mind a life-saving device with which not only the vessels which may be benefited by this act should be equipped, but every vessel that plows the deep should be equipped with this life-saving device, or something similar to it.

As far as the point of order is concerned, I do not care to discuss that.

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

Mr. TAYLOR of Tennessee. Yes.

Mr. BLANTON. My main objection to the proposition is that it is in line with a propaganda—I do not know whether the gentleman has received it or not, but I know that I have on numerous occasions—that is trying to sell a certain patent of a certain individual to the Government for an enormous sum of money. I do not believe in selling patents or unloading on the Government in any such way as this amendment would ultimately imply.

Mr. TAYLOR of Tennessee. Neither do I; and under this amendment, may it please the committee, any worthy device might be presented and adopted. This amendment is not in the interest of any particular life-saving device, but it is offered in the interest of the seamen and passengers, as well as the cargoes, of all ships flying the American flag.

Mr. BLANTON. I make the point of order now, Mr. Chairman.

Mr. TAYLOR of Tennessee. I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. BLANTON. I make the point of order, Mr. Chairman.

The CHAIRMAN. Does the gentleman desire to be heard on the point of order?

Mr. BLANTON. Yes. It is not germane to the purposes of the bill. It is not germane to the section preceding it. It is extraneous to any feature of this bill.

The CHAIRMAN. May I ask the gentleman, Does it not prescribe certain qualifications that vessels shall have which receive the benefits of this act?

Mr. BLANTON. I think not. You might go ahead and prescribe that they would have to be built out of a certain kind of material or that they all be oil-burning vessels instead of coal-burning, because oil-burning vessels are the best, and it might provide for other features of it.

The CHAIRMAN. Does not the gentleman think Congress has the right to provide that the ships receiving the benefits of this act shall be oil-burning or otherwise?

Mr. HICKS. Mr. Chairman, I do not think the amendment is necessary, because it is already covered in the La Follette Act. But it seems to me that it is clearly in order, because it deals with the registry of ships. I believe it is absolutely in order because it prescribes what should be on these ships that we are providing for. I contend that it is in order.

Mr. DAVIS of Tennessee. There are numerous provisions stated in the bill upon which the subsidy shall be granted, such as speed, the character of ship, the size, the registration, and other things. I think the amendment of my colleague is clearly in order.

The CHAIRMAN. It seems to the Chair that if the Congress so desired it might prescribe that all the ships receiving aid should be painted red, white, and blue. The Congress would have the right to do this. The amendment offered by the gentleman from Tennessee provides that ships receiving aid shall be equipped with a certain kind of life-saving device, which seems to bring this amendment within the rule. Therefore the Chair overrules the point of order.

Mr. HARDY of Texas rose.

Mr. YATES. Mr. Chairman, in reply to and in view of—

Mr. HARDY of Texas. I was asking for recognition when the motion was put.

The CHAIRMAN. The Chair was ready to recognize the gentleman from Texas.

Mr. HARDY of Texas. I will withhold for the time being.

Mr. YATES. Mr. Chairman, in view of the suggestion that we on the Republican side of the House are listening only to the voice of the Republican bosses, I desire to present for the prayerful consideration of the Democratic side of the House a telegram that I have just received from Hon. Edward F. Dunne, ex-Governor of Illinois, a Democrat. He says he would advise keeping the American flag flying on the high seas. [Applause on the Republican side.]

Here is the telegram:

CHICAGO, ILL., November 29, 1922.

HON. RICHARD YATES,  
Member of Congress, Washington, D. C.:

Would advise keeping American flag flying on the seas.

E. F. DUNNE,  
Ex-Governor of Illinois (Democrat).

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I want, like my friend from Pennsylvania [Mr. EDMONDS], to be permitted some little latitude in what I say in these five minutes. We are approaching the close of the debate and reaching a final vote, when the committee will rise and go into the House. When the proper time comes I propose to make a motion to recommit this bill for amendment, in accordance with the views of the minority members of the committee, and that motion will be to strike from the bill the provisions of Title II and the provisions of Title IV.

One of those titles, Title II, contains the provisions for tax exemptions for shipowners and owners of ship property. This title has 13 pages filled with special clauses to lessen the burdens of taxation to this special class and place those burdens upon the general multitude. The second title that we propose to eliminate—that is, Title IV—is the section making provision for direct subsidies.

In the progress of this debate there have been some minor amendments adopted which simply do not touch the root of the evil, but are homeopathic sugar-coated pills, to disguise the bill's iniquities and enable the majority to ram it down the throats of this Congress. Under Title IV, the direct-subsidy part of the bill, there are 24 pages marshaling special benefits that are given to certain great special interests. What are those interests? I will tell you what they are: Those benefits go to the Standard Oil Co. Those benefits go to the United States Steel Co. Those benefits go to the United Fruit Co. Those benefits go to the railroads of the United States that shall own the great ship lines across the ocean. I want to tell you that the four beneficiaries under this act which I have named—the Standard Oil, the Steel Trust, the United Fruit Co., and the railroads—will receive nearly all the benefits of this law. Those four beneficiaries in five years from the date of this act will own 90 per cent of the shipping overseas sailing under the United States flag. I challenge the successful contradiction of that statement.

Mr. BROOKS of Pennsylvania. Will the gentleman yield?

Mr. HARDY of Texas. If I am allowed time.

Mr. BROOKS of Pennsylvania. Would you not rather have Americans have that privilege than foreigners?



Mr. HARDY of Texas. I do not propose to give a hand-out of \$100,000,000 to foreigners or Americans. [Applause.] And no man within the sound of my voice ever dreamed of such a thing until these recent days. Why, when you were in power 15 years ago you had the opportunity, and a greater reason then for giving a subsidy than now. Then under the law and existing conditions American ships cost 50 per cent more than foreign ships, and it was argued, with some reason, that the subsidy was necessary to equalize the additional first cost of our ships; but to-day an American owner will buy his ships more cheaply than they can be bought anywhere else on earth by buying them from the Shipping Board; and the great railroad combinations and other great combinations, who run their ships across the Pacific and Atlantic, will own every line running from the United States, and they will buy these ships from the Shipping Board more cheaply than you can buy them anywhere else in the world. There was some excuse for your offering a subsidy when an American ship cost more than foreign ships, but there is none to-day when the American ship is the cheapest ship in the world.

My motion to recommit is designed to test the Members of this Congress and see what ones of them are willing to vote a hundred millions in tax exemptions and direct subsidies out of the pockets of the people and into the pockets of just four great combinations—the railroads owning ships, the Standard Oil, the Steel Trust, and the United Fruit Co. Three of these are the richest single corporations in the world to-day and their ships carry their own products, and the fourth, the railroads, already have a strangle hold on the private industry of the country. [Applause.]

Mr. MONDELL. Mr. Chairman, I move that all debate on this section and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Tennessee [Mr. TAYLOR].

The question being taken, the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### SEPARABILITY.

SEC. 711. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and of the application thereof to other persons and circumstances shall not be affected thereby.

Mr. MOORE of Virginia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Virginia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MOORE of Virginia: Page 63, line 6, add a new section, as follows:

"SEC. 711(a). No provision of this act shall become effective until July 1, 1924."

Mr. MOORE of Virginia. Mr. Chairman, I know the House is anxious to reach a final vote, and I will therefore take only a minute or two to discuss this amendment. It is offered in perfect good faith, and is intended to postpone the effective date of the act until the 1st of July, 1924.

Now I venture to state briefly three propositions: First, that this is a comparatively new measure and that there has been no full opportunity either for the House or for the country to consider it. It is not a life and death matter, and to delay the administration of its provisions, even though it should pass, for less than the 30-month period that has been so often talked about here, and for only about 18 months, certainly will not work any great disadvantage or harm.

The second proposition is that to postpone is in the interest of representative government. There has been a good deal of reference to what an existing Congress should or should not do after the election of a new Congress. My own personal view is that it would be much better and much wiser for the old Congress to devote itself to ordinary business and avoid the consideration of controverted business. There is now reported from a Senate committee a proposal to amend the Constitution so as to bring in at once a freshly elected Congress. I do not fancy the idea of tinkering with the Constitution, but I think it would be very well for Congress itself to determine, and have the backing of the public in determining that a Congress that is just about to go out shall confine itself mainly to the appropriation bills and other routine measures, and allow the incoming Congress freshly elected by the people to take up matters that are really in dispute, and particularly matters that have been made more or less issues in the course of the campaign.

The third proposition is stated for the purpose of showing that so far as I am concerned there is no partisanship in what is suggested by the amendment, the purpose of which is to give the newly elected Congress an opportunity, if it sees fit, to deal with this bill, if it is enacted into law, by amendment or by repeal after the 4th of next March, either in extra session or in the regular session beginning the first Monday of December of next year. And in order to show my friend from Wyoming [Mr. MONDELL], who stands there ready, I have no doubt, to move the closing of the debate, that there is no taint of partisanship in the amendment, I remind him that the next Congress will not be Democratic. The next Congress will be Republican. It will be of the same politics as the President who urges this measure, and certainly there should be no apprehension, if this Republican Congress can be counted upon to adopt this measure because it is meritorious, that the incoming Congress will undertake to repeal or materially amend it. [Applause.]

Mr. MONDELL. Mr. Chairman, I rise in opposition only to say that when a good thing is to be done the sooner you do it the better.

I move to close debate on this section and all amendments thereto.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

Mr. FREAR. May the amendment be read?

The CHAIRMAN. Without objection, the amendment may be again reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Virginia [Mr. MOORE].

The question being taken, on a division (demanded by Mr. MOORE of Virginia) there were—ayes 45, noes 175.

Accordingly the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

#### SHORT TITLE.

SEC. 712. This act may be cited as the "merchant marine act, 1922."

Mr. MONDELL. Mr. Chairman, I move to strike out the last word.

Mr. LANHAM. I desire to offer an amendment.

Mr. MONDELL. I will yield to the gentleman from Texas for the purpose of offering his amendment.

The CHAIRMAN. The gentleman from Texas [Mr. LANHAM] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LANHAM: Page 63, lines 8 and 9, after the word "the," in line 8, strike out "merchant marine act, 1922," and insert "ship subsidy act of 1922."

Mr. LANHAM. This is literally an amendment to strike out the last words. This section represents the final coat of camouflage. The ruling passion of the majority party in this measure, which seems to be an effort to deceive, is proving strong to the last. This section reads:

This act may be cited as the "merchant marine act, 1922."

I recall the substance of a statement made by Mark Twain in his *Innocents Abroad*. You know, there is a street in Damascus by the name of Straight. As a matter of fact, it is a very winding and crooked street. Mark Twain observed that St. Luke in referring to it says:

The street which is called Straight—

And then the great American humorist adds—

you notice that St. Luke was careful not to commit himself; he did not say the street was straight, but merely that it was called Straight.

It is much the same with reference to this bill. This final section says:

This act may be cited as the "merchant marine act, 1922."

It does not say that it is indeed a merchant marine act, but that it may be cited as such. The Republicans are careful not to commit themselves to the real fact that in essence and in truth this is a ship subsidy bill. [Laughter and applause.] And this amendment is offered in the final hope that a spade may be called a spade. [Applause.]

Mr. MONDELL. Mr. Chairman, I rise in opposition to the amendment. Mr. Chairman, this is one case where "may" means "shall." This bill shall and will be cited as the merchant marine act of 1922 [applause], and as so cited it will bring joy and comfort and gladness to the hearts of those of the American people who love the flag, who glory in the story of its former triumphs on the high seas, and who pray to have it restored to all the water highways of the earth. [Applause.]



Mr. Chairman, at the beginning of this debate certain gentlemen objected to specific provisions in this bill. Gentlemen became quite eloquent, quite excited, I may say without exaggeration, because they felt that under it the Standard Oil and the Steel Trust were to become beneficiaries to a large amount. We believe that it is highly important, particularly in the event of war, that oil tankers and the ships of the steel corporations should carry our flag, but realizing that if these classes of vessels were allowed to share in the benefits of the bill the enemies of the legislation could and would create prejudice against it, the bill has been so amended that these two great organizations do not share in its benefits as to the ships they own and which carry their merchandise. Certain gentlemen objected because of that provision in the bill that gave American shippers in American bottoms a limited exemption in the payment of an income tax. That was a provision inserted in the bill wisely, in my opinion, in order that we might insure the ships we hope to place on the seas with full cargoes; but out of consideration to the tender sensibilities of certain gentlemen who claimed they wanted to vote for the bill if we only give them the opportunity to do so by eliminating everything that did not square with their consciences, we struck those provisions out. Then it was claimed that the bill did not give Congress complete power over the expenditures under the bill, and in order that gentlemen might not have that excuse to vote against the bill, provision was made by which Congress shall have control of all expenditures.

We now present the measure for a vote, with every provision stricken from it that by any possibility could meet with reasonable or even unreasonable objection from the standpoint of those who desire to help pass the measure and accomplish its purposes of establishing and maintaining an American merchant marine. I do not understand, Mr. Chairman, how any man can now vote against this measure unless he is determined that so far as he is concerned he will make no effort whatever to solve the great problem placed on the American people by the building of a great merchant fleet during the war, unless he is prepared to say that as for him and his people he neither desires nor expects to have a merchant fleet that shall carry our flag to all ports of the seven seas.

Mr. Chairman, the question is squarely presented to us, Shall Great Britain and Germany and all our rivals in international trade do all the shipping of the world, including ours, or shall America do her part of it? [Applause.] Shall we provide the ships necessary as auxiliaries of the Navy in any and every emergency, or shall we again be placed in the position that we occupied in the beginning of the World War, where we must depend upon the merchantmen of other nations to carry our men and munitions overseas? Unless we are prepared to say that we have no hope of an American merchant marine, that we have no desire for the maintenance or the building up of an American merchant marine, that we are willing for all time to come that the American flag shall be a stranger to the ports and harbors of the high seas, we must support this bill. Mr. Chairman, I move that all debate on this section be now closed.

The CHAIRMAN. The gentleman from Wyoming moves that all debate on this section be now closed.

The motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and the amendment was rejected.

Mr. GREENE of Massachusetts. Mr. Chairman, I move that the committee do now rise and report the bill to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BLANTON. Mr. Chairman, I make a point of order that under the rule adopted November 22, found on the top of page 38, action can not be taken until the hour of 4 o'clock arrives. I call attention to the language, "that the consideration of the bill for amendment shall continue not later than 4 o'clock." [Laughter.] Mr. Chairman, I ask for order, that is not all of it. "Not later than the hour of 4 o'clock postmeridian on November 29, at which hour"—that is, the hour of 4 o'clock postmeridian—"the committee shall rise and report the bill. It says it shall rise and report the bill" at the hour of 4 o'clock postmeridian. I submit to the Chair the point of order that Members of this House had a right to believe that when the rule was passed this vote should not be taken until the hour of 4 o'clock. There may be Members who are away from the Chamber, believing that the rule will be carried out. I submit, Mr. Chairman, that the rule should be carried out and that the committee should not rise and report the bill to the House for vote until 4 o'clock.

The CHAIRMAN. The Chair does not construe the rule as the gentleman from Texas construes it. As the Chair reads the

rule, it means that at any time after the reading of the bill under the five-minute rule for amendment it would be in order by a vote of the Committee of the Whole to report the bill back to the House with such amendments as have been agreed to. In case the debate ran until 4 o'clock this afternoon it would be the duty of the Chair at that hour to declare that by the order of the House the committee should rise and report the bill to the House. Construing the rule in this way, and believing it to be the proper construction of the rule, the Chair overrules the point of order and will put the question.

Mr. GARRETT of Tennessee. Mr. Chairman, the rule provides for the automatic rising of the committee.

The CHAIRMAN. There is a doubt about that, as to whether the committee can rise automatically and report the bill without a vote before 4 o'clock. Therefore the Chair will put the question.

The question is on the motion of the gentleman from Massachusetts that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TILSON, 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. 12817) to amend and supplement the merchant marine act, 1920, and for other purposes, and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule the previous question is considered as ordered. Is a separate vote demanded upon any amendment?

Mr. CRAMTON. Mr. Speaker, I ask a separate vote upon the Edmonds amendment on page 31 with reference to liquors.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put the other amendments in gross. The question is on agreeing to the other amendments.

The other amendments were agreed to.

The SPEAKER. The question is on the amendment on which a separate vote is demanded by the gentleman from Michigan, which the Clerk will report.

The Clerk read as follows:

Page 31, at the end of paragraph (d), insert a new paragraph, as follows:

"(e) Compensation shall not be paid in respect to any vessel for mileage covered upon a voyage if at any time during such voyage liquor for beverage purposes (the sale or transportation of which on land is prohibited by the national prohibition act, or any act in amendment thereof, supplemental thereto, or in substitution thereof) has been transported on the vessel with the knowledge or consent of the owner, charterer, agent, or master of the vessel, or sold on the vessel by or for the account of, or with the knowledge or consent of, the owner, charterer, agent, or master of the vessel."

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

The question was taken; and on a division (demanded by Mr. STAFFORD) there were—ayes 21, noes 207.

Mr. STAFFORD. Mr. Speaker, on that I demand the yeas and nays.

The SPEAKER. The gentleman from Wisconsin demands the yeas and nays. As many as are in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirteen Members have arisen, not a sufficient number, and the yeas and nays are refused.

So the amendment was rejected.

The SPEAKER. The question is on the engrossment and third reading of the bill.

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

Mr. HARDY of Texas. Mr. Speaker, I move to recommit the bill with instructions, which motion I send to the Clerk and ask to have read.

The Clerk read as follows:

Mr. HARDY of Texas moves to recommit the bill to the Committee on Merchant Marine and Fisheries with instructions to the committee to report the same back to the House forthwith with the following instructions:

"Strike from the bill all of the provisions of Title II, which said provisions all relate to granting exemptions from taxation not now allowed by law, and strike from the bill all the provisions of Title IV, all of which relate to granting subsidies to shipowners."

Mr. GREENE of Massachusetts. Mr. Speaker, on that I demand the previous question.

Mr. HARDY of Texas. Mr. Speaker, I demand the yeas and nays.



Mr. SANDERS of Indiana. Mr. Speaker, I make the point of order that the motion to recommit is not in order.

Mr. BLANTON. I make the point of order that that comes too late, the previous question having been moved.

The SPEAKER. If the gentleman states that he was on his feet ready to make the point of order, the Chair will recognize him.

Mr. SANDERS of Indiana. I was.

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question.

Mr. SANDERS of Indiana. Mr. Speaker, if the reading of the motion to recommit is correct, the motion to recommit is that the committee send it back to the House with "instructions" to the House. Then, there is an additional matter of argument in the motion.

The SPEAKER. The gentleman is correct. The motion does say "with instructions to the committee to report the same back to the House forthwith, with the following instructions." Obviously the gentleman from Texas has made an error in what he intended to do.

Mr. HARDY of Texas. Mr. Speaker, I ask to modify the motion in accordance with what the Speaker just suggested.

The SPEAKER. The gentleman can withdraw his motion and offer another one.

Mr. HARDY of Texas. Then I offer the following motion to recommit.

Mr. SANDERS of Indiana. Mr. Speaker, I desire first to be heard.

The SPEAKER. The Chair will hear the gentleman from Indiana.

Mr. SANDERS of Indiana. Mr. Speaker, I do not think the precedent ought to be established, after the previous question has been ordered, that a gentleman may offer a motion to recommit and in that motion add an argument or what is supposed to be an argument in favor of the motion. He may make a motion to recommit, or he may make a motion to recommit with instructions to amend, but he can not be permitted to make an argument after the previous question has been ordered.

Mr. GARRETT of Tennessee. Mr. Speaker, I do not think the point of order is well taken. Of course, after the previous question is ordered is the only time that one can offer a motion to recommit under the rules of the House, and so far as there being an argument is concerned, I take issue with the gentleman upon that as a matter of fact. It is true there is descriptive matter in the motion. It gives the subject matter of the title. That is merely for the information of the House, but there is no argument in it.

The SPEAKER. The Chair will not rule at this time; but this is the way it strikes the Chair at first blush: It is true that in this case there is what appears to be a description, but it is hard to say what is description and what is argument.

Mr. HARDY of Texas. Mr. Speaker, I think we can obviate the objection by removing that part of it. I offer the following motion to recommit, which I send to the desk and ask to have read.

The SPEAKER. Without objection, the gentleman withdraws his previous motion to recommit and offers another, which the Clerk will report.

There was no objection.

The Clerk read as follows:

Mr. HARDY of Texas moves to recommit the bill to the Committee on the Merchant Marine and Fisheries, with instructions to the committee to report the same back to the House forthwith with the following amendment:

"Strike from the bill all of the provisions of Title II, and strike from the bill all of the provisions of Title IV."

Mr. GREENE of Massachusetts. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. HARDY of Texas. I move the previous question.

The previous question was ordered.

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

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 172, nays 215, answered "present" 1, not voting 44, as follows:

## YEAS—172.

Abernethy	Bland, Va.	Byrnes, S. C.	Cramton
Almon	Blanton	Byrns, Tenn.	Crisp
Anderson	Boies	Cantrill	Davis, Tenn.
Andrew, Mass.	Bowling	Carew	Deal
Andrews, Nebr.	Box	Carter	Dickinson
Bankhead	Briggs	Christopherson	Dominick
Barbour	Browne, Wis.	Clague	Doughton
Barkley	Buchanan	Collier	Dowell
Beck	Bulwinkle	Collins	Drane
Bell	Burke	Connally, Tex.	Drewry
Black	Burtess	Cooper, Wis.	Driver

Evans	Jones, Tex.	Moore, Va.	Strong, Kans.
Favrot	Keller	Nelson, A. P.	Sullivan
Fields	Kelley, Mich.	Nelson, J. M.	Summers, Wash.
Fisher	Ketcham	Newton, Minn.	Summers, Tex.
Fitzgerald	Kincheloe	O'Brien	Swank
Frear	Kindred	Oldfield	Sweet
French	Knight	Oliver	Tague
Fulmer	Kopp	Park, Ga.	Taylor, Colo.
Gahn	Kunz	Parks, Ark.	Thomas
Garner	Lampert	Pou	Thorpe
Garrett, Tenn.	Lanham	Quin	Tillman
Garrett, Tex.	Lankford	Rainey, Ala.	Tincher
Gensman	Lazaro	Rainey, Ill.	Towner
Gilbert	Lee, Calif.	Raker	Tucker
Goldsborough	Lee, Ga.	Rankin	Turner
Griffin	Lineberger	Rayburn	Tyson
Hammer	Linthicum	Robison	Upshaw
Hardy, Tex.	Little	Rouse	Vinson
Harrison	Logan	Rucker	Voigt
Haugen	London	Sanders, Tex.	Volstead
Hawes	Lowrey	Sandlin	Ward, N. C.
Hayden	Lyon	Scott, Mich.	Weaver
Hoch	McClintic	Sears	White, Kans.
Hooker	McDuffie	Sinclair	Williams, Ill.
Huddleston	McLaughlin, Mich.	Sisson	Williamson
Hudspeth	McSwain	Smithwick	Wilson
Hull	Maloney	Speaks	Wingo
James	Mansfield	Stafford	Wise
Jeffers, Ala.	Mapes	Steagall	Woodruff
Johnson, Ky.	Martin	Stedman	Woods, Va.
Johnson, Miss.	Mead	Stevenson	Wright
Johnson, S. Dak.	Montague	Stoll	Young

## NAYS—215.

Ackerman	Faust	Langley	Reed, N. Y.
Ansorge	Fenn	Larson, Minn.	Reed, W. Va.
Anthony	Fess	Lawrence	Rhodes
Appleby	Fish	Layton	Ricketts
Arentz	Focht	Leatherwood	Riddick
Atkeson	Foster	Lee, N. Y.	Riordan
Bacharach	Free	Lehlbach	Roach
Beedy	Freeman	Longworth	Robertson
Begg	Frothingham	Luce	Rodenberg
Benham	Fuller	Luhling	Rogers
Bird	Funk	McFadden	Rose
Bixler	Germer	McLaughlin, Nebr.	Rossdale
Blakeney	Gifford	McLaughlin, Pa.	Sanders, Ind.
Bland, Ind.	Glynn	McPherson	Sanders, N. Y.
Bond	Goodykoontz	MacGregor	Scott, Tenn.
Bowers	Gorman	MacLafferty	Shaw
Brennan	Gould	Madden	Shelton
Britten	Graham, Ill.	Magee	Shreve
Brooks, Ill.	Graham, Pa.	Merritt	Siegel
Brooks, Pa.	Green, Iowa	Michener	Sinnott
Burdick	Greene, Mass.	Miller	Slomp
Burton	Greene, Vt.	Mills	Smith, Idaho
Butler	Griest	Millsbaugh	Snell
Cable	Hadley	Mondell	Snyder
Campbell, Kans.	Hardy, Colo.	Montoya	Sprout
Campbell, Pa.	Hawley	Moore, Ill.	Stephens
Cannon	Hays	Moore, Ohio	Strong, Pa.
Chalmers	Henry	Moore, Ind.	Swing
Chandler, N. Y.	Hersey	Morgan	Taylor, N. J.
Chindblom	Hickey	Morin	Taylor, Tenn.
Clarke, N. Y.	Hicks	Mott	Temple
Classon	Hill	Mudd	Tilson
Clouse	Himes	Murphy	Timberlake
Cole, Iowa	Hogan	Nelson, Me.	Tinkham
Colton	Huck	Newton, Mo.	Treadway
Connolly, Pa.	Hukriede	Norton	Underhill
Cooper, Ohio	Humphrey, Nebr.	O'Connor	Valle
Copley	Husted	Ogden	Vare
Coughlin	Hutchinson	Olpp	Vestal
Crago	Ireland	Paige	Volk
Crowther	Jefferis, Nebr.	Parker, N. J.	Walters
Cullen	Johnson, Wash.	Parker, N. Y.	Ward, N. Y.
Curry	Kahn	Patterson, Mo.	Wason
Dale	Kearns	Patterson, N. J.	Watson
Dallinger	Kelly, Pa.	Perkins	Webster
Darrow	Kendall	Perlman	Wheeler
Dempsey	Kiess	Petersen	White, Me.
Denison	King	Porter	Winslow
Dupré	Kirpatrick	Pringey	Woodyard
Echols	Kissel	Purnell	Wurzbach
Edmonds	Kline, N. Y.	Radcliffe	Wyant
Elliott	Kline, Pa.	Ransley	Yates
Ellis	Knutson	Reber	Zihlman
Fairfield	Kraus	Reece	

## ANSWERED "PRESENT"—1.

Aswell

## NOT VOTING—44.

Brand	Dyer	Kreider	Ryan
Brown, Tenn.	Fairchild	Larsen, Ga.	Sabath
Burroughs	Fordney	McArthur	Schall
Chandler, Okla.	Gallivan	McCormick	Smith, Mich.
Clark, Fla.	Herrick	McKenzie	Steenerson
Cockran	Humphreys, Miss.	Mann	Stiness
Codd	Jacoway	Michaelson	Taylor, Ark.
Cole, Ohio	Jones, Pa.	Osborne	Ten Eyck
Davis, Minn.	Kennedy	Overstreet	Thompson
Dunbar	Kitchin	Ramsayer	Williams, Tex.
Dunn	Klecza	Rosenbloom	Wood, Ind.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On the vote:

Mr. Brand (for) with Mr. Dunbar (against).

Mr. Aswell (for) with Mr. Kreider (against).

Mr. Cockran (for) with Mr. Codd (against).

Mr. Sabath (for) with Mr. Mann (against).



Mr. Kitchin (for) with Mr. Burroughs (against).  
 Mr. Clark of Florida (for) with Mr. McArthur (against).  
 Mr. Schall (for) with Mr. Dunn (against).  
 Mr. Taylor of Arkansas (for) with Mr. Smith of Michigan (against).  
 Mr. Overstreet (for) with Mr. Ryan (against).  
 Mr. Michaelson (for) with Mr. Thompson (against).  
 Mr. Williams of Texas (for) with Mr. Jones of Pennsylvania (against).  
 Mr. Jacoway (for) with Mr. Osborne (against).  
 Mr. Ramseyer (for) with Mr. Chandler of Oklahoma (against).  
 Mr. McKenzie (for) with Mr. McCormick (against).  
 Mr. Humphreys of Mississippi (for) with Mr. Fordney (against).  
 Mr. Herrick (for) with Mr. Stiness (against).  
 Mr. Larsen of Georgia (for) with Mr. Rosenbloom (against).  
 General pair:  
 Mr. Dyer with Mr. Gallivan.

Mr. ASWELL. Mr. Speaker, I voted "aye," and I am paired with the gentleman from Pennsylvania [Mr. KREIDER] and desire to answer "present."

The name of Mr. ASWELL was called, and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GARRETT of Tennessee. On that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 208, nays 184, answered "present" 2, not voting 38, as follows:

## YEAS—208.

Ansorge	Fess	Lawrence	Reed, W. Va.
Anthony	Fish	Layton	Rhodes
Appleby	Fitzgerald	Leatherwood	Ricketts
Arentz	Focht	Lee, N. Y.	Riddick
Atkeson	Foster	Lehlbach	Riordan
Bacharach	Free	Longworth	Roach
Beedy	Freeman	Luce	Robertson
Begg	Frothingham	Luhning	Rodenberg
Benham	Fuller	McFadden	Rogers
Bird	Gerner	McLaughlin, Mich.	Rose
Bixler	Gifford	McLaughlin, Pa.	Rossdale
Blakeney	Glynn	McPherson	Sanders, Ind.
Bland, Ind.	Goodykoontz	MacGregor	Sanders, N. Y.
Bond	Gorman	MacLafferty	Scott, Tenn.
Bowers	Gould	Madden	Shelton
Brennan	Graham, Ill.	Magee	Shreve
Britten	Graham, Pa.	Merritt	Siegel
Brooks, Ill.	Greene, Mass.	Miller	Sinnott
Brooks, Pa.	Greene, Vt.	Mills	Slemp
Burdick	Hadley	Millsbaugh	Smith, Idaho
Burton	Hardy, Colo.	Mondell	Snell
Butler	Hawley	Montoya	Snyder
Cable	Hays	Moore, Ill.	Sprout
Campbell, Kans.	Henry	Moore, Ohio	Stephens
Campbell, Pa.	Hersey	Moore, Ind.	Strong, Pa.
Cannon	Hickey	Morgan	Swing
Chalmers	Hicks	Morin	Taylor, N. J.
Chandler, N. Y.	Hill	Mott	Taylor, Tenn.
Chindblom	Himes	Mudd	Temple
Clarke, N. Y.	Hogan	Murphy	Tilson
Claason	Huck	Nelson, Me.	Timberlake
Clouse	Hukriede	Newton, Mo.	Tinkham
Colton	Humphrey, Nebr.	O'Connor	Treadway
Connolly, Pa.	Husted	Ogden	Underhill
Copley	Hutchinson	Olpp	Vale
Coughlin	Ireland	Palge	Vare
Crago	Jeffers, Nebr.	Parker, N. J.	Vestal
Crowther	Johnson, Wash.	Parker, N. Y.	Voik
Cullen	Kahn	Patterson, Mo.	Walters
Curry	Kearns	Patterson, N. J.	Ward, N. Y.
Dale	Kelly, Pa.	Perkins	Watson
Dallinger	Kendall	Perlman	Webster
Darrow	Kiess	Petersen	Wheeler
Dempsey	King	Porter	White, Me.
Dupré	Kirkpatrick	Pringle	Winslow
Echols	Kissel	Purnell	Wood, Ind.
Edmonds	Kline, N. Y.	Radcliffe	Woodyard
Elliott	Kline, Pa.	Ransley	Wurzbach
Ellis	Kraus	Reber	Wyant
Fairfield	Langley	Reece	Yates
Faust	Larson, Minn.	Reed, N. Y.	Zihlman
Fenn			

## NAYS—184.

Abernethy	Browne, Wis.	Cramton	French
Ackerman	Buchanan	Crisp	Fulmer
Almon	Bulwinkle	Davis, Minn.	Funk
Anderson	Burke	Davis, Tenn.	Gahn
Andrew, Mass.	Burtess	Deal	Garner
Andrews, Nebr.	Byrnes, S. C.	Denison	Garrett, Tenn.
Bankhead	Byrnes, Tenn.	Dickinson	Garrett, Tex.
Barbour	Cantrill	Dominick	Gensman
Barkley	Carew	Doughton	Gilbert
Beck	Carter	Dowell	Goldsbrough
Bell	Christopherson	Drane	Green, Iowa
Black	Clague	Drewry	Griffin
Bland, Va.	Cole, Iowa	Driver	Hammer
Blanton	Collier	Evans	Hardy, Tex.
Boies	Collins	Favrot	Harrison
Bowling	Connally, Tex.	Fields	Haugen
Box	Cooper, Ohio	Fisher	Hawes
Briggs	Cooper, Wis.	Frear	Hayden

Hoch	Lineberger	Quin	Swank
Hooker	Linthicum	Rainey, Ala.	Sweet
Huddleston	Little	Rainey, Ill.	Tague
Hudspeth	Logan	Raker	Taylor, Colo.
Hull	London	Rankin	Thomas
James	Lowrey	Rayburn	Thorpe
Jeffers, Ala.	Lyon	Robison	Tillman
Johnson, Ky.	McClintic	Rouse	Tincher
Johnson, Miss.	McDuffie	Rucker	Towner
Johnson, S. Dak.	McLaughlin, Nebr.	Sanders, Tex.	Trucker
Jones, Tex.	McSwain	Sandlin	Turner
Keller	Maloney	Scott, Mich.	Tyson
Kelley, Mich.	Mansfield	Sears	Upshaw
Ketcham	Mapes	Shaw	Vinson
Kincheloe	Martin	Sinclair	Voigt
Kindred	Mead	Sisson	Volstead
Klecza	Michener	Smithwick	Ward, N. C.
Knight	Montague	Speaks	Weaver
Knutson	Moore, Va.	Stafford	White, Kans.
Kopp	Nelson, A. P.	Stegall	Williams, Ill.
Kunz	Nelson, J. M.	Stedman	Williamson
Lampert	Newton, Minn.	Steenerson	Wilson
Lanham	O'Brien	Stevenson	Wingo
Lankford	Oldfield	Stoll	Wise
Larsen, Ga.	Oliver	Strong, Kans.	Woodruff
Lazaro	Park, Ga.	Sullivan	Woods, Va.
Lea, Calif.	Parks, Ark.	Summers, Wash.	Wright
Lee, Ga.	Pou	Summers, Tex.	Young

## ANSWERED "PRESENT"—2.

Aswell      Sabath

## NOT VOTING—38.

Brand	Dyer	Kreider	Ryan
Brown, Tenn.	Fairchild	McArthur	Schall
Burroughs	Fordney	McCormick	Smith, Mich.
Chandler, Okla.	Gallivan	McKenzie	Stiness
Clark, Fla.	Herrick	Mann	Taylor, Ark.
Cockran	Humphreys, Miss.	Michaelson	Ten Eyck
Codd	Jacoway	Osborne	Thompson
Cole, Ohio	Jones, Pa.	Overstreet	Williams, Tex.
Dunbar	Kennedy	Ramseyer	
Dunn	Kitchin	Rosenbloom	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. Kreider (for) with Mr. Aswell (against).  
 Mr. Mann (for) with Mr. Sabath (against).  
 Mr. Dunbar (for) with Mr. Brand (against).  
 Mr. Codd (for) with Mr. Cockran (against).  
 Mr. Burroughs (for) with Mr. Kitchin (against).  
 Mr. McArthur (for) with Mr. Clark of Florida (against).  
 Mr. Dunn (for) with Mr. Schall (against).  
 Mr. Smith of Michigan (for) with Mr. Taylor of Arkansas (against).

Mr. Ryan (for) with Mr. Overstreet (against).

Mr. Thompson (for) with Mr. Michaelson (against).

Mr. Jones of Pennsylvania (for) with Mr. Williams of Texas (against).

Mr. Osborne (for) with Mr. Jacoway (against).

Mr. Chandler of Oklahoma (for) with Mr. Ramseyer (against).

Mr. McCormick (for) with Mr. McKenzie (against).

Mr. Fordney (for) with Mr. Humphreys of Mississippi (against).

Mr. Stiness (for) with Mr. Herrick (against).

Until further notice:

Mr. Dyer with Mr. Gallivan.

Mr. SABATH. Mr. Speaker, I am paired with my colleague [Mr. MANN] of Illinois, who is ill. I was paired with him on the other vote. I desire to know if he voted on this vote.

The SPEAKER. No; he did not.

Mr. SABATH. Then I desire to withdraw my vote and answer "present."

The result of the vote was announced as above recorded.

On motion of Mr. GREENE of Massachusetts, a motion to reconsider the vote by which the bill was passed was laid on the table.

## LEAVE TO EXTEND REMARKS.

By unanimous consent, leave to extend remarks in the Record was granted—

To Mr. GRIFFIN.

To Mr. SABATH.

To Mr. ROSSDALE. (On veterans' hospitalization and on the merchant marine bill.)

The extensions of remarks referred to are here printed in full as follows:

Mr. GRIFFIN. Mr. Speaker, no man ought to be blamed for consistency, yet so strange is the perversity of human law we frequently put him in jail. In putting forth this ship-subsidy proposal at this time the Republican Party must be complimented; it is running true to form; it is perfectly consistent in the policy which has characterized its recent history of catering to special interests at the expense of the taxpayers. The ship subsidy bill is the culmination of that policy; it is the



consummation of their economic program; it is the natural sequel of the enactment into law of a series of economic fallacies.

In order to understand and place this legislation in its true historic perspective we must go back to the great World War. The country incurred debts of great magnitude, unlike anything before in its history. The people had contributed their sons to the battle fields and gave up cheerfully of their substance in order to bring victory to our cause. While our boys were fighting in France their families at home were robbed by profiteers and immense fortunes were made out of the necessities of the Nation. The immense profits which the war accorded to the few were not begrudged at the time, because they were looked upon as among the inevitable incidents of war times. But there was a feeling that the great trusts which were profiting so handsomely by the war should contribute a part of their excess profits toward meeting the obligations of the Government arising out of the war, and that sentiment was crystallized into the act providing for the payment of a tax on excess profits. That act yielded the Government an immense revenue, but the greed and avarice of great wealth stirred up a propaganda to secure the repeal of the law which made them disgorge their unconscionable profits. This propaganda fell upon willing ears in the Congress that was elected two years ago, and their first act of important legislation was to repeal the excess-profits tax.

The effect of this repeal was almost instantly reflected in our Treasury receipts. In the fiscal year ending June 30, 1921, the revenue income of the Government was \$4,600,000,000. In the fiscal year ending June 30, 1922, our revenue receipts dropped to \$3,200,000,000, a loss of \$1,400,000,000 in revenue, as a result of Republican generosity to the trusts and moneyed interests of the Nation. This was the first error in economic policy.

The next step in the program was in the nature of an effort to recoup the national revenue losses by a new tariff bill—a bill which was to be neither flesh nor fowl—a weird economic Frankenstein which was to be designed to raise revenue and at the same time to protect American industry. Of course the veriest tyro in economic philosophy could detect the fallacy in such a program. It is not necessary to charge its authors with ignorance of economic law. They could not help but know that if they built a tariff wall around the Nation high enough to protect American industry to the extent demanded by its beneficiaries the revenue resulting from such customs duties would be almost negligible. It is therefore more creditable to their learning and judgment to say that they knew very well what they were about, and that their design was more to provide a monopoly for the profiteers than to furnish a revenue to our depleted coffers. The bill which they enacted into law, known as the Fordney tariff, augmented duties upon the necessities of life to such an extent that the profiteers are assured of being able to gouge the American people out of \$6,000,000,000 per year. On the other side of the ledger it will yield our Government not to exceed \$500,000,000 per year. In other words, for every dollar going into the national coffers through the customhouses of the land the profiteers will be able to put \$12 in their own pockets.

As fully and completely as the Fordney Tariff Act seemed to protect all kinds of American industry, there was one gap in the profiteers' armament left unprovided for, namely, the shipping industry. In fact, the shipping industry was actually hurt. It has been a sore spot to the Republican statesmanship for years that they have never been able to round out their economic policy. They have been troubled with remorse. They know that their protective tariffs have ruined any merchant marine we ever had and eliminated any prospect of building one up; therefore, I repeat, that they are perfectly consistent in going the full length in their policy in protecting ships as they have protected shops. Of course, it is a matter of very little concern to the plutocrats and their friends how great may be the burden they impose upon the backs of the taxpayers. Their slogan is, "First shops, now ships"; alas, poor shoppers!

It is amusing to hear references made to the pledges in the Republican platform of 1920. I thought that was a matter of ancient history. It has been so little lived up to, except in respect to the promises made to the profiteers, that I did not expect any Republican to be bold enough to refer to it. Was the subsidy declaration in the platform of 1920 any more solemn or binding than the pledge for the soldiers' bonus? That was disregarded very lightly, and I expect that the shipping pledge would not have given much concern if it were not for the big financial interests at stake. But why worry about the platform of 1920? The people have spoken again in 1922, and 170 of the present Congress bear the marks of their wrath.

The shoppers of the Nation have had an opportunity to observe the blessings of Republican policies. There is not a

workingman in the land who does not behold on all sides of him and suffer in his pockets the results of Republican economic fallacies. With clothing and foodstuffs, coal, fuel, and rent augmented beyond endurance, he is in no temper to behold with equanimity the presentation of further largesses to the profiteers.

It is said that it was designed to pass the ship subsidy bill as a Thanksgiving gift to the shipping and financial interests. That was done in the House according to program, but it is destined to meet with a snag in the Senate. It reminds me of the story of the clever white man and innocent red man who went hunting. As a result of their day's work they brought to camp a lean buzzard and a fat turkey. The white man said to the Indian, "Will you take the buzzard and I take the turkey, or will I take the turkey and you take the buzzard?" The American shopper—in other words, the consumer—is not in any humor at the present time to take a buzzard in the nature of a ship subsidy to round out Republican policies.

There has been a good deal of talk in this debate about putting the American flag back upon the seas. Who drove it off the seas? If we solve that riddle we will go far toward settling the question as to how it can be again restored to its pristine supremacy. If we trace back the history of our merchant marine we will find that it began to wane the moment this country, under misguided statesmanship, undertook to build up prohibitive tariffs. We made it impossible through these foolish laws either to build ships or to operate them.

The men who are going to profit by this bill can wave the American flag in vain. It is a part of our history that whenever any special interest has knocked at the door of Congress for special legislation it has invariably disguised its purpose by flaunting the American flag; so that now such tactics excite suspicion. We rightly suspect the man who unfurls the American flag to promote his own interest in time of peace. He may get away with it in war times, but in times of peace I would reverse General Dix's war mandate and say, "Any man who unfurls the American flag shoot him on the spot." The American flag should be the inspiration of men marching to battle, and not the camouflage of profiteers making a raid on the United States Treasury.

The United States Chamber of Commerce appointed a committee of 15 to study the ship-subsidy question. Eight out of the 15 are in the shipping business, and the others are more or less tied up with financial interests. Of course, they reported in favor of a ship subsidy, and the same ratio will be observed in all of the boards of trade and transportation which have bombarded Members of Congress with resolutions upon the subject. The question for us to consider is how the American consumer feels, and the best evidence of that is furnished by the American Federation of Labor and the various brotherhoods of workingmen throughout the land. They all agree in characterizing the pending subsidy bill as "a most vicious effort to enrich big financial interests at the expense of the farmers, the wage earners, and small business men of the Nation."

MR. SABATH. Mr. Speaker, there is nothing that I can say or could have said on the pending bill which would be more effective and would express the reasons and objections to the bill as forcibly and clearly than which are contained in a letter I have received from the great student of economic conditions, the champion not only of the laboring man of this Nation but one who has at all times the interest of America at heart, Hon. Samuel Gompers, president of the American Federation of Labor, which I herewith insert as a part of my remarks:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., November 28, 1922.

DEAR MR. SABATH: Because the ship subsidy bill is to come before you on Wednesday for a vote I take the liberty of communicating with you at this time in order to lay before you a point of view which will, I am sure, impress you as worthy of consideration.

I am convinced that the country in the recent election intended to convey among other things its hostility toward the proposed subsidy. However, there are others who either do not so interpret the country's decision or who do not see fit to follow the country's decision.

It is unlikely that anyone has given the subsidy bill more careful study than has the American Federation of Labor. We have tried to find if by any possibility there was anything constructive and helpful in the measure. We are bound as the result of study to condemn the measure without reservation.

If study of the bill itself has failed to convince labor of its soundness, the debate upon it thus far has been equally without result. Little that has been said in official circles indicates any real understanding of the subject.

When former subsidy bills were before Congress the whole cry was ships, ships, ships, give us ships and we will have a merchant marine. Now we have the ships, and the one great question is, What are we going to do with them? We can not compete, so it is stated, and as things really are it is largely true.

Within the last two years the shipowners and the Shipping Board have done their utmost to destroy what skill and efficiency exist on American vessels at sea. That they are doing this consciously is not



conceivable. They are doing it, however, and evidently because they do not understand that the human element in shipping, as in all other competition, is the determining factor. While we are driving all the skilled men from the sea England is drawing to herself the skilled men by her policy. This last spring England adopted the policy of gradually getting rid of inefficient men. She is doing it by a combination between the seamen themselves through their organization, the shipowners through their organization, and the board of trade. The officers on the vessels provisionally select the men, who then go to the office of the union to be further passed upon under a regulation known as port consultant regulation No. 5. Under this system and the wages paid she is drawing to herself the efficient men and pushing the inefficient men over to us.

When the war ended Germany had no ships. She had shipowners who knew commercial geography, and therefore were to have their ships if possible at a given time. She had officers and seamen who could handle ships at sea and in harbor and keep those ships out of the repair yards. She is coming back into ocean carrying with the speed of a race horse. We have the ships, but our shipowners seem to have no understanding of the world's freight market or commercial geography nor any appreciation of the skill and efficiency needed on board of vessels, and we are spending money stupidly if not criminally. Why is it that business men who ordinarily have common sense seem to be incapable of realizing that in the competitive business success is determined by the human element to the extent of at least 75 per cent, while something less than 25 per cent is dependent upon the material element?

The subsidy bill now before you will not bring men and competence into the merchant marine. It will bring enormous sums of money into the pockets of a group of subsidized shipping financiers, and this group will constantly grow smaller under the monopoly-creating provisions of the bill.

Labor's position on the question of subsidy remains without change. The most strenuous efforts have been made to bring about a change in this position. In earlier years shipowners resorted to attempts at bribery, these being matters of official court record. I know of no such crude efforts in connection with the present bill, but in abundant measure friends of the bill have used subtler methods. Our position on this bill, however, is based on a study of the bill itself. It is without doubt one of the most brazen Treasury-looting schemes ever devised.

And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting.

This bill will not give America a merchant marine, though it may give us a bankers' marine. Labor joins with all others who want a well-manned adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

Let it not be forgotten, either, that once enacted the bill must remain in force for 20 years. Contracts made for that length of time will tie the hands of future Congresses.

I am laying these views before you in behalf of the executive council of the American Federation of Labor and in conformity with the findings on the subject as approved by the last convention of the American Federation of Labor.

Sincerely hoping that the above may receive your early and favorable support, I am,

Very truly yours,

SAM'L GOMPERS,

President American Federation of Labor.

Hon. ADOLPH J. SABATH,  
House Office Building, Washington, D. C.

Mr. ROSSDALE. Mr. Speaker, the merchant marine, or, as it is popularly termed, the "ship subsidy bill," is intended as a practical measure to keep America's flag upon the seas. It is based upon a system that has been long in practice by all the great maritime nations. It is fundamentally a sound business plan to enable our merchant shipping to compete with its foreign rivals.

In all likelihood this or any plan of ship subsidy or Government aid for ships is the least understood and most misrepresented of all great public questions. Whenever in the history of our country a subsidy of any kind for any particular purpose was at issue, it was always attacked as in the interest of a part of the people as against the interests of all of the people.

It is perhaps unfortunate in a sense that this merchant marine measure is called a "subsidy," since it provides its enemies with a subtle weapon of attack. To the unthinking and the shortsighted a subsidy always conjures up imaginative thoughts of the Government giving away something to somebody in which all will not share except in the payment of the cost thereof.

The principle of a subsidy is not new. It has been practiced throughout our history. It began with favored land grants to encourage settlements in early colonial days. At a later period we assisted private railroad construction across the then almost limitless expanse of prairie and forest by extensive grants of money and land. The area of lands granted in the form of subsidies to aid railroad construction in the United States is said to be equal to that of the thirteen original States and is greater than the area of Germany and Italy combined, or of France, Belgium, and Great Britain.

The previous Sixty-sixth Congress re-created the "War Finance Corporation." Its functioning in peace times is a subsidy to American farmers. This Congress enacted tariff legislation, which is a form of subsidy to American producers. The immense Federal appropriations for good roads are subsidies to the granger communities, some of whose representatives are conspicuously ranged in opposition to this bill.

Our second-class postage rate is also a form of subsidy. If we examine its cost, we find it is the biggest subsidy of them

all. Publishing newspapers and periodicals is a business, yet newspapers and periodicals are educational and a public necessity; hence we subsidize them to the extent of carrying them in the mails at a heavy loss. Few, if any, however, will dispute the wisdom of the Government giving the press this preferential postage rate aid.

How often have those who now loudly decry against a ship subsidy argued and fought for Government aid for various other projects. Not every subsidy is generally known by its title. However, to me a subsidy by any other name is no less a subsidy. I have no apprehension on the score of Government aid in private endeavor when benefiting the public in general.

This much-debated ship subsidy is not an innovation. Long ago the United States built up a considerable ocean passenger and carrying trade by subsidies. If the darkening shadows of the threatened Civil War had not clouded and obscured the vision of the Government in the late fifties, our ship-subsidy policy would not have been abandoned, and perhaps America, and not Great Britain, would since have had the commercial mastery of the seas.

It is conceded even by the opposition that an American merchant marine is desirable. There are few who will dispute that American ships, owned by Americans, manned with American crews, riding the waves, and carrying our commerce, are of benefit to all of our people.

The opposition of our Democratic friends on the other side of this Chamber is the usual opposition of a minority who oppose legislation presented by the majority. Looking backward for a brief span of years, from 1914 to 1920, this Democratic opposition to a merchant marine now appears ludicrous. Why, the Shipping Board, with its iniquitous Government ownership and operation of ships, was wholly a Democratic Party creation. Three billions of good American dollars was sunk in that huge fleet that now lies rusting and rotting for want of an intelligent, practical subsidy operation plan.

Democratic opposition to a merchant marine now is purely political. It is pandering to the prejudices that exist in many districts far removed from salt water. This inland reaction against a merchant marine is merely temporary. It can only be explained upon the ground of a mistaken belief at present existing in the interior agricultural sections that this is a seacoast proposition which only indirectly affects them.

It would be useless to deny that it will confer great benefits upon our seacoast cities. Perhaps it will benefit them to a larger extent than it will the granger country in the South and West; but whatever directly benefits a part of our country must indirectly benefit all the rest, whether along the seacoast or in the interior.

It may be that there are those in the tobacco, cotton, corn, or wheat growing districts who do not look with favor upon this legislation upon the theory that shipping is of remote concern to them. To those I would say the benefits of keeping the Stars and Stripes upon the seas accrue to the entire Nation and not, as is intimated, only to shipping interests along the seacoast. Is there a farmer, grower, stockman, trader, or merchant in any of those districts who, pressed for a reply, would not say he preferred to have his products shipped in American bottoms? Of course he would prefer it. Let us give them the opportunity. Under the operation of this proposed act it will annually cost about thirty or thirty-five million dollars for a ship subsidy, or about 30 cents per capita per annum for every man, woman, and child in the United States. What American would not give 30 cents each year to keep our flag afloat?

This bill is not to create a new merchant marine. We already have one. It is a war-time legacy from the Wilson administration. It is to utilize the fleet of 1,442 steel vessels, totaling 7,000,000 tons, that we already have, most of which is idly riding at anchor in our harbors.

It is intended to salvage and place in operation the larger portion of this fleet, which was created in that stupendous riot of war-time extravagance, that staggering spending orgy of billions of dollars.

The present Shipping Board reduced its annual deficit to about \$50,000,000. This outlay represents the most economical Government operation possible. It has about 350 vessels in actual operation. The balance of the fleet lies idle, slowly deteriorating. Already many of these ships have become unseaworthy and are only fit for the junk man to dismantle. Unless the others are soon placed in operation they, too, will have to be scrapped.

It is patent to all who have studied the subject that Government operation can not successfully compete with private operation of our foreign shipping rivals, who enjoy the favor of subsidies from their governments. If we are to salvage the



balance of the fleet now idle, private operation must supplant the present system. It can only be done by subsidy, which will cost even less than Government operation does at present.

If the plan offered in this bill is not a good solution of our shipping difficulties, what substitute plan is offered by the opposition in its stead? I have closely followed the criticism brought out in the debate and fail to perceive any substitute presented to solve the problem.

It is admitted that there is no foreign purchasers' market for the ships at even a fraction of its present replacement value. A continuation of the present costly Government operation is not feasible. In the absence of any other method, perhaps taking the ships to sea and sinking them would be cheaper in the long run, but such cowardly action would clearly be indefensible and is not to be thought of.

I was raised in the great throbbing seaport of New York, and lived there all my life. I have had abundant opportunity to observe and study merchant shipping. The numerous advantages of a merchant marine are perhaps better understood by those who are closest to its operations.

As a boy I spent much spare time along the water front. I used to play about the wharves and piers where the big ships docked. I recall the strange looking sailormen of the varied ship crews. They were almost all foreign vessels that came to our port then. On those rare occasions when a ship came in flying our flag the youngsters on shore would shout with glee to see the stars and stripes at the masthead. Often in boyish wonder we queried why there were so few American ships.

In later years I learned the reasons why American ships were seldom seen in those days, and I am glad the time is now happily gone by, and may it never be again that the merchandise we import will come to our ports mostly in foreign vessels while the products of our farms, fields, and factories are exported in the same foreign bottoms.

Our course is clear, we must either decide to continue the present costly Shipping Board Government operation that can only operate a small part of our fleet or else pass this subsidy bill that will send the greater portion of these modern argosies we possess sailing the seas from our ports to and from every port everywhere on the habitable globe.

#### THE POWERS AND DUTIES OF A FEDERAL GRAND JURY.

Mr. WOODRUFF. Mr. Speaker, one of the most powerful agencies to reach and combat crime in high places is the Federal grand jury, and when the law is falling down in high places the average citizen should be educated in the civic duties which he or she may be called upon to perform.

At the request of Capt. H. L. Scaife, counsel for the Woman's Clean Government Organization, which is doing a great work in this country in the cause of civic righteousness, I ask unanimous consent to insert in the Record the instructions to the grand jury delivered by Judge John M. Killits, of the United States district court at Toledo, Ohio, in which the powers and duties of the grand jury are set forth in a clear and able manner:

INSTRUCTIONS TO GRAND JURY, APRIL 25, 1921.

(By Judge John M. Killits, United States District Court, Toledo, Ohio.)

It seems necessary to formally and thoroughly charge the present grand jury, and it is greatly to be desired, first, that your body should understand its place as part of the machinery of the court. You are organized under the common law, with all the characteristics and functions which pertain to such an organization.

#### GRAND JURY AN INDEPENDENT BODY.

When once empaneled, you have an independent, if a related, function in the administration of the law. It is the independence of the grand jury of any control when acting lawfully that should be emphasized in your understanding. That is the most effective characteristic justifying and making practical the grand-jury system.

Your body is complete within itself. Your duties are to inquire into the social conditions of this division of 21 counties and to advise by bill of indictment or otherwise respecting the observance therein of the laws of the United States. You may inquire into any transaction which has transpired within the past three years and which can be reported to the court by bill before that period has expired. In the exercise of your duties you have no control over you except the law and the facts.

#### COURT POWERLESS TO DIRECT.

The court has no power to direct you to do anything or to omit to do anything, so long as you are acting properly within your inquisitorial functions. It is impossible for the court to say that you shall or that you shall not direct the prosecution of any person. All we can say is that if the law as you understand it and the facts which come to your attention suggest to your judgment a probability that a Federal crime has been committed in any instance, and that the facts suggest further the personality of the probable offender, you should present a bill of indictment; but that if the conditions of law and fact do not so satisfy your judgment, you should not return a bill of indictment. The court may control your judgment of the law, and you should look to the court alone as your conclusive guide as to what the law is pertaining to any particular case, but the court has no power to influence your judgment of fact.

#### DISTRICT ATTORNEY MAY NOT COMMAND.

What has been said respecting the court's lack of power to interfere with your work applies with equal force to the office of the district attorney. He and his assistants have in no sense any direction over you. You are in no particular subject to their instruction. They are your servants, to assist you, to be of use to you, but no one of them is even indispensable. You will make use of them, consider their advice as to the law and their suggestion as to the probative force of the facts, but you should thoroughly understand that their capacity is that of servants to the grand jury and that you, and neither the court nor any one from any Government office, are the sole judges of the facts. It is entirely competent for you to conduct your investigations in the absence of any representative of the district attorney's office.

#### GRAND JURY SOLE AUTHORITY.

I hope that there will be no misunderstanding respecting any of the foregoing. There is no authority anywhere to say who shall or who shall not be prosecuted for an offense against the United States, not the court, not the Attorney General, not the district attorney or any one of his assistants—no authority except for the time being this grand jury. The Attorney General for the President, the district attorney, the court, may advise—none may order.

#### GRAND JURY MAY ORDER SUBPENAS.

As a matter of convenience, you will doubtless depend upon the district attorney or one of his assistants for the summoning of witnesses before you and for the range of inquiry respecting any particular matter, but you are advised, with the trust that you will heed the advice, that this is a matter of convenience only and not of obligations upon this grand jury. It is competent, and possibly it may, at times, become important, for you to direct your foreman by vote or otherwise to summon witnesses whose names may occur to the body or any individual member of it, and the foreman is authorized by law to execute the will of the grand jury in that behalf, by filing with the clerk a precept for the subpoenaing of witnesses, whether such a course meets with the approval of the district attorney, the Attorney General, or even of the court. In such cases it is the duty of the clerk and the marshal to issue and cause to be served such subpoenas. You have the power of your own motion to command the presence before you as a witness of any person anywhere within the territorial limits of the United States. A subpoena directed by you runs beyond the limits of this district. No power but your own good judgment controls you here. Only a manifest abuse of discretion by you may go before even the court.

#### HOW CASES APPEAR—TRANSCRIPTS.

Cases may come to this grand jury in four ways. Each is of equal dignity. And once a case comes to the grand jury in any of these ways, it should receive the same sort of consideration. First, a case may come formally through the fact that some person has been bound over to the grand jury through the action of a court commissioner. Such a case is called a transcript case. It is necessary that formal action thereon be taken by the grand jury and formal report made to the court upon every transcript case because it is already on the court's docket. On the occasion of the final report of the grand jury, there should be presented to the court a statement in writing which gives the title of every transcript case which has been presented to the grand jury, as to which it was the formal judgment of the grand jury that no bill should be returned. This report should not be made until the grand jury is ready for discharge, because it is within the power of the grand jury at any time during its session to reconsider any case in which action has hitherto been had, if unreported. No action of the grand jury ignoring a transcript case is final to the release of the transcript defendant's bond until the day of the final discharge of the grand jury.

#### DISTRICT ATTORNEY'S REPORT.

A second method of bringing cases to the grand jury is through verbal representations of the district attorney or his assistants. It is the district attorney's duty to inform the grand jury respecting any probable violation of law which has come to his attention and to assist the grand jury in examining into the matter. In cases of this character, if no bill is voted, there is no necessity and it is inexpedient to make a formal report thereof to the court.

#### GRAND JURY'S INITIATIVE.

A third manner in which cases may properly come before the grand jury is through the interest in any matter which may appeal to any member of the grand jury. Should any one of your body receive significant information concerning a probable violation of law, it is his duty to take into his confidence his fellow jurors, and it is your privilege, and may in some instances be your duty, to proceed with a thorough examination into the matter without relation to the wishes of any other officer of the Government or of the court. In this respect you have an independent initiative, and in the exercise of this function lies the greatest usefulness often of a grand jury as the conservator of law and order. It is a power which should be carefully and discreetly exercised but which, when once entered upon, should be proceeded with fearlessly, impartially, and firmly. Respecting its exercise, your foreman is subject to the majority will of the grand jury, and the breadth and scope of your investigations are limited only by the law itself. The court can do nothing more than simply to hold you to observe the law. The court commends to your most earnest consideration this independent power enjoyed by you.

#### COURT'S SUGGESTIONS.

A fourth way in which matters may come to the grand jury's attention is through the recommendation of the court itself. We propose further in this charge to direct your attention to some matters which seem to the court to be of sufficient importance to merit your consideration. You will observe, however, that once the court has suggested these matters to you, the court's function in that behalf ends. We have no power to enter into your deliberations and to control your conclusions. You will please observe also that in reporting these matters to you, the court is not at all offering an opinion whether there is a probable cause to find an indictment. We do not even attempt to advise you what the facts are. They are for you to discover in a more legitimate way. In venturing an instruction to you respecting any one of these matters, we apply the law to a purely supposititious state of facts, and in no way must the court be understood as advising that facts exist in any case sufficient to demand of you a bill of indictment.



## TWELVE GRAND JURORS MAY ORDER BILL.

No bill of indictment can be returned unless it is ascertained, by any definite way satisfactory to the grand jury, that at least 12 of its members so decide, in which case it is the duty of the foreman to sign, and of the district attorney to prepare and indorse, a bill of indictment, no matter what may be their individual views respecting the providence of such action.

## EVIDENCE BEYOND REASONABLE DOUBT NOT REQUIRED.

You will please note in this particular that the law does not require that even 12 members of the grand jury be convinced of the truth of the charge beyond a reasonable doubt. Often justice miscarries because a grand jury misunderstands this and demands evidence beyond a reasonable doubt when a prima facie case or proof of probability only is necessary. Many prima facie cases made by the Government on trial before a petit jury become convictions beyond a reasonable doubt when the defense is heard. The law is that if it be the judgment of the grand jury, or 12 members thereof, that the facts suggest a preponderating probability of the truth of the charge, a bill should be returned. This is the question, then, which a grand juror should ask himself: Does the evidence disclose that the crime in question has probably been committed by the person under consideration? If that is his judgment, he should vote for a bill. He should not insist on proof convincing his mind beyond a reasonable doubt. Involved in this proposition is the fact that the grand jury is not to take upon itself the burden of determining any case absolutely on its merits. It must not permit itself to usurp the functions of the court and petit jury. It must remember that it is a preliminary body altogether, to protect the individual against an improvident prosecution for a serious offense, and to secure to the public an impartial and dispassionate investigation into the observance of the law.

## SHOULD NOT HEAR DEFENSE.

You ought not, therefore, to demand or even permit the presence of a defendant. It is bad practice and against settled Federal authority to give one whose case is under investigation an opportunity to be heard in person or by his witnesses. So to do is to go beyond your functions, and respecting a great many offenses the practice is especially pernicious. The merits of a case should be tried in the open, upon testimony under public scrutiny and under the trained guidance of the court. Only in this way can testimony be confined to its legitimate channels. Again, the merits of the case should be determined by a jury which, respecting that particular case and its particular facts shown in testimony, has the benefit of the court's explanation of so much of the law as applies to the exact issue. None of these safeguards is practicable to be had in the grand jury room, and this court will not permit a case to be so finally disposed of by the grand jury if it is aware of the fact. Just as the defendant under the Constitution is entitled to have the case against him presented in his presence and in the open, so the Government is entitled to have the defense made in the open and under the scrutiny of the only agency, namely, the court, which has the power to keep that defense within its legitimate channels.

## SCOPE OF TESTIMONY.

The jury should be satisfied that evidence has been presented to it touching every essential question, consideration of which goes to make up a case. But, involved in the proposition that you are not called upon to go further in your judgment than to see in the facts a strong probability of the truth of the charge is the fact that you are not required to ask conclusive or even all of the proof upon any particular subject. It is often advisable, especially in cases of very great importance, that the district attorney be not compelled to spread his whole case before the grand jury. Yet enough of it, covering every essential element of the charge, should be presented upon sworn testimony to enlighten the jurors' judgment as to what the probabilities are.

## JURY CONTROLS ITS MOVEMENTS.

As you go from this charge an independent branch of the court until your work is completed, it follows that you sit and rise upon your own initiative. The court may summon you from time to time, but once summoned, only you have the right to determine when you will recess or how long your sessions shall be. The court advises you to be as expeditious in the transaction of your work as may be practicable, to be as economical of public money as you fairly can, but at the same time do not let considerations of expense interfere with a thorough inquest into conditions.

## NO STATE OFFENSES INVOLVED.

This court administers the laws of Congress only. Many alleged crimes are reported to Federal officers which can not be prosecuted except in the State courts. We have nothing to do with them. A general understanding of this fact would save the court much inconvenience and misunderstanding on part of the public.

## THE NATIONAL PROHIBITION ACT.

Just now the national prohibition act is most in the public mind. Because of that fact diligence in its enforcement is very necessary, or else respect for law generally will greatly lose ground. This court conceives the enforcement of this act to be a supreme test of the question whether this is a law-abiding democracy or not. Therefore, we have no hesitation in asking this grand jury to join the court in taking up the gauntlet and in accepting the challenge that this act can not be enforced.

## LAW EASILY ENFORCEABLE.

Our opinion, after an active experience of more than a year, is that the act can easily be enforced and the dignity of the law can be upheld, if there exists an intention on the part of the officers of the law to do their plain duty. It is our judgment that the so-called public sentiment, against which the operation of the law is said to contend, is not the sentiment of any considerable portion of the people of this community; that those who lack sympathy with the enforcement of the law and the law's purpose, and who proclaim a hostile public sentiment regarding it, are in a hopeless minority, prominent because of the noise they make, and more numerous in sound than in fact. It seems very clear that if there were a hostile public sentiment here toward this law, the fact would be reflected in our juries, which are drawn from the average of respectable citizenship. Our observation, here and at other places of holding court in this district, is that, given a fair presentation of the facts, our juries treat cases under this law upon their merits as carefully and dispassionately and vote for verdicts of guilty as readily as in cases of infractions of other laws. In fact, the only difficulty encountered in the enforcement of this statute is that which arises from cupidity of many persons, coupled with a

further fact that the illicit liquor business peculiarly involves surreptitious and somewhat easily concealed transactions. It is the same difficulty in about the same degree which obtains in the detection and prosecution of narcotic crimes. One who engages in it is indeed largely protected by a lazy belief that the law's enforcement is not supported by public sentiment. It is this court's experience that the enforcement of any law is already half done when it is generally understood among the people that those who have an official duty to enforce it propose to perform that duty unflinchingly.

## PUBLIC HEALTH INVOLVED IN ENFORCEMENT.

There is now a great public concern in the rigid enforcement of this law because of the effect of illicit liquor dispensation upon the public health. During the term which has just closed, this court has had in the neighborhood of 100 cases of sales in which were produced from each case exhibits of the commodity which passed over the bars of so-called soft drink places in Toledo as whisky. In but one instance out of this many cases has genuine whisky been obtained. In each of all the others, the liquid was imitation whiskey manufactured from alcohol with a coloring matter, or newly made with all the extremely poisonous ingredients and specially injurious characteristics which it is understood that the process of aging whisky removes. The consumption of this stuff is extremely deleterious to the public health, and to suppress this traffic should be the determination of the public and its officers. The Government has also discovered that considerable business has sprung up in the trafficking in so-called whisky bearing forged labels and Government stamps which are made to represent the liquid to be of well-known brands, while in fact it is of the vilest character. These considerations emphasize the demand that the law be enforced with determination.

I am glad to say that this grand jury will not have before it so large a proportion of small cases as hitherto have come up for indictment. It has been found possible to present by information to the court all liquor cases which involve a penalty of not more than one year's imprisonment or a fine, thus saving much expense to the Government and resulting in more expeditious disposition of offenses. This will leave the grand jury time to do what is most important in the enforcement of any law, namely, to give attention to the larger offenses.

## LARGE OFFENDERS SHOULD BE PROSECUTED.

The conviction of one highly placed and influential offender against any law is much more to be desired and brings about a better respect for the law itself than a gathering in of many less prominent and less extensive violators. This court has been crowded with many small cases; the privilege has come but a few times to convict notorious and much talked of offenders. It is very probable that there are some persons of political, social, and perhaps other high influence in this community who are habitually violating these laws with large profit to themselves. It is sincerely hoped that this grand jury will use to the limit its very great power to command the resources of the Government at its disposal to bring such persons to the bar of this court. Any law soon loses respect and efficiency if large offenders are allowed to escape and less influential and less pronounced violators prosecuted, and when once there becomes a settled public conviction that any criminal act fails in enforcement crime at large is greatly encouraged.

In this connection, but not by way of setting a limit to your investigations, we suggest subjects for initial action from reports of alleged offenses which have informally come to the attention of the court.

## WHAT IS IMPROPER USE OF THE MAILS.

Section 215, Criminal Code, just mentioned, is in substance to the effect that whoever, having devised a scheme to defraud, uses or causes to be used the mails of the United States in any way to assist in the consummation of that fraud, is guilty of an offense against the United States. Two ultimate questions of fact are necessary to be found, as probably present in such a case, before the grand jury should return a bill of indictment. The first is a scheme to defraud. This may be of any nature which is fraudulent in its purpose. You will please understand, however, that the fraud which must be present is not necessarily what is known as fraud in law; that is, some conduct which is in violation of some specific statute or law. If the enterprise alleged to be fraudulent is one which shocks the sense of right and wrong because seen to be with purpose to defraud the object, it is sufficiently within the reprobation of this statute whether it be specifically defined as illegal or not. The alleged fraudulent purpose need not have been one which had even a promise of success; it may have been foolish in its conception, or in plans for its execution and yet be within the law. You are instructed further that the fraudulent purpose need not be shown to have been one directed definitely against any specific person, nor one shown in the evidence to be even specifically and definitely devised. It is sufficient for the purposes of this statute if the fraudulent purpose, alleged to be entertained by the subject under consideration, is general in its nature and held against any indefinite person who may possibly come within its operation; then the law in question applies. Going now to the other element of the crime, the use of the mails, you are instructed that the use of the mails is not necessarily such use as that which would be in itself objectionable to the Government. The letter or other attempt to use the mails may be, standing by itself, purely unobjectionable, carrying with it and in its terms no suggestion of fraudulent or improper purpose, yet if it is seen in the testimony to be so related to the fraudulent purpose that it appears to have been made with an intention to effect the fraudulent purpose in any degree, such use is within the prohibition of the statute. You will also further observe in this connection that it is not the effective and successful use of the mails which only is reprehended by the statute. If the use of the mails itself comes to nothing, does nothing to promote the fraudulent scheme, or if merely an attempt to use the mails has been made, or if the fraudulent scheme itself fails, if either or both of the failures exist, nevertheless the transaction is within the law, provided the evidence tends to show a probability of the presence of both of these elements, in proper relation to each other, even with their feeble results. It is not the success or good sense of the alleged fraudulent scheme or the effectiveness of the use of the mails which counts. It is the presence of the fraudulent scheme and an attempted use of the mails to help such a scheme which combined make up the offense to which the statute attaches.

## THE LAW OF CONSPIRACY.

This grand jury will have further consideration of the robbery committed in February at the city post office, and I am informed that you will have before you a charge of conspiracy in that connection.



For this reason, and because of previous suggestions by the court, you should understand how to apply the law of conspiracy. The Federal statute provides that when two or more persons agree to violate a law of the United States and, while that agreement is in existence, to further the same act is done by one of the conspirators, an offense against the United States has been committed. Simply entering into an unlawful agreement is not an offense, but the agreement with some step taken to work it out constitutes the offense. The necessary step is called the overt act. It may be but a slight matter and not be anything that succeeds in helping the conspiracy, but if it is something which is of a tendency to help the conspiracy, the case is complete. It is very desirable, respecting the matters directed to your attention in this charge, that you should note that it is not necessary, to give this court jurisdiction, that a conspiracy should be shown to have been entered upon within this district. If an agreement to violate the law has been formed beyond the territorial jurisdiction of this court, yet something, however ineffective, has been done within the district by one or more of the conspirators to help that agreement, the case can be prosecuted here and you can command the evidence from witnesses beyond the confines of the district. The existence of a conspiracy is provable by evidence showing a concert of action, a relation between the suspected purpose and transactions by one or more of the parties, which, compared with all the circumstances in the case, show that the parties moved with a common end in view. It follows that the so-called overt act, necessary to be established in order to make the offense complete, and to give the court jurisdiction, may not only serve for that purpose but may be one of the circumstances taken as tending to prove the existence of the conspiracy itself.

In any case in which a law of the United States has been violated by two or more persons acting in concert, the facts which establish violation itself, if they show action in concert by the principals, may be resorted to for a charge of conspiracy to violate the law, and all persons who consciously and willfully act to aid and abet or assist the principal actors in the transaction, either before or after the event, but still while something is to be done to bring the enterprise to an end, may be joined with the principal actors as co-conspirators, for anyone who consciously associates himself with the conspirators at any stage of the transaction, before it is concluded, even though he may not be in at the beginning nor stay to the finish, may be included in the charge. When once it is clear that a concert of action indicating mutual agreement is established, the act of every co-conspirator, even in the absence of his fellows, which tends to promote the object of the conspiracy, becomes the act of every other co-conspirator chargeable against him.

#### OTHER CRIMES SHOWN IN LIQUOR INVESTIGATIONS.

We have dwelt most largely in this charge on the national prohibition act because there is a peculiar interrelation of crime, and a thorough investigation of any particular case may open up leads which develop offenses of an entirely different nature. It is the experience in Federal courts that prosecutions for one class of offenses often develop and assist prosecutions of an altogether different class. This tendency is peculiarly noticeable in this court since the enforcement of this new law has been undertaken. The illegal traffic in narcotics is closely related to that in intoxicating liquor. Also the enormous profits possible in each unlawful business attract criminals whose specialties are in another line. The traffic in morphine, cocaine, heroin, and other narcotics has been a marked feature of crime in this district, largely due to the fact that Toledo is an important railroad center, situated near to the Canadian border. The jury will find that if it sets itself diligently at work in the enforcement of the prohibition act it will be of very great assistance in the limitation of the traffic in narcotics and that there will also come revelations, profitable in prosecutions, of violation of other laws. Leaving out altogether consideration of moral questions, it is the conclusion of Federal experience that the most practical way to attack crime in general is to enforce the liquor laws. If there is a real desire and intention on the part of good citizens of any shade of thought respecting sumptuary laws to restrain and reduce whatever abnormality of crime there may be in Toledo as the metropolis of this Federal division, the key which unlocks the doors of vice and crime most practically and efficiently, productive of the most comprehensive results, is this law. The records of this court prove these assertions.

#### CONSPIRACY IN LIQUOR VIOLATIONS.

The Federal conspiracy act is a powerful weapon to depress interest in the business of crime. The attention of this grand jury is specially directed to it in connection with liquor violations. When two or more persons, either as partners, or proprietor and barkeeper, or silent owner and a supposititious proprietor, or even as landlord and tenant, act together in the illegal dispensation of intoxicating liquor, generally the elements of conspiracy exist and prosecutions therefor may be had. Instances have been disclosed wherein persons have established drinking places and then have hired others to pose as owners, paying large wages that the latter may carry the burden of possible prosecutions. In such cases the parties might well be prosecuted for conspiracy, that the cowardly secret owner might receive a proper punishment. We have also noted circumstances in which it has seemed practicable to include landlords in a conspiracy charge. A few penitentiary sentences would inculcate a wholesome respect for this law, observance of which is as much the duty of a respectable and law-abiding citizen as any other, while the opportunity to fine up to \$10,000 gives the chance to require some of the illegal gains to be given to the Government in lieu of taxes of which it has been defrauded. This law applies equally to negotiations for purchase of liquor for home consumption. The purchaser and seller may be jointly indicted for conspiracy.

#### PROSECUTIONS FOR PERJURY.

The crime of perjury is very prevalent. It should be discouraged by prosecutions. We propose to scrutinize testimony in open court during this term with a view of advising you of facts. You, through diligent attention to testimony before you, may also find occasion to indict for this crime committed in your presence.

#### WITHHOLDING EVIDENCE.

Your attention is also directed to section 146 of the Criminal Code. By its provisions one who has, but withholds, important evidence concerning an offender against the United States may be prosecuted for misprision of felony. The statute makes it the duty, under a heavy penalty, for any citizen, knowing of the commission of a Federal felony, to forthwith communicate his knowledge to some Government officer.

The members of this grand jury, other than the foreman, will please observe that while the oath they have taken was general in its character, yet its terms obligate you to the same duty of secrecy which was made a special element of the oath of the foreman, for you have

promised to observe the same oath the foreman has taken. This obligation of secrecy is no idle one. You are admonished, therefore, to refrain from making the proceedings in the grand jury, either as to testimony or the identity of witnesses or the subjects under consideration, a matter of discussion and gossip outside of the grand jury councils. Much mischief in the administration of the law will be avoided if grand jurors strictly observe this injunction.

We feel sure that if this grand jury takes its work seriously, comprehending what its independent powers are, and using them, its members will find their labors very profitable personally and the work of absorbing interest. You will also find compensation for the sacrifices which some of you may be compelled to make of your personal interests in the fact that you will have contributed greatly toward the moral well-being of the community.

Mr. FULMER. Mr. Speaker and gentlemen of the House, I realize that the bill before us, known as the ship subsidy bill, deals with a very large question, which I sum up in a few words:

Shall this great Government continue to lend a hand to the monopolistic interests of the country?

Shall a party's political debts be paid by cunningly devised taxes on the masses of the people as bonuses to professional classes?

Shall we grant monopolies to business manipulators, whose policy is to squeeze the public, and then write into the law of the land an official invitation to them to walk up to the Nation's Treasury and have handed to them complimentary pay envelopes inscribed with Secretary Mellon's Christmas greetings: "Gentlemen, our people thank you for your kind services. There is more like this. Come again."

After listening to the speeches of men like Mr. DAVIS, of Tennessee, Mr. BANKHEAD, of Alabama, Judge HARDY, of Texas, and others who have served on the committee, and who have had a chance to attend the hearings upon the Treasury-boosting scheme, I am unable to discover one legitimate reason for voting in favor of it.

Instead I see in it a contemplated Treasury raid, an official Thanksgiving Day dinner, a Christmas feast, a New Year's revel, an Easter offering, a Fourth of July spread for the gourmands of big business, and a dangerous encroachment upon sound and healthy lawmaking.

I have never encountered what appears to be a more studied and brazen attempt deliberately to squander the people's trust fund, sacred though it should be in the hands of their trusted and unbonded administrators, by donating millions of dollars from it for the enrichment of a favored, noncompetitive class.

Surely, gentlemen, you are not unmindful of the scandalous remarks and charges and rumors clouding the atmosphere. Why is it that every man is not credited with considering and voting upon this measure upon its merits? Why are there rumors of wholesale trading of votes for administration jobs? Why is it said that Mr. Lasker, now the head of the Shipping Board, is to head a gigantic corporation to rake in scientifically the luscious bonuses and velvety subsidies that await the inner circle should this measure become a law? Listen to this from the Washington Daily News of November 28:

The Old Guard in Congress is willing to trade everything it can lay hands on for votes for the administration ship subsidy bill.

Most of the hundred or more Republican lame ducks in the House and Senate are being given to understand that none of them will be taken care of with Federal appointments until after the vote is taken on the subsidy.

The Old Guard is using this as a powerful club to line up votes for the subsidy. And a substantial majority of the lame ducks prefer to stay on the Government pay roll after their present terms expire rather than go to work in private life.

Three other inducements are being used:

1. A proposition to deepen the Mississippi River and make it navigable for ocean-going vessels as far up as St. Louis.
2. The St. Lawrence ship canal project.
3. A promise of relief and benefits for farmers.

"Of course," declares Representative FREAR, of Wisconsin, a leader in the Republican opposition to the subsidy, "nobody expects this Congress to do anything tangible either in the matter of deepening the Mississippi or in the St. Lawrence ship canal project, but they could be used by some Members as an excuse to their constituents for voting for the subsidy."

At least one important White House conference lately is known to have been given over largely to a discussion by the President and his callers of what should be done to care for those Members who went down in the recent elections. A substantial number of defeated Members of both House and Senate are to be taken care of.

Now, listen:

But there will be no distribution of plums—at least to House lame ducks—until after to-morrow. That is the date set for a vote on the subsidy bill.

What an indictment! Jobs for votes! Votes for jobs! If you want a job just wait and let's see how you vote for the Harding-Lasker helping hand bill.

As for me, I prefer to believe that conscience will be your guide.

And hear Samuel Gompers voice the position of the American Federation of Labor in his letter to each of us this morning:

It is without doubt one of the most brazen Treasury-boosting schemes ever devised. And scoundrelly measures, like scoundrelly men, take refuge in patriotism when no other offers. The bill is urged on grounds of patriotism. It is difficult to think of anything more unfitting. This



bill will not give America a merchant marine. Labor joins with all others who want a well-manned, adequate merchant marine. But it denounces this bill as a fraud, a robbery, and wholly indefensible.

After experiencing the operation of the Esch-Cummins bill, giving to the railroads of the United States a subsidy, which, next to the deflation policy of the Federal Reserve Board, has done more to paralyze agriculture and stifle legitimate business than any other piece of legislation passed by Congress in recent years, we should certainly be on our guard against this companion measure.

Then, if I had no other reason, I could not support this measure when I find it supported by the United States Chamber of Commerce, one of the biggest lobbies in the interest of big business, J. P. Morgan & Co., and other powerful Wall Street individuals and groups, who by their efforts in trying to control legislation are exerting a most potent influence in bringing about extreme radicalism and even bolshevism in this country. This chamber, heavily financed by its backers, hangs about Washington for the purpose of superintending the enactment of legislation and putting over schemes which I can never approve, inasmuch as I regard them as absolutely detrimental to the best interests of the country.

For example, the United States Chamber of Commerce advocates a sales tax, as does Mr. William Randolph Hearst and other people of great wealth, expecting eventually to substitute such a tax for taxes on incomes and excess profits. If they can have their way, they will transfer the tax burdens to those who are least able to pay them—to those who have little means and small earnings and who already feel the pressure of conditions from which they can not escape. Thousands of small property owners in my section of the country, and I take it that the same applies to other sections, are now unable to meet their tax bills, and all that many of them possess is being sacrificed under forced sales.

We do not have to look far for the causes of the pitiful conditions existing in some of the agricultural sections and the bank failures and the bankruptcies in legitimate business and the suicides. We see it in the failure of the Congress broadly to vision the whole people and enact helpful legislation instead of allowing moneyed interests to lobby around Washington and write or dictate the writing of practically all important measures.

A few large manufacturing interests succeeded in putting over the Fordney tariff bill, which will benefit a few and take millions of dollars from the consumer and the producer. I have no doubt that Mr. Hearst and his associates, with the assistance of the United States Chamber of Commerce, will at some early date write a sales-tax measure and endeavor to ram it down the throats of a majority of the Members of Congress by their subtle propaganda and expert newspaper publicity—the kind that will be very convincing to those who have no chance to study these great questions.

I believe, with Mr. DAVIS of Tennessee, that if we had a real business man who knows something about the business of shipping instead of Mr. Lasker, who admitted at the time of his appointment that he knew nothing about that business—and whose policy will soon get the shipping business in such a condition that nobody can save it, and then it will be handed to the money sharks for a song—it would to-day be operating successfully. Apparently his employment of superlawyers at salaries running up to \$35,000 has not brought about commensurate good.

This bill gives to a board, made independent of Congress and the President and the courts, absolute power to loan, at interest as low as 2 per cent per year, out of a revolving fund of \$125,000,000, two-thirds of the cost and equipment of vessels built in private shipyards, with subsidies as also provided. This seems to be in line with the apparent privileges enjoyed by the railroads under the Esch-Cummins bill.

To a large extent the Interstate Commerce Commission takes dictation from the railroad owners in fixing rates and approving tariffs. For instance, the agent of the Southern Railway at Richmond issued tariff No. 2, Interstate Commerce Commission No. 358, to take effect October 15, 1921, Eastbound Carolina class and commodity tariff from local points in Georgia, North and South Carolina and Virginia to Eastern States and interior eastern points, forbidding the shippers of hogs to ship in double-decked cars.

What did it mean? These people from Southern States, suffering from the deflation of 1920, with cotton crops destroyed by the boll weevil, tried to get back to a living basis by raising cattle and hogs. The rate from Springfield, S. C., to Richmond, Va., on two single cars was \$157 as against \$92 for a double-decked car carrying the same number of hogs.

So the railroad, not satisfied with their 6 per cent guaranteed profit, attempted further to penalize these shippers by compelling them to pay \$157 for a shipment that could have

been made for an announced rate of \$92. There was subsidy with a vengeance. I took up the matter with the commission and they agreed that the tariff looked bad and it was accordingly canceled. But see what an opportunity there was for "mopping up" as long as this special tariff (and I suppose there are many similar instances) was in effect.

Cargoes and not ships, freights and not subsidies, are the present need. The war left us with more ships than we can use and freighters by the score are rusting in our great harbors. The farming interests of the West and the cotton-growing South and the manufacturing East are not held back from the markets of the world by lack of American ships, but by import duties imposed upon the American people by the Fordney Tariff Act, which throttles export trade, and subsidies, which mean heavier taxation, only add to their burdens and produce greater revolt. Our country is to-day stifling with its own goods and the outside world is hungering and thirsting for them. Many of the foreign countries are without money to buy, but if they were allowed to export their goods in exchange for ours we would soon see a different complexion in business, both in this country and in Europe.

For this subsidy fund the Secretary of the Treasury is required to devote all tonnage duties, 10 per cent of all customs duties, the equivalent of all mail subsidies, and half of excess earnings above 10 per cent, if any, of subsidized vessels, all of this permanently appropriated without further control by the Congress. This subsidy fund is estimated at from \$30,000,000 to \$50,000,000 per year, to be paid out of the pockets of the people.

This bill confers upon Chairman Lasker—who when examined by the committee stated that he had "only been a regular advertising expert," not a shipping expert—and his associates, without the requirement of having to submit reports, autocratic powers which invade the province and transfer the authority of the President, the Secretaries of State, Treasury, War, Navy, Labor, Commerce, the Postmaster General, and the Commissioner of Internal Revenue, as well as of Congress, and which admittedly involve a tax burden of \$52,000,000, which may indirectly reach \$100,000,000.

I have heard of no real demand coming from the people or from either party for a special call of Congress to pass this bill. On the other hand, this bill was advocated by the President before the last Congress, but was delayed by the Members in order to feel the popular pulse. To my mind the passage of the Fordney tariff bill, the veto of the veterans' bonus bill, and the belief that the Republican administration would ram this indefensible ship subsidy measure through Congress was the cause of the defeat of nearly 100 Members of the Republican persuasion three weeks ago.

I agree with my good friend, Mr. TINCER, of Kansas, and with Mr. GAHN, of Ohio, that the passage of this bill will spell the winding up of the Republican Party in 1924, because the people are at last giving signs of rebelling against legislation in the interest of a few.

I know that there are thousands of parasites, middlemen, between the producer and the consumer, but I do not hear of any administration measures to weed these out and protect these helpless people. I know that our marketing system is wrong and that the farmer has much produce to sell, but in some instances he can not give it away, and in the meantime the consumer is paying inflated prices. Credits are tight, interest rates are high. Of course, much good has been done by the Federal reserve bank and the War Finance Corporation, but on account of red tape, and the great masses not being able to come in direct contact with these splendid institutions, thousands and thousands of persons who need assistance never get it.

The Federal reserve banks loan only to member banks, the present rates being from 4 to 4½ per cent. The farmer is borrowing from banks as usual, if he can borrow at all, paying from 8 to 10 per cent, besides revenue stamps, recording fees, and attorney's fees for writing chattel and real estate mortgages, which are drawn so that if payment is not made at maturity the attorney can charge 10 per cent for collecting.

Who that votes for the ship subsidy bill, carrying loans of \$125,000,000 at 2 per cent, is game enough to vote for a sufficient loan fund for the farmer at 2 per cent, whereby he can be helped to pay his losses, and agriculture can be put back on a paying basis?

How many supporters of this Lasker bill will vote to have the Government furnish the cotton and grain farmers with nitrate of soda at cost prices, and thereby check the highway robbery on the part of Grace & Co. and several other importers of soda who bought the Government soda last year at from \$30 to \$35 per ton and, inasmuch as they controlled the imports, put the price to the farmer at from \$65 to \$75?



I challenge the older Members of the House who have been here for years to work out some legislation along these lines. If this is done, watch the United States Chamber of Commerce and the Fertilizer Trust, which beat Henry Ford out of Muscle Shoals, come rushing with propaganda to defeat it.

I have just had some correspondence with Secretary Wallace, of the Department of Agriculture, relative to his approval of an appropriation of \$200,000 for extending the market news service of the department by telegraph to the States of Virginia, North and South Carolina, Alabama, Georgia, Louisiana, Florida, Tennessee, Texas, and Mississippi. This service would furnish to interested persons in those States daily telegraphic information on prices and conditions in the larger markets and principal producing sections of the United States. This service was rendered during the war, but on account of insufficient funds it was discontinued in June, 1919. Secretary Wallace says:

While the department feels that the expansion of this leased-wire market news service would accomplish a great deal in facilitating efficient marketing by making available to all concerned a better knowledge of daily supplies and prevailing prices, we must keep in mind the present necessity for retrenchment in governmental expenditures.

This service would cost only \$200,000 to post daily the people who produce cotton and foodstuffs as to supplies and prices, yet this is considered too heavy a drain upon the Treasury. This is how the small shipping and producing people of these States "get it in the neck," but there are some who consider it absolutely all right to pay out of the Treasury of the United States from \$50,000,000 to \$100,000,000 a year to a favored few in the nature of a subsidy.

It is not, I say, by such legislation as the powerful interests demand that relief will be afforded to the mass or that they will be protected against further exactions, but by really constructive legislation in the interest of the entire public which it is incumbent upon Congress to enact.

Let us determine that there shall be no more such legislation as the railroad bill, which is directly to the advantage of the railroad owners and to the disadvantage of everybody else; or the tariff bill, which is to the interest of a few, comparatively, and to the disadvantage of everybody else; or the present bill, which is likewise to the interest of a few, comparatively, and to the disadvantage of nearly everybody else, including those great classes that produce the necessities of life and that labor in the various occupations that are essential to the progress and upbuilding of the country.

By unanimous consent leave to extend remarks in the RECORD was granted—

To Mr. KINDRED.

To Mr. JONES of Texas.

To Mr. KLINE of Pennsylvania.

To Mr. MICHENER.

To Mr. MONDELL.

To Mr. BANKHEAD.

Mr. BANKHEAD. Mr. Speaker, on yesterday the following colloquy took place in the Committee of the Whole:

Mr. BANKHEAD. Mr. Chairman, I move to strike out the last word. I ask unanimous consent to proceed out of order for five minutes in order to correct what I think is a rather grave injustice done to one of the witnesses who testified before the committee.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. SNYDER. I object.

Mr. MONDELL. Mr. Chairman, I regret, but I have objected all day to discussions out of order, and I feel that I must do so now.

The CHAIRMAN. Objection is heard.

Mr. BANKHEAD. I want to be recognized on my motion, Mr. Chairman.

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman, I shall not undertake to do by indirection what I can not obtain leave to do directly. I hope the gentleman will withdraw the objection. I am not going to raise any controversial issue, but I would like an opportunity to correct a statement with reference to the attitude of Mr. Edgar Wallace, who appeared before the committee as a representative of the American Federation of Labor. I do not say that his position has been willfully misrepresented, but it has been incorrectly represented in this debate, and in justice to him and his organization I ask this privilege.

Mr. GREENE of Massachusetts. I was the only person who made reference to him.

Mr. BANKHEAD. It is with reference to the statement of the gentleman from Massachusetts in the debate that I ask this privilege.

Mr. GREENE of Massachusetts. I declined to allow it because I simply spoke from memory. I am willing to have read into the RECORD what he said.

Mr. BANKHEAD. That is all I want to do.

Mr. GREENE of Massachusetts. There is no objection to that.

Mr. BANKHEAD. Then I ask unanimous consent to extend my remarks in the RECORD by reading into the RECORD the question of the gentleman from Massachusetts and the reply of Mr. Wallace.

Mr. GREENE of Massachusetts. The gentleman asked what he said. I stated what he said, intending to state what was true. If I made any misstatement of it—I do not think I did—it was made inadvertently. I have no objection to any correction of that statement, but I do not want the RECORD to be cluttered up with a lot of immaterial matter.

Mr. BANKHEAD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by incorporating therein the question asked by the gentleman from Massachusetts of the witness, Edgar Wallace, in the committee as to his attitude on this question and his reply thereto—only about 10 lines.

The CHAIRMAN. Is there objection?

There was no objection.

The following are the questions asked Mr. Edgar Wallace by the chairman of the committee [Mr. GREENE of Massachusetts], and the answers thereto, taken from the official report of the hearings:

Mr. GREENE. Then you would prefer to ship in foreign ships because they will take it cheaper than we will?

Mr. WALLACE. I mean to say this: We can never hope to do as much export and import business as some country that depends entirely for its living on shipping out stuff in bulk and bringing back stuff in bulk that she needs. We don't need much that would make bulk freight come into this country. I believe there is the great reason why we can't make a merchant marine pay—because that which we import generally comes into this country in small quantities, mostly luxuries. That does not come in bulk, while our exports are in bulk, or could be in bulk.

Mr. GREENE. But we did control the merchant marine a number of years ago. We had a great deal of it.

Mr. WALLACE. We traded—

Mr. GREENE (interposing). And we were then a small country. Now we are a great country with great resources, and we don't take a back seat to any other nation on anything else, but you want us to give up the sea, which is free to everybody. You want us to give up the sea and allow some other nation to possess the sea while we sit back and let them take it.

Mr. WALLACE. I have said that I believe this country could compete successfully upon the sea, in building vessels and in managing vessels.

Mr. GREENE. Our vessels have gone down, have gone out of sight. We haven't carried more than 8 per cent of our product.

Mr. WALLACE. We have carried just as much as there is a demand for, and that is all we could do if we had a private merchant marine.

Mr. GREENE. We will try to create a demand and then we will do something. That is what we are trying to do. We may make a mistake, but we will try it, whether we succeed or not. I am something of a Yankee myself, and if anybody beats me I try to beat them. Go ahead. You are not obliged to give up because for a number of years we haven't succeeded. We are stronger than we ever were. We have a merchant marine. What are we going to do with it? Put it in use.

Mr. WALLACE. But don't give it away and then pay people to run it. That is what we object to.

It will be seen, therefore, that the chairman of the committee was grossly inaccurate when he charged that Edgar Wallace had testified that "he would prefer to have American goods carried in British bottoms than American bottoms." Mr. Wallace made no such statement, nor anything else that could be distorted into such a conclusion. He was the official representative of the American Federation of Labor before the committee, and the charge made against him was a grave injustice to Mr. Wallace and the organization which he appeared for. I make these observations and incorporate the facts in the interest of truth and justice.

By unanimous consent, leave to extend remarks in the RECORD was granted—

To Mr. RAINEY of Illinois.

To Mr. VOLK.

ADJOURNMENT UNTIL FRIDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, may I ask the gentleman if it is contemplated that any business of consequence will be transacted on Friday?

Mr. MONDELL. It is not. It is not expected that any business will be taken up on Friday. At that meeting, however, we should consider the question as to a further adjournment and as to whether we should adjourn to an hour before the meeting of the regular session on Monday.

Mr. GARRETT of Tennessee. Is it also safe to assume that there will be no business of consequence transacted on Saturday and probably no meeting of the House on Saturday?

Mr. MONDELL. My present thought is that on Friday we will adjourn until Monday, and possibly until Monday at 11.30 o'clock, if that is agreeable to gentlemen on the other side.

Mr. GARRETT of Tennessee. If for any reason it should develop—and I do not assume that it will—that there is to be a meeting on Saturday, it will be safe to assume that no important business will be transacted on that day?

Mr. MONDELL. It is entirely safe to assume that. I hope there will be no meeting on Saturday.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO WITHDRAW PAPERS.

By unanimous consent leave was granted, at the request of Mr. McCLINTIC, to withdraw from the files of the House without leaving copies the papers in the case of Mollie C. Fikes (H. R. 7279, 67th Cong., omnibus H. R. 7847) no adverse report having been made thereon.



## ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 3 o'clock and 24 minutes p. m.) the House, under the order previously agreed to, adjourned until Friday, December 1, 1922, at 12 o'clock noon.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. LANGLEY: Committee on Public Buildings and Grounds. H. R. 12174. A bill to authorize the Attorney General to convey certain land of the United States to Fulton County, Ga., to widen McDonough Road in front of the United States penitentiary; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. VOLSTEAD: Committee on the Judiciary. S. 4025. An act to permit Mahlon Pitney, an associate justice of the Supreme Court of the United States, to retire; without amendment (Rept. No. 1262). Referred to the Committee of the Whole House.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FREAR: A bill (H. R. 13091) to control monopolies; to the Committee on the Judiciary.

By Mr. ANDREWS of Nebraska: A bill (H. R. 13092) providing for the extension and enlargement of the post-office and court building at Hastings, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. McSWAIN: A bill (H. R. 13093) to enlarge and extend the post-office building at Greenville, S. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 13094) to enlarge and extend the post-office building at Spartanburg, S. C.; to the Committee on Public Buildings and Grounds.

By Mr. MacLAFFERTY: A bill (H. R. 13095) to provide for the erection of a public building at Oakland, Alameda County, Calif.; to the Committee on Public Buildings and Grounds.

By Mr. SABATH: Joint resolution (H. J. Res. 399) supplementing the trading with the enemy act; to the Committee on Interstate and Foreign Commerce.

## PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. SHREVE: A bill (H. R. 13096) for the relief of Lorenzo E. Leonard; to the Committee on Military Affairs.

By Mr. DARROW: A bill (H. R. 13097) for the relief of Frank Reed Horton; to the Committee on Naval Affairs.

By Mr. FAUST: A bill (H. R. 13098) granting a pension to Catherine Hogan; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 13099) granting a pension to Nathan E. Hopkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13100) granting a pension to Eugene S. Nash; to the Committee on Invalid Pensions.

By Mr. LUCE: A bill (H. R. 13101) granting a pension to Thomas Casey; to the Committee on Invalid Pensions.

By Mr. MEAD: A bill (H. R. 13102) granting a pension to Joseph H. Bugman; to the Committee on Pensions.

Also, a bill (H. R. 13103) for the relief of John Heinzenberger; to the Committee on Military Affairs.

By Mr. REED of New York: A bill (H. R. 13104) for the relief of Orrin F. Strickland; to the Committee on Military Affairs.

By Mr. ROBSION: A bill (H. R. 13105) granting an increase of pension to William S. Whitley; to the Committee on Pensions.

By Mr. SLEMP: A bill (H. R. 13106) granting a pension to Malissa A. Bostwick; to the Committee on Pensions.

By Mr. STEPHENS: A bill (H. R. 13107) granting a pension to William Coleman; to the Committee on Pensions.

By Mr. TIMBERLAKE: A bill (H. R. 13108) for the relief of Russell H. Lindsay; to the Committee on Naval Affairs.

By Mr. TOWNER: A bill (H. R. 13109) granting a pension to Jessie Johnson; to the Committee on Invalid Pensions.

## PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

6483. By the SPEAKER (by request): Petition of Peabody Museum of Harvard University, Cambridge, Mass., protesting against the passage of Senate bill 3855; to the Committee on Indian Affairs.

6484. By Mr. BURTNESS: Petition of Bankers' Association of Griggs County, N. Dak., favoring a Government price on wheat; to the Committee on Agriculture.

6485. By Mr. CULLEN: Petition of sundry citizens of New York, opposing compulsory Sunday observance laws; to the Committee on the District of Columbia.

6486. Also, petitions of a mass meeting of citizens of New York City, regarding the imprisonment of Miss Mary MacSwiney and the execution of Erskine Childers; to the Committee on Foreign Affairs.

6487. By Mr. EDMONDS: Petition of Philadelphia Board of Trade, favoring the passage of Senate bill 3217; to the Committee on the Merchant Marine and Fisheries.

6488. By Mr. KINDRED: Petition of Samuel Gompers, president of the American Federation of Labor, of Washington, D. C., relative to the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6489. By Mr. KISSEL: Petition of Henslee Sinking Ship Saver, Washington, D. C., urging an amendment to the American merchant marine bill (H. R. 12817); to the Committee on the Merchant Marine and Fisheries.

6490. By Mr. PERKINS: Petition of William A. Voelkel and others, of Westwood, N. J., favoring House Resolution 95; to the Committee on Rules.

6491. By Mr. ROACH (by request): Petition of the citizens of Morgan County, Mo., asking Congress to consider the advisability of granting a Federal pension to all star mail-route carriers of the United States after they have reached the age of 65 years; to the Committee on the Post Office and Post Roads.

6492. By Mr. SMITH of Michigan: Petition of Miss Elizabeth Wylie, industrial secretary Young Women's Christian Association, Battle Creek, Mich., urging further action on the part of our Government be taken in order that the freedom of Armenia and the liberation of the Greeks from the rule of the Turks may be secured at an early date; to the Committee on Foreign Affairs.

6493. Also, resolutions adopted at the Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House bill 9753, the Sunday law; to the Committee on the District of Columbia.

6494. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House Joint Resolution 131, proposing a constitutional amendment prohibiting polygamy in the United States; to the Committee on the Judiciary.

6495. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of House Joint Resolution 159, proposing a constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

6496. Also, petition of Michigan Annual Conference of the Methodist Episcopal Church at Albion, Mich., favoring the passage of Senate Joint Resolution 31, proposing a constitutional amendment authorizing Congress to enact uniform laws on the subject of marriage and divorce; to the Committee on the Judiciary.

## SENATE.

FRIDAY, December 1, 1922.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, with the beginning of another month we desire to recognize the hand that has been blessing us. And we do ask this morning that with the consciousness of Thy presence we may be able to fulfill the task given to us. So guide the interests of our land, bless those in authority, remembering the President at this time and all others upon whom rest the functions of government, and glorify Thyself through us. For Christ Jesus' sake. Amen.

The Vice President being absent, the President pro tempore took the chair.

PETER NORBECK, a Senator from the State of South Dakota, and JOSEPH T. ROBINSON, a Senator from the State of Arkansas, appeared in their seats to-day.