

3950. By Mr. WOODYARD: Petition of Palestine Council, No. 33, Junior Order United American Mechanics, of Palestine, W. Va., and Katherine Taylor, secretary State Council of West Virginia, Daughters of America, of Huntington, W. Va., favoring passage of the Sterling-Towner bill; to the Committee on Education.

3951. By Mr. YOUNG: Petition of Anton Struxness, of Woodworth, N. Dak., and six others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3952. Also, petition of C. P. Skramstad, of Nome, N. Dak., and 18 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3953. Also, petition of Carl Skramstad, of Nome, N. Dak., and 19 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3954. Also, petition of E. O. Craig, of Esmond, N. Dak., and 92 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3955. Also, petition of S. M. Schmid, of Wishek, N. Dak., and 28 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3956. Also, petition of John Hill, of Wing, N. Dak., and 21 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3957. Also, petition of J. L. Pamos, of Bantry, N. Dak., and 42 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3958. Also, petition of Dazey Farmers' Cooperative Elevator Co. and 55 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3959. Also, petition of J. A. Moxness, of Bergen, N. Dak., and 81 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

3960. Also, petition of Edward Fahey, of Mapes, N. Dak., and 46 others, urging the revival of the United States Grain Corporation, together with the fixing of a guaranteed price for wheat sufficient to cover the cost of production plus a reasonable profit; to the Committee on Agriculture.

SENATE.

FRIDAY, February 10, 1922.

(Legislative day of Friday, February 3, 1922.)

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

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Over-lue, its enrolling clerk, announced that the House had passed a bill (H. R. 10267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1923, and for other purposes, in which it requested the concurrence of the Senate.

DISPOSITION OF USELESS PAPERS.

The PRESIDENT pro tempore laid before the Senate a communication from the Director of the United States Veterans' Bureau transmitting a list of useless records in that bureau having no historic value and requesting action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments. The President pro tempore appointed Mr. FRELINGHUYSEN and Mr. JONES of New Mexico members of the committee on the part of the Senate and ordered that the Secretary notify the House of Representatives thereof.

PETITIONS.

The PRESIDENT pro tempore laid before the Senate a telegram in the nature of a petition from the general secretary of the Federal Council of the Churches of Christ in America favoring the passage of Senate joint resolution 160, authorizing the extension, for a period of not to exceed 25 years, of the time for the payment of the principal and interest of the debt incurred by Austria September 4, 1920, for the purchase of wheat from the United States Grain Corporation, and for other purposes, which was referred to the Committee on Finance.

Mr. FLETCHER presented a petition of sundry citizens, firms, and organizations of Lake Worth, Fla., praying for immediate enactment of legislation to eliminate the war tax on telegrams, which was referred to the Committee on Finance.

Mr. CAPPER presented two petitions of sundry citizens of Kinsley, Brookville, and Falun, all in the State of Kansas, praying for the enactment of legislation reviving the Government Grain Corporation so as to stabilize prices on certain farm products, which were referred to the Committee on Agriculture and Forestry.

Mr. LADD presented a resolution adopted by the Board of County Commissioners of Bottineau County, N. Dak., favoring the enactment of legislation appropriating \$5,000,000 for the relief of farmers in drought-stricken regions, which was referred to the Committee on Agriculture and Forestry.

He also presented the petitions of J. D. St. Peter, of Parshall; J. L. Severson and 3 others, of Robinson; Edwin K. Eckre and 9 others, of Walcott; E. O. Nyhous and 27 others, of Ypsilanti and vicinity; W. J. Maddock and 23 others, of Plaza; L. Noltmiller and 47 others, of Valley City; John Nathan and 30 others, of Goodrich; C. Bertel and 35 others, of Windsor and vicinity; Lawrence Madland and 43 others, of McKenzie and vicinity, all in the State of North Dakota, praying for the enactment of legislation reviving the Government Grain Corporation, so as to stabilize prices on certain farm products, which were referred to the Committee on Agriculture and Forestry.

Mr. SWANSON presented a joint resolution of the Legislature of Virginia, which was referred to the Committee on Interstate Commerce, as follows:

Joint resolution memorializing the Interstate Commerce Commission in regard to a reduction in freight rates.

Whereas the Interstate Commerce Commission is now holding in Washington a hearing on the question of reduction in freight rates and has invited shippers and others interested in the matter to give testimony;

Whereas carriers by railroad have been granted during the past three years an increase in freight rates of approximately 80 per cent;

Whereas commodities that constitute a large part of the tonnage handled by carriers are selling for about prewar prices, and many of these commodities can not be transported to market on the present freight rate without loss to producer;

Whereas markets where shippers formerly found ready sale for their products must be abandoned and business relations of long standing discontinued as a result of the percentage increase in freight rates;

Whereas since water rates have been reduced to practically prewar basis many all-rail shippers must lose their business or be ruined in competing with those shippers who enjoy water rates;

Whereas industrial plants are closed down or running part time, business is paralyzed, millions of men out of employment, tonnage handled by railroad carriers has fallen off, and nothing in sight to indicate an improvement in business conditions under present high freight rates;

Whereas a pyramiding of freight rates is unavoidable in the natural course of commerce (a half dozen freight charges often being made on the same article between producer and consumer);

Whereas this multiplicity of freight charges, of approximately 80 per cent more than they were prior to 1917, prevents such a reduction in living cost and rental charges as the present price of agricultural products and building material at point of production would seem to warrant; railroads says wages must be reduced before rates can be cut; labor is reluctant to accept a reduction because it has not seen a material reduction in the cost of living and rental charges; the producer of raw material must sell his product at prewar prices, and after the product has traveled the usual avenues of commerce and the multiplicity of freight charges are added to the first cost he must pay for it as a manufactured article at from 50 to 100 per cent more than prewar prices;

Whereas we believe a substantial reduction in freight rates is necessary and will materially aid in bringing about normal business conditions; that it will result in a revival of business and consequent increased tonnage to the carriers, which increased tonnage will more than offset revenue from rate reduction: Now, therefore, be it

Resolved by the senate (the house of delegates concurring):
First, That the Interstate Commerce Commission be, and hereby is, memorialized and urged to order a substantial reduction in freight rates.

Second, That our Senators and Representatives in Washington be requested to favor the passage of such legislation as will enable the carriers to reduce expenses, so that employees may be warranted in accepting lower compensation by reason of less cost of living.

Third, That a certified copy of this preamble and these resolutions be transmitted to the Interstate Commerce Commission and to the Members of the Senate and House of Representatives from Virginia.

Agreed to by the senate January 25, 1922. O. V. HANGER,
Clerk of Senate.

Agreed to by the house of delegates January 26, 1922.
JNO. W. WILLIAMS,
Clerk of House of Delegates and
Keeper of the Rolls of Virginia.

Mr. SWANSON presented a joint resolution of the Legislature of Virginia, which was referred to the Committee on Interstate Commerce, as follows:

Joint resolution memorializing the Congress of the United States for amendments to the act to regulate commerce and to the transportation act of 1920.

Whereas the Interstate Commerce Commission has so construed the transportation act of 1920 (generally known as the Esch-Cummins Act) as to cause it to make orders advancing freight rates and passenger fares applicable to intrastate transportation in disregard of State laws and the orders of State commissions; and

Whereas such construction of said act is in direct contravention of the understanding had at the public hearings on the Esch-Cummins bill, as repeatedly stated by its patron, Senator CUMMINS, who has consistently stated that the effect of said act was never intended to interfere with the jurisdiction of State commissions over intrastate rates and fares, except to the extent already defined by the United States Supreme Court in the Shreveport cases; and

Whereas in certain recent cases the Interstate Commerce Commission has asserted that under said transportation act of 1920 it has the same authority over electric railroads that it has asserted in steam railroad cases, thereby abridging the constitutional regulatory powers of the States; and

Whereas it has shown to be impracticable for the Interstate Commerce Commission to attempt to supervise the distribution of cars on an equitable basis as between individual shippers throughout the United States, and there should be some governmental authority within reasonable reach to which appeal can be made to provide such equitable distribution of cars; and

Whereas by the said transportation act of 1920 the Interstate Commerce Commission is given exclusive authority to authorize the total abandonment of lines of railroad, and has exercised this authority at long range with apparent lack of complete information as to the local conditions: Therefore, be it

Resolved by the Senate of Virginia (the House of Delegates concurring), That we urge upon our Senators and Representatives in Congress to so amend the existing legislation as to clearly define and limit the powers of the Interstate Commerce Commission so that no intrastate rate or fare may be changed or set aside without proof by competent evidence, and upon findings of fact made, that the same injures a person or persons, or a locality or localities, engaged in interstate commerce to such an extent as seriously to diminish the business of such person or persons or seriously to retard growth and development of such locality or localities;

Resolved further, That our Representatives in Congress are requested to advocate the incorporation in such amendatory legislation through the Capper or Nicholson bills, or in some other way, a declaration of the purpose of Congress to recognize the rights of the several States to exercise full and final jurisdiction over all rates for intrastate transportation which do not injure persons or localities engaged in interstate commerce in the manner aforesaid; and

Resolved further, That said Representatives in Congress be respectfully urged to advocate such legislation that the regulatory authorities of the States may make reasonable orders and regulations, not in conflict with the Federal law or with lawful orders of the Interstate Commerce Commission, requiring cars within the respective borders of such States to be equitably distributed to shippers desiring same; and

Resolved further, That our Representatives in Congress be respectfully urged to advocate an amendment under the law so that certificates of convenience and necessity granted by the Interstate Commerce Commission shall not purport to relieve the carriers obtaining the same from conforming to the laws of the States with respect to construction and operation within the States for intrastate transportation, or with respect to the abandonment of such transportation; and

Resolved further, That copies of the foregoing preamble and of these resolutions be forwarded by the clerk to each Senator and Member of the House of Representatives in Congress from Virginia and to the chairmen of the Senate and House Committees on Interstate and Foreign Commerce.

Agreed to by the Senate January 25, 1922.

O. V. HANGER,
Clerk of Senate.

Agreed to by the House of Delegates January 26, 1922.

JNO. W. WILLIAMS,
Clerk of House of Delegates and Keeper of the Rolls of Virginia.

Mr. NELSON presented a resolution adopted by the board of directors of the Traverse County Farm Bureau, of Wheaton, Minn., favoring enactment of legislation reviving the Government Grain Corporation so as to stabilize prices of certain farm products, which was referred to the Committee on Agriculture and Forestry.

BILLS INTRODUCED.

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

By Mr. STANLEY:

A bill (S. 3131) granting a pension to Leona J. Johnson;

A bill (S. 3132) granting a pension to Mary Ellen Woodward;

A bill (S. 3133) granting a pension to George Price;

A bill (S. 3134) granting a pension to George T. Cooney; and

A bill (S. 3135) granting a pension to Charles C. Watson; to the Committee on Pensions.

By Mr. CAPPER:

A bill (S. 3136) to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906, and for other purposes; to the Committee on the District of Columbia.

By Mr. KING:

A bill (S. 3137) to declare the purpose of the people of the United States as to the political status of the people of Porto Rico, and to provide an autonomous government for the said

island, creating the Associated Free State of Porto Rico; to the Committee on Territories and Insular Possessions.

AMENDMENT OF DEPARTMENT OF JUSTICE APPROPRIATION BILL.

Mr. NELSON submitted an amendment proposing to appropriate \$5,000 for salary of the Chief Clerk of the Court of Claims, intended to be proposed by him to the Departments of State and Justice appropriation bill, which was referred to the Committee on the Judiciary and ordered to be printed.

PROPOSED ST. LAWRENCE RIVER IMPROVEMENT.

Mr. KING submitted the following resolution (S. Res. 235), which was referred to the Committee on Commerce:

Whereas the project for the canalization of the St. Lawrence River, and the development of hydraulic power in connection therewith, between Lake Ontario and the head of tidewater in the St. Lawrence River below the city of Montreal, at the joint expense of the Governments of the United States and the Dominion of Canada, contemplates that the Government of the United States shall contribute one-half of the cost of the construction of the necessary channels, dams, locks, and hydraulic works in that portion of the St. Lawrence River between the northern boundary of the State of New York and the mouth of the Richelieu River, which portion of the St. Lawrence River passes entirely through Canadian territory, and upon which the United States has no riparian rights, or rights with respect to the water power, and has no contact with the banks, or with the proposed navigable channels, canals, dams, locks, or hydraulic works, for which the Government of the United States is expected to appropriate one-half of the cost of construction: Now, therefore, be it

Resolved, That it is the sense of the Senate that, as a condition precedent to the Government of the United States joining with the Government of the Dominion of Canada in the construction of such works, the Dominion of Canada cede to the United States the territory lying between the Richelieu River, Lake Champlain, and the northern boundary of the State of New York, including the bank and the bed of the St. Lawrence River to the center of the channel thereof, from the point of intersection with the northern boundary of New York to the mouth of the Richelieu River, in order that the United States may become joint owner with the Dominion of Canada of the course of the St. Lawrence River to the head of tidewater below the city of Montreal, and joint owner with the Dominion of Canada in the proposed canals, channels, dams, locks, and hydraulic works, and of all rights of navigation and of water power appurtenant thereto.

HOUSE BILLS REFERRED.

The bill (H. R. 10267) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1923, and for other purposes, was read twice by title and referred to the Committee on Appropriations.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the bill.

The reading clerk proceeded to read the bill.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. Last evening when we took a recess it was agreed by unanimous consent that the Senator from Alabama [Mr. HEFLIN] was to have the floor at the opening of the session this morning to proceed with his remarks.

The PRESIDENT pro tempore. The Chair observed that by unanimous consent the Senator from Alabama is entitled to the floor, but the Senator from Alabama is not here.

Mr. WARREN. The Senator from Alabama notified me through his secretary that he would be unable to finish his speech this morning on account of extreme hoarseness, and I was to say that to the Senate. I was waiting until perhaps we might have a fuller attendance. I wish to say now that the Senator from Alabama is entitled to the floor, but has relinquished it and sent word accordingly. So we may proceed with the appropriation bill.

Mr. BRANDEGEE. That being cleared up satisfactorily—Mr. HEFLIN entered the Chamber.

The PRESIDENT pro tempore. The Senator from Alabama is now present. The Senator from Alabama is entitled to the floor.

Mr. HEFLIN. Mr. President, I informed the Senator from Wyoming [Mr. WARREN] that I did not feel able to go on with my speech this morning and that he might proceed with the bill.

The PRESIDENT pro tempore. The Secretary will proceed with the reading of the bill.

The reading of the bill was resumed.

The first amendment of the Committee on Appropriations was, on page 3, line 3, in the items for Office of the President, to increase the appropriation for printing and binding from \$3,000 to \$4,000.

The amendment was agreed to.

The next amendment was, on page 3, line 4, after the word "traveling," to insert "and official entertainment," so as to make the paragraph read:

Traveling expenses: For traveling and official entertainment expenses of the President of the United States, to be expended in his discretion and accounted for on his certificate solely, \$25,000.

The amendment was agreed to.

The next amendment was, on page 3, line 13, to increase the appropriation for fuel for the Executive Mansion and greenhouses from \$8,000 to \$12,000.

The amendment was agreed to.

The next amendment was, on page 3, to strike out lines 17 and 18 in the following words: "For reconstructing one greenhouse, Executive Mansion, \$5,000," and to insert, "For reconstructing greenhouses, Executive Mansion, \$6,000."

The amendment was agreed to.

The next amendment was, on page 4, after line 17, to insert:

ARLINGTON MEMORIAL BRIDGE COMMISSION.

To enable the commission created by section 23 of the public buildings act approved March 4, 1913, to investigate and report to Congress a suitable design for a memorial bridge across the Potomac River from the city of Washington to a point at or near the Arlington estate, in the State of Virginia, together with such surveys and estimates of cost as they may deem advisable, to be expended under the direction of the commission, and to remain available until expended, \$25,000.

The amendment was agreed to.

The next amendment was, on page 5, line 11, to strike out "\$125,000" and insert "\$150,000," so as to read:

For carrying on the work of the Bureau of Efficiency as authorized by law, including salaries and contingent expenses; supplies; stationery; purchase and exchange of equipment; printing and binding; traveling expenses; per diem in lieu of subsistence; not to exceed \$100 for law books, books of reference, and periodicals; and not to exceed \$150 for street car fare; in all, \$150,000.

The amendment was agreed to.

Mr. WARREN. In the items for the Bureau of Efficiency, on page 5, line 14, where the word "one" appears the second time, I move to amend by striking out "one" and inserting in lieu thereof "three" and the word "each" after the numerals; and in the same line where the word "six" occurs, to strike out the word "six" and insert the word "eight."

The PRESIDENT pro tempore. The proposed amendment.

The READING CLERK. On page 5, line 14, strike out the word "one" and insert in lieu thereof the word "three" and the word "each" after the numerals, and in the same line strike out the word "six" and insert in lieu thereof the word "eight," so as to read:

Three at \$4,250 each; eight at \$4,000 each.

The amendment was agreed to.

The next amendment was, under the subhead "Civil Service Commission," on page 5, line 19, before the word "each," to strike out "\$5,000" and to insert "\$6,000;" and on page 6, line 10, to increase the total from "\$305,420" to "\$308,420," so as to make the paragraph read:

CIVIL SERVICE COMMISSION.

Three commissioners, at \$6,000 each; chief examiner, \$3,500; secretary, \$2,500; *Provided*, That the secretary of the Civil Service Commission shall be deemed an employee for the purposes of this act; assistant chief examiner, \$2,400; chiefs of divisions—1 \$2,400 (who shall act as assistant secretary), 2 at \$2,000 each; certification clerk, \$2,000; examiners—7 at \$2,400 each, 3 at \$2,000 each, 6 at \$1,800 each; clerks—6 of class 4, 28 of class 3, 39 of class 2, 52 of class 1, 34 at \$1,000 each, 22 at \$900 each; messenger, \$840; assistant messenger, \$720; skilled laborer, \$720; 4 messenger boys, at \$420 each. Custodian force: Engineer, \$840; general mechanic, \$840; telephone switchboard operator, \$720; 2 firemen, at \$720 each; 2 watchmen, at \$720 each; 2 elevator conductors, at \$720 each; 3 laborers, at \$660 each; 4 charwomen, at \$240 each; in all, \$308,420.

Mr. CARAWAY. Mr. President, I wish to inquire, with reference to this amendment, the reason for increasing the salaries of the Civil Service Commissioners?

Mr. WARREN. I will state to the Senator that the Budget calls for \$7,500 each for the Civil Service Commissioners, as their duties are greatly increased. We have on several occasions heretofore attempted to raise their salaries, but we have not come together in both Houses. I think without a doubt they are earning the \$7,500 which the Budget estimate calls for, especially when we consider that so many of the newer commissioners, like the Federal Trade Commissioners and others, are paid \$10,000, who, of course, have less perhaps to do than the Civil Service Commissioners.

I will say to the Senator from Arkansas that in the bill the only salaries the committee has recommended to be increased are these three to be increased \$1,000 each, and another one to be increased \$400, which is the salary of a man in a very important office in charge of all of the many Government buildings and who has a large retinue of men under him.

Mr. CARAWAY. I sincerely hope the committee will recede from the proposed increase of salaries of the Civil Service Com-

missioners. With a general cutting of pay of people all over the country whose salaries are small, and with millions of men out of employment, I see no occasion for raising the salaries of commissioners who are receiving now \$5,000. The present commissioners are no better men than those who preceded them. One of the greatest men of the Republic served on that commission at \$5,000 a year and raised no complaint. Others went through all the time of increase of pay generally during the late war, and there was no increase of their pay.

I am going to say now the only unkind thing I have ever said about a man since I have been a Member of either branch of Congress, where he was not present to reply. The present Civil Service Commissioners are not entitled to an increase of pay. They are not entitled to it because they are not exercising the functions of their office with a fair and impartial judicial temperament. I know whereof I speak when I say that the commission is lending itself to the most outrageous abuses of candidates for offices in my own State. I speak of no other. They not only are refusing to grade certain papers so they thereby make others eligible but are refusing to permit anybody to see the papers. Certain papers which were graded and which showed the applicants were not entitled to ratings because graded as low as 60 per cent were seen by a politician from my State to have had those grades raised to 70 or 75 per cent. Men who are entitled to ratings can not get them. They will not pass on them at all, and will not permit anybody to see the papers. They are lending themselves to a positive fraud, and I am not going to permit any increase of their pay if I can help it. Of course, I may not be able to prevent it.

I say now in apology that this is the only time I have ever said anything unkind about anybody, in office or out of office, who was not able to reply in the same forum and at the same time. I realize that it is bad taste, but their conduct is so shocking that it has to be stated. I hope the Senate will not increase the pay of these men who are prostituting their offices for partisan purposes. I hope the Senator will withdraw the proposed amendment asking for an increase of pay.

Mr. WARREN. I wish to say to the Senator from Arkansas that I could not withdraw it, because it was acted on by the full Committee on Appropriations. I think, if the Senator wishes, and no one objects, we might lay it aside until we have a more complete attendance of the Senate.

Mr. CARAWAY. I was going to suggest that be done until others are present, because I do not care now to suggest the absence of a quorum, in order that others might vote upon it.

Mr. WARREN. I ask that the amendment may be passed over for the present.

The PRESIDENT pro tempore. Without objection, the amendment on page 5, line 19, will be passed over for the present, and also the amendment in line 10, page 6, increasing the total.

Mr. WARREN. I ask that the clerks at the desk be authorized to correct the totals, where necessary, when we finish the bill.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The next amendment was, on page 6, line 12, to strike out "\$56,780" and insert "\$100,000," so as to read:

For additional employees for the Civil Service Commission, \$100,000.

The amendment was agreed to.

Mr. WARREN. I desire to offer an amendment at this point, in order to enable the commission to conduct another line of investigation. We erred in inserting that amount in a lump sum in this place. I send to the desk two amendments, desiring that the one which is written in pencil may be first considered and that which is in typewriting be considered next.

The PRESIDENT pro tempore. The Secretary will state the first amendment proposed by the Senator from Wyoming.

The READING CLERK. On page 6, line 14, after the word "except," it is proposed to strike out "three" and insert in lieu thereof "five."

The PRESIDENT pro tempore. Without objection, the amendment is agreed to. The Secretary will now state the second amendment proposed by the Senator from Wyoming.

The READING CLERK. On page 6, line 14, after the word "each" and before the period at the end of the line, it is proposed to insert a colon and the following proviso:

Provided further, That \$40,000 of this amount may be expended only in connection with all expenses incident to investigations and research as to the character and training and experience of applicants for examination.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, on page 9, line 17, after the word "commission," to insert "by the officer in charge

of public buildings and grounds, who shall be the secretary and shall act as the executive officer of said commission"; and in line 19, to strike out "\$6,000" and to insert "\$10,000," so as to read:

For expenses made necessary by the act entitled "An act establishing a Commission of Fine Arts," approved May 17, 1910, including the purchase of periodicals, maps, and books of reference, to be disbursed on vouchers approved by the commission by the officer in charge of public buildings and grounds, who shall be the secretary and shall act as the executive officer of said commission, \$10,000.

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. McNARY. Mr. President, does that amendment contemplate an increase in the salaries under the commission?

Mr. WARREN. Oh, no; it is to cover all expenses.

Mr. McNARY. The amendment was stated so hurriedly that I did not catch its full import. I see now it is as stated by the Senator from Wyoming.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Commission of Fine Arts," on page 9, line 19, after the figures "\$10,000," to strike out the proviso in the following words:

Provided, That no person shall receive compensation hereunder at a rate exceeding \$1,800 per annum and only one person shall be employed at that rate; *Provided further*, That no part of this sum shall be expended for traveling expenses other than those incurred by members of the commission for actual travel only in going to and returning from Washington to attend the meetings of the commission.

The amendment was agreed to.

The next amendment was in the items for Employees' Compensation Commission, on page 10, line 7, after the words "special agents," to insert "2 at \$2,000 each"; in line 15, after the word "month," to strike out "\$8,000" and to insert "\$10,000"; and in the same line, to strike out "\$122,940" and to insert "\$128,940," so as to read:

EMPLOYEES' COMPENSATION COMMISSION.

Salaries: Three commissioners, at \$4,000 each; secretary, \$3,000; attorney, \$4,000; chief statistician, \$3,500; chief of accounts, \$2,500; assistant chief of accounts, \$1,600; accountant, \$2,250; claim examiners—chief, \$2,250, assistant \$2,000, assistant \$1,800, 5 assistants at \$1,600 each; special agents—2 at \$2,000 each, 2 at \$1,800 each, 2 at \$1,600 each; clerks—7 of class 3, 12 of class 2, 27 of class 1, 3 at \$1,000 each; chief telephone operator, \$1,000; messenger, \$840; experts and temporary assistants in the District of Columbia and elsewhere to be paid at a rate not exceeding \$8 per day, and temporary clerks, stenographers, or typists in the District of Columbia, to be paid at a rate not exceeding \$100 per month, \$10,000; in all, \$128,940.

The amendment was agreed to.

The next amendment was, on page 10, line 23, to increase the appropriation for contingent expenses Employees' Compensation Commission from "\$19,000" to "\$20,000."

The amendment was agreed to.

The next amendment was, on page 11, line 6, after the numeral "11," to insert "and advancement of costs for the enforcement of recoveries provided in sections 26 and 27 where necessary, and not exceeding \$25 in any one case"; so as to make the paragraph read:

Employees' compensation fund: For the payment of compensation provided by "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, including medical, surgical, and hospital services, and supplies provided by section 9, and the transportation and burial expenses provided by sections 9 and 11 and advancement of costs for the enforcement of recoveries provided in sections 26 and 27 where necessary, and not exceeding \$25 in any one case, accruing during the fiscal year 1923 or in prior fiscal years, \$2,500,000.

The amendment was agreed to.

The next amendment was, on page 12, line 2, to increase the appropriation for authorized expenditures of the Federal Trade Commission from "\$800,000" to "\$900,000."

The PRESIDENT pro tempore. The question is on the amendment reported by the Committee on Appropriations.

Mr. McNARY. Mr. President, it was not thought that this appropriation bill would come up so early this morning. It contains a number of important items, and many Senators desire to be present when they are considered. We have reached one such item now, and I think it is proper that I suggest the absence of a quorum, in order that absent Senators may be notified that we are working on a bill that is of very great importance. I therefore suggest the absence of a quorum.

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

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

Brandegee	Hale	Moses	Pepper
Cameron	Harris	Myers	Philips
Capper	Heflin	Nelson	Sheppard
Caraway	Jones, Wash.	Norris	Wadsworth
Cummins	Kendrick	Oddie	Warren
Fletcher	Keyes	Overman	Williams
Gerry	McNary	Page	

Mr. FLETCHER. I desire to announce that my colleague [Mr. TRAMMELL] is unavoidably absent. I ask that this announcement may stand for the day.

Mr. JONES of Washington. I was requested to announce that the Senator from North Dakota [Mr. McCUMBER], the Senator from Utah [Mr. SMOOR], the Senator from Vermont [Mr. DILLINGHAM], the Senator from Connecticut [Mr. McLEAN], the Senator from Kansas [Mr. CURTIS], and the Senator from Indiana [Mr. WATSON] are detained from the Senate in attendance upon the Committee on Finance.

The PRESIDENT pro tempore. Twenty-seven Senators have answered to their names. There is not a quorum present. The Secretary will call the names of the absent Senators.

The reading clerk called the names of the absent Senators, and the following Senators answered to their names when called:

Kellogg	Newberry	Sutherland	Watson, Ga.
Lenroot			

The following Senators entered the Chamber and answered to their names:

Ball	Ernst	Lodge	Stanley
Borah	Fernald	Ransdell	
Colt	La Follette	Stanfield	

The PRESIDENT pro tempore. Forty-two Senators have answered to their names. There is not a quorum present.

Mr. WARREN. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

The following Senators entered the Chamber and answered to their names:

Bursum	Harreld	Jones, N. Mex.	Sterling
Culberson	Kenyon	Pittman	Weller
Frelinghuysen	King	Simmons	

Mr. CARAWAY. I desire to announce that the junior Senator from South Carolina [Mr. DIAL] is detained by illness.

The PRESIDENT pro tempore. Fifty-three Senators have answered to their names. There is a quorum present. The Secretary will state the pending amendment.

The READING CLERK. On page 12, line 2, after the word "act," it is proposed to strike out "\$800,000" and insert "\$900,000."

The amendment was agreed to.

The READING CLERK. On page 12 the committee proposes to strike out lines 4 to 24, both inclusive, and on page 13 lines 1 to 14, both inclusive, and in lieu thereof to insert:

For carrying out the provisions of the act of June 10, 1921, establishing the General Accounting Office, including salaries of officers and employees, traveling expenses and per diem in lieu of subsistence while absent on official business outside the District of Columbia not to exceed \$50,000, rent, purchase, and exchange of books, and contingent and miscellaneous expenses, \$2,496,101.

Mr. KING. Mr. President, before considering that item, I give notice that I shall move—I shall not press the motion now—to reconsider the vote by which, on page 5, the amount of \$125,000 was increased to \$150,000, and various other changes of which I have not been advised were made.

I should like to inquire whether the item under the head of "Civil Service Commission" has been disposed of?

The PRESIDENT pro tempore. The amendment on line 19, page 5, was passed over.

Mr. WARREN. I will say to the Senator that the matter of salaries of the commissioners was passed over.

Mr. KING. I shall not press it at this time, but I give notice that before the bill is passed I shall submit that motion. I understand that it is necessary to give notice of a motion to reconsider within the calendar day.

The PRESIDENT pro tempore. Does the Senator move to reconsider or simply give notice that he will do so?

Mr. KING. I give notice that I will do so.

Mr. WARREN. The Senator, as I understand, gives notice that at a later time he will move for reconsideration.

Mr. KING. Yes; I do not want to interfere with the item now being considered.

Now, I should like to ask the Senator having the bill in charge to explain to the Senate the reason for striking out all of the matter found on page 12 and page 13 down to and including line 14, and substituting in lieu thereof the general provision for \$2,496,101.

Mr. WARREN. Mr. President, I am very glad to respond to that inquiry. In fact, I intended to explain it anyway. That is for the Comptroller General's office, which, as the Senator well knows, is a new office. When that office was created it was a consolidation of all of the accounting of the Government—for instance, all of the auditors and others—and it extended into a very large number of men. While it cut down the

total amount necessary, and was in the line of economy generally, it was the assembling of various interests and various kinds of work, all pointing to the one matter of the general accounting of the Government.

Some of the officials continued under the old salaries and some of them were suspended, and the Comptroller General has managed the office with less money than was required with the regular lines of employment heretofore obtaining. In other words, he has saved money, and necessarily, when he started, there had to be a lump-sum appropriation. I think the Senator knows that the Committee on Appropriations and the Senate, and especially the chairman of the committee, are irrevocably opposed to lump-sum appropriations where they do not reduce expenses or where they are avoidable. In this matter the subcommittee of the House and the full committee passed the item exactly as we are undertaking to restore it, but when it got on the floor before the bill was passed it was stricken out, and this long line of statutory places was inserted instead. The Comptroller General said this would be a very delightful arrangement if his department were fully established and we could afford those salaries, but at the present time and for the next year it would cost them considerably more to handle it until they could get a little more consolidation, to which I will refer in a moment. So, from his evidence, to which the Senator may refer if he wishes to do so, it was made very plain that by using men at lower salaries for certain work which could be done, filing, and so forth, he would have more help for the same amount of money than he would have if we provided for this line of statutory salaries.

Furthermore, we are entering upon the consideration of a general reclassification, as the Senator knows, which would take in this department with all the others; so it would seem as if, taking everything into consideration, we ought to respond to the Comptroller General's wish this one year and make the item as it was first provided for by the House committee, because it looks to me as if by that course we would save a good deal of money.

In this connection I wish to say that at this time the employees of this establishment are necessarily housed in 17 or 19 different buildings, but they are assembling them as fast as they can. There is one building which has now been relinquished, a building which I think the Navy Department had, the Walker-Johnson Building, which has been rented for years to the United States and is under lease until July. The Comptroller General said he was anxious to go into that building and that he had arranged with the proper committee to go into it, but to move in now and to move out on the 1st of July would be a great inconvenience, and he wished to make a new lease, which would cost anywhere from \$25,000 to \$30,000; so we added \$27,500 to the House appropriation. That is the only difference between the appropriation we have recommended and the bill as it passed the House in regard to this one item.

In this connection I will state that one of the offices of the Comptroller General has been in the new annex of the Treasury Department, and he states that when they turned over the auditing of the various establishments the upper story of that building was packed full of sacks of mail, including checks by the tens of thousands, and various papers which were in mail sacks unopened and which had not yet been checked up and examined and filed. That occasioned the employment of many men at not high salaries, but that work will be cleaned up during the coming year.

Mr. KING. Mr. President, there may be sufficient reasons to justify this departure from accepted practice and rule. I have heard the Senator from Wyoming, as well as other Senators, frequently declaim against the unwisdom of lump-sum appropriations.

Mr. WARREN. The Senator is right about that. In this case it is not a change; it is simply continuing for one year more, only the second year, this proposition of a lump sum.

Mr. KING. During the last administration, when we were in the war and immediately following the war, a policy was adopted with respect to some of the new executive agencies and administrative bodies of making appropriations in lump sums to meet the expenses of such agencies. Our Republican friends criticized very severely what they stated was a departure from accepted practice, and I sympathized entirely with their criticism; indeed, supported them in their criticism. They declared that that policy would lead to waste and extravagance and to the employment of inefficient persons. Undoubtedly there was much truth in this charge. I believe many inefficient persons were employed and that there was extravagance in the administration of some of these bureaus and new Federal agencies. Large salaries were paid in many of the executive agencies which were created, much larger than in the established depart-

ments of the Government, and it was not unusual to find in the same building an individual doing a given class of work at a salary of \$1,500 or \$2,000 or \$3,000 and another person doing exactly the same character of work receiving double that compensation.

That evil grew out of the "lump-sum" appropriation plan, a plan which imposes no proper restrictions or limitations upon those charged with their expenditure. And now the Senator from Wyoming, who is doing most excellent work in keeping down appropriations, accepts that which he has condemned and characterized in the preceding administration as unwise and indefensible; he is now perpetuating a policy which he declaimed against with so much vigor, and, as I believe, with so much justice. His explanation seems plausible as one listens to it, and if one had ample time to examine it carefully and compare existing conditions with the reasons alleged, it might be found to be warranted; but I confess, Mr. President, notwithstanding the explanation which he has made, that I am not converted to his view.

I am not able to understand why officials who are assigned certain work to do in this new agency or under this particular branch of the Government should be differentiated from employees in other branches of the Government who are performing like service.

It seems to me, Mr. President, that this enormous appropriation, \$2,496,000, for this one branch of the service is entirely too great. I understood from the Senator that the work was greater now, or might be greater, than in the past.

Mr. WARREN. No; Mr. President.

Mr. KING. I may be in error in regard to that inference.

Mr. WARREN. I think the Senator overlooks the fact that there were six different large establishments of auditors alone which have been done away with by this combination, and the business of those different auditors has been taken charge of by this new office. The Senator will remember that the law was passed only a short time ago, late last year, and the reorganization has been carried on with all the rapidity we could expect; but of course there is the checking up of the different departments, which we had held down pretty close in our appropriations, and this will be only for the one year, as I said before.

I do not know what the House will do if this is agreed to. There still will be the conference committee to consider it; but the House adopted this long amendment, and of course it was against the wish of the House committee, and I was convinced, after looking into the facts and taking the evidence, that this was the best thing to do, so we have inserted it and will let it go to conference.

Mr. OVERMAN. Mr. President, it is well known that I have been fighting lump-sum appropriations for years, and we succeeded before the war in abolishing practically all of them; but from the testimony before the committee I am satisfied that for one year only it is necessary to have this lump-sum appropriation. It is agreed this will go only through this year, until the matter can be arranged. It will save money to the Government. As the Senator from Wyoming has said, they have 10 or 15 buildings in this city where work was being done under the old auditing system. We have abolished all those different offices and put them all under the one system, and are going to try to get them into one building if we can. There are thousands and thousands of checks which have been sent out which are in bags stored away, and there are also all kinds of documents which ought to be filed. If we have to employ people at large salaries to do that, as under this proposed system we would have to do, it would be wrong and cost a great deal of unnecessary expense, when you can hire men for eight or nine hundred dollars to attend to the filing of the checks.

The Comptroller General has said that this will be an ideal system of salaries when he gets his department organized, but while we are going through this evolution, or period of reorganization, we can employ men at much lower salaries than are fixed here. The Comptroller General does not propose to increase one man's salary, but he proposes to employ a lot of men at smaller salaries than are indicated in the House provision.

Under this new system, by which we abolished all the auditing offices, we left the comptroller with 10 large buildings filled with records, and he is trying to get them under one system, and he says he can employ men at lower salaries than those fixed by the House. That is the reason why I am supporting this amendment.

Mr. FLETCHER. Mr. President, I gather from what the Senator from Wyoming said that we do not really save anything by it, because this lump-sum appropriation of \$2,496,101—

Mr. OVERMAN. The amount is the same, as far as that is concerned.

Mr. FLETCHER. No; I think the Senator is wrong.

Mr. WARREN. I said there was \$27,500 additional for the rent of this new building, to be available after the 1st of July.

Mr. FLETCHER. Then the lump sum of \$2,496,101 is \$27,500 more than the items in the House provision would aggregate?

Mr. OVERMAN. This includes the rent of one building, and the Comptroller General must have another building.

Mr. FLETCHER. It is really an increase over the House estimate.

Mr. OVERMAN. Not as to the system I have been talking about. That is simply for the rent of a building.

Mr. WARREN. Perhaps I did not explain that fully. The Senator is correct as to the amount the Comptroller General deems necessary to have expended, but he will employ 20 or 30 or more men for the same money if he does not have to pay the large salaries which are included in the proposed statutory plan.

Mr. FLETCHER. What I was trying to get at was the difference between this total amount, the lump sum, and the amount of appropriation under the House provision.

Mr. WARREN. The difference is \$27,500; and that is to cover the rent of a building.

Mr. KING. If it is merely desired to employ a larger number of individuals to do what might be denominated temporary clerical work and a less number of higher paid employees, that could easily be accomplished by eliminating from the House text a number of items, covering what are called higher grade men, who, I understand, are not desired, and then provide for the employment of 20 or 30 or 40 individuals, or whatever number is necessary, at a compensation not to exceed a certain amount, the aggregate being within the total appropriation provided in this bill.

Mr. OVERMAN. Will the Senator let me read one paragraph just at this point?

Mr. KING. Let me say that I have read all the testimony taken before the House committee and the Senate committee.

Mr. OVERMAN. Probably the Senate ought to hear it. The Comptroller General said:

To illustrate what I mean by neglect, when we came into existence on July 1 of last year we discovered in the Veterans' Bureau alone about 11,000,000 checks issued by the old War Risk Bureau that were in mail sacks and never had been sorted, and thousands of requests from soldiers, from Members of the Senate and Members of the House, and from relatives of soldiers asking about payments that should have been made during the progress of the war.

Mr. CARAWAY. Does the Senator mean that there are 11,000,000 checks or checks amounting to \$11,000,000?

Mr. OVERMAN. Eleven million checks.

Mr. WARREN. Eleven million in number.

Mr. OVERMAN. And they are stored there now in old sacks and bags, and he has to get them and sort them out. He said further:

We could not answer those requests for information, because we could not find the checks. We used all the cheap labor we had, and hired some other cheap labor. We pay \$900 and \$1,000 a year for those check sorters; and we rushed that work, realizing that it was the right thing to do not to keep the soldiers out of information or money that was coming to them, with the result that now those checks are all sorted, and we are in a position to give 15-minute service on any inquiry coming to us with reference to any payment due to a soldier from the beginning of the war up to the present moment.

Mr. KING. Let me say to the Senator that the evil of which he now complains, or rather the condition to which he refers, was brought about by this very policy. We appropriated large sums for the Bureau of War Risk Insurance when Mr. Cholmeley Jones and others were in charge; these sums amounted to hundreds of millions of dollars. It was intended that the disabled soldiers and their dependents should be amply provided for, and that those entitled to insurance benefits should be fully paid. I am afraid that in the administration of the law there were too many employees—high-priced men and low-priced men—too much machinery, too much red tape. Inefficiency manifested itself and waste resulted. These checks referred to by the Senator from North Carolina accumulated and many soldiers who were entitled to relief were denied for indefinite periods that which was clearly their due. There is still inefficiency and waste, if I am to believe all the reports brought to my attention, in the administration of the laws dealing with the Veterans' Bureau and the hospitalization plan of the Government. It is now proposed to continue the lump-sum plan and permit the employment, practically without limit, of thousands of employees to administer the law.

Mr. OVERMAN. Suppose that to be true, it is no answer to the proposition we have before us. Since the present official has been in charge of this system, with \$10,000,000 and 10

different combinations all put under him and all this chaos turned over to him, he must meet that situation. That has been done since the last appropriation. If the previous officials were at fault, and perhaps they were, as the Senator says, the present official ought not to be held responsible for it.

Mr. KING. The lump-sum appropriation is responsible for the chaos, and now the Senator thinks a lump-sum appropriation will relieve us of chaos.

Mr. OVERMAN. I do not know whether it will or not.

Mr. KING. If a lump-sum appropriation produces chaos, let us hope that a lump-sum appropriation will eliminate chaos on the theory that like cures like. The Senator will remember the Latin maxim, *similia similibus curantur*.

I believe it is exceedingly unwise, and I register my protest against the policy that looks to a continuation of the lump-sum plan. If the arguments in favor of it exist here, then the argument will be much stronger for the maintenance of such a policy, and this will be pointed to as a precedent to continue the policy of lump-sum appropriations when the bill to reorganize the departments and coordinate agencies is before us for consideration.

Mr. OVERMAN. It will never be continued, so far as that is concerned.

Mr. KING. While it is not particularly pertinent to the pending amendment, it is pertinent to the bill as a whole, and I should like to inquire of the Senator having the bill in charge whether he can advise us as to the comparative cost of all the agencies, departments, bureaus, and instrumentalities provided for in the pending bill and the same agencies, bureaus, departments, and instrumentalities for the present fiscal year and the preceding fiscal year. I am not making any criticism, but the Senator will see that under the report submitted it is impossible to institute a comparison between the various agencies and departments for the coming year and the agencies and departments for the past year. Because of this consolidation and coordinating we can not say that the cost for any particular item was the same last year as this year, because that item may be merged with some other item, but in the aggregate covering the same governmental agencies, the same governmental administration. Will the Senator advise us whether there have been any economies or whether the same amount in the aggregate is found in this bill as in the bill for the present fiscal year?

Mr. WARREN. The amount appropriated by the pending bill is larger than ever before, because of the immense addition for disabled soldiers; that is, compensation, vocational training, and hospitalization. I think I have exactly the figures. The amount in the pending bill for the purposes I have mentioned is \$406,038,843.45. Then there is an item for the Shipping Board and the Emergency Fleet Corporation of \$103,459,000. Those two amount together to over a half billion dollars, and yet the smaller amounts we are passing on here, small in comparison, are all lower than or, if not lower, only equal to what we have spent heretofore. The Senator naturally in his comparisons must make allowance for these two large sums.

Mr. President, I wish to say a word about the matter of the disabled soldiers. It may be unavoidable, but in my opinion some of this money should not be expended. It serves no good purpose. I believe that every disabled soldier should have every possible care that is needed, but when it comes to having 32,000 to 35,000 in the hospitals, where hundreds of them are adjudged by the physicians who care for them to be sufficiently recovered to go out into the world, it seems that the various appropriations we have made, as the result of one Sweet bill after another, have gotten the pay so high that the compensation for a man with a family or even a single man, added to his allowance for vocational education, for hospitalization, and general support, is more than he can earn in any other way, and so it suits some of them better to live in a hospital than elsewhere.

We never had an army, and probably never will have, but what there will be some "coffee coolers." There have been some men even in the volunteer service whom we have had to watch, and still more, perhaps, in a drafted service. They were the first ones after the Civil War, and all other wars, who called for help from the Government, because the young men and the old men of vigor and honesty seek to support themselves, if able, rather than to rely upon the Government.

I wish it distinctly understood that not a word of what I am saying applies to those noble heroes who actually need and ought to have the support of the Government. I have no desire to stint or in any way to take from that which is necessary for them. But the latest maneuver, if I may be allowed to say it, is a proposition which I believe came over in the last so-called Sweet bill, which proposes to decentralize the Government Veterans' Bureau and place a lot of depots or district offices about the country. I happened to know of one of them in an-

other State where there are between four and five hundred clerks, where they use three upper stories in a very large office building for the clerks, paying rent amounting to more than \$50,000 per annum. Salaries start with five or six thousand dollars for the head, and go on down. When we multiplied that by 14, and then calculate what good they have accomplished, we find that the work all has to come back here to Washington after all.

Every soldier who feels that he has been wronged or is not receiving compensation enough through his local agency writes to his Senator or his Representative in Congress, and that Senator or Representative, without knowing what the situation is, turns the letter over to his clerk and tells him to write down to Col. Forbes and recommend that this man have whatever he asks for. I have said to Director Forbes, as others have said to him, that if every request of that kind that comes from my office should be turned down, if it was done upon examination and then turned down, I would be satisfied; but the report comes from that office that "Members of the House and Senate are our superiors, and they demand these things of us, and we are satisfying them as well as we can, but we will acknowledge that there are funds creeping out that should not perhaps be paid out."

I notice that the director and his assistants were outspoken in their opinion that decentralization is not a success, and calls for \$19,000,000 or \$20,000,000 a year more just to carry out the idea of having these institutions nearer, in a theoretical way, but not a practical way, to the men who are to receive the benefactions.

Mr. KING. With the item of appropriations to care for disabled soldiers I am entirely in sympathy, but I have had many complaints from various parts of the United States of the vast amount of machinery employed in the administration of the vocational rehabilitation act and in the distribution of funds to disabled soldiers. I believe that the cost is entirely too much; that the overhead expenses can not be defended. In my opinion millions are wasted in superfluous machinery and in paying the salaries of inefficient and incompetent officials, as well as thousands who are wholly unnecessary.

I received word quite recently of the fact that in one city, which I shall not name, the officials administering the law demanded the most expensive office building in the city, though it resulted in turning out tenants who had been there for years. They demanded the building, said the Government must have it, took three or four floors of this costly and expensive building, and placed a large number of employees therein. I was told by one of the leading Republicans of the city that 50 per cent of the persons so employed were not needed.

The Government is imposed upon, and thousands of persons are placed in executive positions when they are not needed.

There never was a situation which so called for economy and retrenchment as that which the Government finds itself in.

Mr. OVERMAN. One instance given the committee, as I recollect it, was that of a man who got a hundred dollars a month compensation and was drawing \$5,000 a year in outside employment.

Mr. KING. I was not commenting upon those who are receiving funds from the Government because of injuries. I was criticizing the enormous amount paid for administration. The Senator will correct me if I am in error, but there are hundreds and, indeed, thousands of officials of the Government employed in distributing this money to the needy—to those who are entitled to it. Thousands are employed where there should be but hundreds.

Mr. OVERMAN. There is where there is need of reform, and I wish the Senator would endeavor to bring it about. This decentralization has cost, as the Senator has stated, about \$19,000,000; and I do not get half the service I did when the work was performed here in Washington. When I write for information to the bureau my letter is sent to Atlanta; an examination is made there, and then another examination is made here, and the correspondence goes from one place to another, and one never gets anywhere. I have seen similar criticisms in some of our newspapers of the bureau because of the policy of decentralization and the consequent difficulty former soldiers have in getting examinations. There is so much red tape about it that it is almost impossible to get any relief at all for the men who need it.

Mr. KING. It seems to me that Congress ought to address itself to the question of reforming the administration of this great bureau. No one desires to restrict appropriations for the wounded and the disabled. They should be liberally compensated for the injuries which they received in the service of their country; but, I repeat, there is too much expense in connection

with the administration of the law; there is too much money wasted and there are too many employees of the Government engaged in distributing the money to those who are entitled to it.

Mr. OVERMAN. The Senator from Utah is right about that. There is where the trouble lies.

Mr. FERNALD. Mr. President, while my friends are looking over the printed matter in connection with this subject, I desire to make a few suggestions which, it seems to me, may be very pertinent at this time. I quite agree with the criticism which has been offered by the Senator from Utah [Mr. KING] in reference to many of these questions. I am in full sympathy with cutting down the number of employees in the different departments of the Government. At one time we had something like 112,000 or 115,000 employees. That number, however, has now been reduced to between 77,000 and 80,000, as I recall.

Mr. KING. Why do we not reduce the number to about 40,000, the same as it was before the World War?

Mr. FERNALD. I was about to make a suggestion along the line of the question of the Senator from Utah. There is no reason in the world why we should not reduce the number of Government employees to less than 50,000 in the next three months. However, I desire to say to my friend from Utah that I think these matters should be taken up before the committees, and that Senators should make their criticisms there rather than on the floor of the Senate. I do not take much time in the discussion of matters on the floor; but, as my colleagues on various committees will witness and recall, I do attend committee meetings pretty faithfully. I wish to say to my friend from Utah—and I feel sure that he will heartily agree with what I have to say—that many economies may be effected by bringing these matters to the attention of the proper committees, I am going to take a few moments to state exactly what has been done in that regard in the committee of which I happen to be chairman.

That committee—the Committee on Public Buildings and Grounds—in years gone by has spent many million dollars; but in the three years during which I have been the chairman of that committee we have not spent a single dollar.

I desire to say that that committee has also had charge of the United States Housing Corporation, and it has been a troublesome business. That corporation operates the dormitories between here and the Union Station, which take care of more than 1,800 girls. In the operation of that business we turned over to the Government last year \$25,000, which was derived from a profit of 1 cent on each meal furnished to each girl. That, I think, is a most remarkable showing. As reported the bill which the Senate now has under consideration cuts the appropriation of 1920 for the Housing Corporation from \$250,000 to a little less than \$70,000. I myself have been over every item of expense which is to be incurred for the officers and clerks and all those who are connected with the Housing Corporation.

Mr. KING. Will the Senator yield to me?

Mr. FERNALD. Yes.

Mr. KING. As I recall reading the pending bill on yesterday, there is considerably more than \$1,000,000 carried in the bill for the Housing Corporation.

Mr. FERNALD. Yes.

Mr. KING. The Senator from Maine now says that there has been a profit of \$25,000 in its operation.

Mr. FERNALD. Yes.

Mr. KING. The Senator, of course, does not take into account the interest upon the capital which was invested, and the money which the Government spent, running into many millions of dollars, in the Housing Corporation.

Mr. FERNALD. No. That was before my chairmanship of the committee, and that expenditure seemed necessary during the war period.

Mr. KING. Neither has the Senator taken into account the item of deterioration.

Mr. FERNALD. No; but I want the Senator from Utah to wait for just a moment until I get through, for I am not advocating the Government going into that sort of business. I have always maintained when those buildings need to be repaired to any great extent it will be necessary for the Government to go out of that business, for, in my judgment, the Government can not conduct any kind of business successfully.

However, I merely wish to call the Senator's attention to the fact that in the case of all of the Government departments, if everybody connected with them, and particularly the committees of Congress, should undertake to cut down the appropriations, that result may be accomplished. The appro-

priation provided for the Housing Corporation is only \$67,750, the sum of \$70,000 having originally been asked for. I went over the amount paid each individual involved and found that the sum in the aggregate amounted to \$67,750; so I suggested to the chairman that that exact amount should be appropriated. Therefore I hope that when we reach that particular item there will be no criticism of it. Furthermore, something like \$27,000,000 worth of property at this time is handled by the United States Housing Corporation. It was handled last year for 0.63 per cent. I doubt if there is any commercial house in the country that would handle a business of that size at so low a cost as that.

Mr. FLETCHER. Mr. President, may I ask the Senator whether all that property is in the District of Columbia?

Mr. FERNALD. No; it is scattered over 38 States.

Mr. KING. Why it is not sold?

Mr. FERNALD. We are selling it just as fast as we can. We have already sold about \$40,000,000 worth, and it is being advertised and sold just as rapidly as possible.

Mr. FLETCHER. May I ask the Senator about what proportion of the property is in the District of Columbia?

Mr. FERNALD. I am unable to state the exact proportion, but a considerable percentage of the property is located here. We turned in last year \$3,451,000 proceeds derived from sales. Much of this property is sold to tenants who are working in the navy yards and other Government establishments on the basis of percentage payments each year; so that it will be necessary for a long time to continue business relations with those to whom the property has been sold; but I am going to suggest at no late date that this work be turned over to the Treasury Department so as to do away entirely with the Housing Corporation. When, however, it is considered that we have cut the number of employees of that corporation something over 1,000 in 1920 to 33 at the present time I think it will be conceded that we have made a pretty good advance along the line of economy.

I speak of this one activity because the Senator from Utah and I have been quite in accord on these matters. He has and I have time and again in the Senate suggested that the different commissions which are constantly being created and located all over the country to do one thing and another are costing the people millions and millions of dollars. Every one of these matters should be treated as a business proposition, and, as I take a little pride in the management of the Housing Corporation, while the Senate had this matter under consideration and the Senator from Utah was discussing it, I wanted merely to say that there are some departments of the Government which are handled in an economical and business way.

Mr. KING. Mr. President, it is gratifying to know that we have a business man in the Senate who is giving attention to these important matters. The State of Maine is to be congratulated upon sending us a shrewd business Yankee who applies business principles to the affairs of the Government. I wish that every department could make as fine a showing as the department which is controlled by the Senator's committee.

But, Mr. President, let me say, not by way of criticism at all with respect to the agency with which he is now connected, that we expended several hundred million dollars in the erection of the buildings controlled by the Housing Corporation, which are now in a sense, so far as those which have not been disposed of are concerned, under his control. I presume if we should figure up all that was spent in the District of Columbia and vicinity and at and near the navy yards and in other places where houses were constructed by the United States, the amount involved would be found to aggregate hundreds of millions of dollars. It is quite likely that when the final liquidation of those enterprises shall have been consummated the Government will be out 75 to 90 per cent of the cost of the buildings and grounds; in other words, the Government will lose hundreds of millions of dollars in its housing schemes and projects. I hope the Senator from Maine will speedily get rid of the various buildings now in his charge and not needed by the Government and cover into the Treasury of the United States the amounts received therefrom.

Mr. FERNALD. I am in entire accord with the Senator, and we are doing that just as rapidly as possible.

Mr. KING. Mr. President, I wish to ask the Senator from Wyoming or the Senator from Washington—I think the latter can answer my question—if it is not a fact that appropriation bills as framed by the House and the Senate committees contain less in the aggregate than the recommendations of the Bureau of the Budget?

Mr. JONES of Washington. I think that is true.

Mr. KING. We have heard so much about the Budget, Mr. President, and about the great economies and saving that have been effected by the Budget system that one becomes some-

what nauseated with the constant repetition of the theme by the apologists for the administration. The other day we were regaled with a florid account of the meeting of several hundred Federal employees who were supposed to have had something to do with the Budget Bureau. The President addressed the gathering, and there was much glorification over the reforms which have been wrought. Gen. Dawes was there and a number of brooms were exhibited.

Let me add that I have confidence in Gen. Dawes, and if he had the power he would achieve real reforms. But he is hampered and restricted; as a result nothing substantial has been done by the Bureau of the Budget. We were told that there had been more than \$100,000,000 saved in a given period by the Budget organization. Of course, that statement is accurate. Some time ago when a statement was made by the administration to the effect that many millions of dollars had been saved—I have forgotten the exact amount—I offered an innocent resolution directing the Appropriations Committee to ascertain the amount that had been saved and recapture it and turn it into the Treasury. I was afraid the amount might take wings and fly away, so I was eager to have it secure in the Treasury. The resolution has not been heard of, and no money has been turned into the Treasury. The Senate committee and the House committee have been more economical than the Budget organization or the executive officers, and, in my opinion, they always will be.

I would rather trust the Senate committee and the House committee with respect to the appropriations than the executive officials of the Government. If we want economy, the economies must be effectuated by the Senators and Representatives and not by executive departments or officials. Executive officers have always desired to extend their authority, their jurisdiction, their power, to increase their emoluments, and to multiply the personnel under their jurisdiction or in the departments or agencies with which they were identified.

The burden of working reforms in the administration of the Government and in effectuating economies rests ultimately with Congress. If we had more Senators such as the Senator from Maine there would be a genuine movement to secure a reduction of the expenses of the Government.

I make the prediction, Mr. President, that, with all the economies which have been boasted of by the apologists for the administration and the boasted improvement spoken of by the Budget organization and others in the executive departments of the Government, the appropriations for the coming year will be four hundred million or five hundred million dollars in excess of what they should be.

I have looked in vain in the recommendations of the Budget authorities for improvements and reforms so much needed. In what I have said I am making no criticism of Gen. Dawes. I have said, and repeat, he can not row against the bureaucratic tide. I have looked in vain from this administration for that integration of agencies, that coordination of administrative bureaus, that will bring about the needed reforms in the Government.

The Senator from Maine [Mr. FERNALD] has stated that here in the District there are more than 70,000—I think he said 80,000—employees. Before the war there were from 37,000 to 40,000. Where are the changes? Where are the reforms? I repeat, the reductions in expenses, wherever occurring, are due to the House and the Senate. I pause here long enough to express my admiration of the work being done by the chairman of the Appropriations Committee of the House, Mr. MADDEN. I also congratulate my friend from Wyoming [Mr. WARREN] for the fine work that he is doing, but he has not cut the appropriations enough. The Appropriations Committees have not cut enough. We have yielded too much to the importunities of executive officers, and we will continue appropriating these millions and billions, hundreds of millions of which ought not to be appropriated, until the people themselves, groaning beneath the burdens, will, with irresistible demand, compel us to work the economies and reforms in the administration which are imperatively needed.

Mr. President, it seems as if democratic governments do not know what reforms and economies are. It has been said by scholars and students and publicists that the most uneconomical and inefficient administrations in the world are found in democratic governments. I am afraid it is true. We have introduced here what we call the civil-service principle. Can anybody say that it has improved the administration of the Government? Certainly it has not brought any reforms, and I have looked in vain to find improvements. The civil service has been a sham and a delusion from the beginning, and in its administration to-day it has not changed.

Mr. President, as the Senator states, this bill contains in the aggregate millions more than similar bills or previous appropriation bills comprising the same subjects. When we get through meeting the deficiency bills, and when we make the appropriations for the coming fiscal year, I predict that for the year 1922 there will be no reforms, there will be no economies; the appropriations will be far greater than were stated; and for the fiscal year 1923 the appropriations will be hundreds of millions of dollars in excess of what they should be. We will see how much economy is practiced when we reach the naval bill and the Army bill. We will see whether the administration is in good faith in its professions of retrenchment. I offered a resolution to reduce the Navy to 50,000 and the Army to 75,000. It will soon become apparent whether there will be reforms in the Army and in the Navy. The appropriation bills that have come before us, showing, through the efforts of the committees—not the efforts of the executive departments—some improvements and some reforms do not go far enough. I regret that the bill before us does not carry in the neighborhood of forty to fifty million dollars less than it does. Those cuts, of course, should not be made in the appropriations for the wounded soldiers and the disabled soldiers; but there should be a large cut in the appropriations for the administration of that department, and there should be very large cuts in other administrative branches that are provided for in this bill.

Mr. WARREN. Mr. President, may we proceed with the bill?

The VICE PRESIDENT. The question is on the committee amendment on page 12, beginning with line 4, which will be stated.

The READING CLERK. On page 12, under the subhead "General Accounting Office," it is proposed to strike out lines 4 to 24, both inclusive, and on page 13 to strike out lines 1 to 14, both inclusive, and in lieu thereof to insert:

For carrying out the provisions of the act of June 10, 1921, establishing the General Accounting Office, including salaries of officers and employees, traveling expenses and per diem in lieu of subsistence while absent on official business outside the District of Columbia not to exceed \$50,000, rent, purchase, and exchange of books, and contingent and miscellaneous expenses, \$2,496,101.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, on page 14, line 10, to strike out "\$60,000" and to insert "\$65,725," so as to read:

Salaries: For officers, clerks, and other employees in the District of Columbia necessary to collect and account for the receipts from the sale of properties and the receipts from the operation of unsold properties of the United States Housing Corporation, the Bureau of Industrial Housing and Transportation, property commandeered by the United States through the Secretary of Labor, and to collect the amounts advanced to transportation facilities and others, \$65,725.

Mr. KING. Mr. President, I note there an increase in the amount over the appropriation carried by the House bill. Is there any explanation for that?

Mr. WARREN. That is a matter pertaining to the subject which the Senator from Maine [Mr. FERNALD] was just discussing.

Mr. KING. That is the item to which the Senator from Maine referred, is it?

Mr. WARREN. Yes.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed and continued to line 1, on page 16, the last clause read being as follows:

In all, \$1,050,700.

Mr. WARREN. Mr. President, to correct the total just read, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 16, line 1, it is proposed to strike out "\$1,050,700" and in lieu thereof to insert "\$1,056,425."

Mr. FLETCHER. Mr. President, may I inquire of the Senator how the receipts from the rents compare with this outlay—what they yield in comparison with what we are paying out?

Mr. WARREN. The boarding houses, if I may put it that way, are making a little money. I think they cleared about \$30,000 last year. Of course, all that money goes into the Treasury, and we have to appropriate it again.

As to the real estate, the rentals and sales, the Senator from Maine [Mr. FERNALD], in discussing the matter a few moments ago, said that it was being disposed of at the rate of about \$3,000,000 or \$3,500,000 a year. The money comes in in partial payments and is turned in; but there is a great deal more to follow in the years to come.

Mr. FLETCHER. I did not know but that the Senator might have the figures showing what the Government had actually

received outside of the sale of property—what we are actually receiving as rents from this property.

Mr. WARREN. I do not happen to have it at hand here.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 8 on page 16, the last paragraph read being as follows:

INTERSTATE COMMERCE COMMISSION.

For 11 commissioners, at \$12,000 each; secretary, \$7,500; in all, \$139,500.

Mr. KING. Mr. President, may I ask the Senator, with respect to the appropriations carried under this heading, whether there is any limitation upon any of the employees as to their compensation, except the commissioners themselves and the secretary?

Mr. WARREN. There is not, to my knowledge. The appropriation is some hundreds of thousands of dollars less than it has been heretofore—I should say between four and five hundred thousand dollars less. That is one place that has been exceptional in this Government in many ways. They have established what may be called a high court, and we have placed them, of course, not above the Supreme Court of the United States but, we might say, nearly or quite next to them. The original law which initiated this commission of course provided the number of commissioners and their salaries. That has been changed to some extent, but as to the other amounts it is the one lump sum that has run ever since it was inaugurated.

Mr. KING. May I inquire of the Senator whether schedules have been submitted to the committees showing the compensation of the various employees?

Mr. WARREN. Yes; I will state to the Senator that last year we obtained a list from, I think, every existing institution that was paying under a lump sum, so that we have among our files of last year all of those items, the salary of every employee.

Mr. KING. How do they compare with the salaries paid in other departments of the Government for similar service?

Mr. WARREN. There are a number of high-class positions, quite a number of attorneys, receiving quite large salaries. I should say, of the two, taking them all together, they are more liberal. I will not say taking the character or supposed character of the men; but they run higher, of course, than institutions of what might be called less importance.

Mr. KING. Does the Senator know how the salaries compare with those paid in the Shipping Board?

Mr. WARREN. The salaries paid to employees of the Shipping Board, aside from three or four salaries, I think are less than these are for the attorneys, and so forth; but there are two or three persons in the employ of the Shipping Board who have been receiving \$35,000 each.

Mr. KING. Does the Senator recall the maximum amount paid for salaries under the Interstate Commerce Commission—the highest salary paid to officials?

Mr. WARREN. I do not recall it now, but it is probably something less than the salaries of the commissioners themselves, unless it is for temporary employment. In that case it might be more.

Mr. KING. Does the Senator know whether or not the number of employees has increased?

Mr. WARREN. I think it can not have increased, from the fact that we are cutting down the appropriations for the Interstate Commerce Commission.

Mr. KING. Is that reduction with respect to the employees, or is it found in the item which provides for the ascertainment of the physical value of the railroads of the United States? The Senator will recall that a great many millions have been spent there.

Mr. WARREN. I recall it, and it has gone over a number of years, and the roads have changed very materially, and it will have to be gone over additional times after the first. There are some reductions in that, and there are reductions in the general line, and also in some lines an increase. For instance, legislation from time to time places additional duties on them. In the railroad line, outside of the physical valuation, as the Senator knows, in the last year or two we have made considerable increases in their duties.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed, and the Assistant Secretary read to line 7, page 19, the last paragraph read being as follows:

For printing and binding, \$150,000, including not to exceed \$10,000 to print and furnish to the States at cost report-form blanks; and including not to exceed \$1,500 for printing orders of the Interstate Commerce Commission, other than that done at the Government Printing Office.

Mr. FLETCHER. Mr. President, I would like to ask the chairman of the committee if he would not accept an amendment on page 19, to strike out, on line 5, all after the word "blanks," so as to eliminate the words:

And including not to exceed \$1,500 for printing orders of the Interstate Commerce Commission, other than that done at the Government Printing Office.

That is now entirely in the control of the Joint Committee on Printing as to every other department.

Mr. WARREN. I wish to say that I consulted with the chairman of the Committee on Printing as to that, and while he proposed an amendment, he said that it meant no possible difference in the amount of money, and as they had provided for it in that way, he did not object to it. If the Senator wishes, I can offer the amendment at this time, on page 19, line 5, after the word "blanks," to strike out the remainder of the paragraph.

Mr. FLETCHER. That is what I suggested.

Mr. WARREN. I offer the amendment.

The amendment was agreed to.

Mr. WARREN. Mr. President, we have an amendment to offer which alludes to another matter, but the law requires it, and I send it to the desk to be read.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 19, after line 7, insert the following:

INTERSTATE GOVERNMENTAL COMMISSION, COLORADO RIVER.

For salaries and expenses as authorized in the act approved August 19, 1921, entitled "An act to permit a compact or agreement between the States of Arizona, California, Colorado, Nevada, New Mexico, Utah, and Wyoming, respecting the disposition and apportionment of the waters of the Colorado River, and for other purposes," to be immediately available and to continue available during the fiscal year 1923, \$10,000.

Mr. KING. Mr. President, under whose jurisdiction is that appropriation?

Mr. WARREN. The commission is composed of one man representing the Government of the United States and one member, the governor or an appointee of the governor, from each of the several States mentioned. The Government's appointee is the Secretary of Commerce, Mr. Hoover, and, of course, he draws no salary for this work. This appropriation is to pay the expenses of meetings and traveling expenses. We have made no appropriation heretofore, and as they will have to assemble very soon to continue the work, we have made the appropriation immediately available. It simply carries out the law.

Mr. KING. I know they recently met and the work was not completed, and, as the Senator has said, perhaps many meetings will be required before a satisfactory adjustment of a very important matter shall have been reached. I would like to ask the Senator, before that amendment is passed upon, as I have to step out a moment, to let the next item, for the National Advisory Committee for Aeronautics, be passed over temporarily. I want to confer with the Senator from Washington, who is absent from the Chamber, with respect to that item.

Mr. WARREN. Without objection, I will ask that that be passed over.

The VICE PRESIDENT. It will be passed over temporarily. The question is on agreeing to the amendment offered by the Senator from Wyoming on behalf of the committee.

The amendment was agreed to.

The reading of the bill was resumed, beginning with line 1, page 20.

The next amendment of the committee was, on page 23, line 17, to strike out "\$3,600" and to insert in lieu thereof "\$4,000."

Mr. KING. I would like to ask the Senator from Wyoming the necessity of raising the amount given by the House. It would lead to conflict between the two bodies.

Mr. WARREN. When the Senator says the two bodies, does he mean the House and the Senate?

Mr. KING. Yes.

Mr. WARREN. Since the bill passed the House there have been changes in the responsibilities, and it will be necessary to keep an experienced man there. They have a most excellent man, who had intended to take more lucrative employment, and his chief has asked for \$4,500, so we have made it \$4,000.

Mr. KING. Let him go and let them get somebody else.

Mr. WARREN. The Government would have to pay the price, considering the responsibility this man has. He has to take charge, under the United States officer who is the head of public buildings and grounds, of all of these Government buildings, of which, as the Senator knows, there are a great number. Others have just been turned over, including, I understand, the big Interior Department Building; and those buildings, and all

the men who work under the head of the public buildings and grounds, are superintended by this particular man I am speaking of. It does not make any difference whether it is this man or some other man. I think the place is really worth \$4,000.

Mr. KING. While the Senator has the floor, may I interrogate him just a moment in order to avoid further observations later on? I notice in the bill provisions for a large number of employees in the State, War, and Navy Building—assistant superintendent, a large number of clerks and engineers, lieutenants, electricians, plumbers, and skilled laborers, chauffeurs, 14 firemen, 15 elevator conductors, 48 laborers, a gardener, 3 attendants; then in the Walker Johnson Building a large number of employees; in the Potomac Park office building a very large number of employees, including clerks. I do not know why they need so many clerks. There is provision for a large number of carpenters and general mechanics, a large number of guards, 23 lieutenants, 23 sergeants, 23 again, 140 laborers, just in the Potomac Park building, 21 additional employees; then in the Mall building a large number of clerks and employees; temporary building, Virginia Avenue, a great number of employees; temporary buildings, B and C Streets, Twentieth and Twenty-third Streets NW., a great number of employees—assistant superintendents, clerks, principal clerks, clerks of classes 1, 2, and 3, messengers, a large number of firemen, and a great number of laborers, so that in those buildings covered by the items to which I have referred, though I have not tabulated the number, I think there are probably a thousand employees provided for just to take care of a few buildings.

Mr. WARREN. The expression "a few buildings" does not state the case fairly at all. It is a mile square or more of buildings, if they were in shape to measure them. The number of employees has been cut down largely. These are largely war matters, matters which have hung over from the war, until we can get down to a different basis. The Secretary of War has been able to cut from sixty-odd thousand employees down to five thousand and some, and I think that is about as fast as the Senator could expect us to cut. These are cut down until every man is done away with who could be spared with safety.

Mr. KING. Those sixty-odd thousand the Senator speaks of were not in Washington. They were in various camps and cantonments, and places where Government storehouses are located.

Mr. WARREN. They were in Washington and hereabout, not all of them in Washington, but they were all in the direct employ of the War Department. This matter of public buildings we have cut down \$179,440, while taking on some additional work from other departments—that is, where they were doing their own janitor and watchmen work—so that the whole reduction does not appear in this \$179,000.

Mr. KING. The Senator does not mean, of course, that there was only \$179,000 appropriated in all of the items to which I have referred?

Mr. WARREN. No; I mean it is that much less than for the present fiscal year.

Mr. KING. If that is all the reduction, then it is wholly inadequate.

Mr. WARREN. I have already said that it was not all the reduction. I thought the Senator understood me.

Mr. KING. I did not understand that.

Mr. WARREN. Some of the buildings which have been turned over later of course had their groups of employees, who have been dispensed with, to some extent at least, because of the taking over by this particular branch.

Mr. KING. The War Department, under the guise of caring for surplus material following the war, had a very large number of employees, thousands of them. As I recall, when the last Army bill was under consideration it was disclosed that there were in these camps substantially as many clerks and employees as there were soldiers. We had in the department following the war a large number, thousands, upon the theory that they were needed to dispose of the surplus proceeds following the war and to adjust the records and put them in shape. One officer of the War Department insisted upon having a large number of men in order to get the files and the records in proper shape, showing the enlistments and discharges. I have forgotten the number, but it went into the thousands, who were in that one bureau or agency of the War Department. I think the War Department has been grossly extravagant in the past, and I am not sure that the present bill reveals the fact that it is free from criticism now on account of its extravagance.

The PRESIDING OFFICER (Mr. McNARY in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was continued to the end of line 9, page 24.

THE TRUTH ABOUT THE WAGES OF RAILWAY EMPLOYEES.

Mr. LA FOLLETTE. Mr. President, I desire to avail myself of the liberality of our rules to submit some observations upon the standard of wages paid to labor at this time. I am quite conscious of the fact that whoever undertakes to speak a word for labor at this time assumes something of a burden in view of the propaganda that has been made by the great industrial organizations of the country to reduce the wages of all labor. But throughout my public life I have never taken the easier way. I have tried as best I could from my point of view to render a public service whenever it was needed. I believe that the time has come to say a word in opposition to the general and widespread movement in the country to "take it out" of labor in order to reduce the cost of living.

Everyone feels the burden of high prices. They have not been greatly reduced since the war period. But there has been a general and well-organized movement to return to what are called normal conditions by way of reducing the wages of labor, to reduce the cost of meat and flour and steel and transportation by "deflating" labor. I think that the conditions which confront the American people to-day are the culmination of a false and wicked economic system, which is encouraged, sustained, and fostered by our National Government.

For more than a quarter of a century great business organizations have been effecting combinations in practically every line of production, the purpose of which has been to suppress competition and build up a monopoly control of prices in every line, but in manufactured products especially. This has resulted in squeezing the farmer and in plundering the consumer to the limit of the power of these great organizations and business combinations, in bullying and oppressing labor, in so far as it has been possible, in every branch of industry.

To meet that situation, to meet the organization power of the enormous aggregations of capital engaged in what we may term big business, the wage earners have, in the face of the bitterest opposition, endeavored to organize to the end that they might cooperate and collectively bargain with their employers, the great combinations. In this they have been only partially successful. Only a small minority are organized.

I do not believe there is anyone on the floor of the Senate who will undertake to say that there is any branch of what may be termed big business in the country that is not thoroughly and completely organized, giving them the power that enables them to dictate prices and to control everything that pertains to their business. And yet, Mr. President, there has been created in this country a sentiment against any organization on the part of labor to meet this condition in the industrial world.

Even a little group of Members of this body, representing agricultural constituencies, realizing that the farmer has been one of the victims of this complete organization of capital and power in the industrial world, has been subjected to every sort of criticism and attack. It has not been confined to the representatives of the great, powerful industries.

The President of the United States, his Secretary of War, and other members of his official family, have engaged in making an attack upon those Senators who have sought relief in view of the economic embarrassment that now afflicts agriculture as a result of the organization of big business into combinations and trusts to control everything the farmer buys and everything the farmer sells. This humble, this almost pitifully weak attempt to assemble together a few Senators in this body representing agricultural constituencies, to endeavor to relieve that situation, has made them the target of attack, not only through the publications that are specially supported by industrial combinations but from the administration, attacks by the President in person and by members of his official family.

So distressing is the situation of agriculture that even the administration has thought it necessary to assemble a conference to consider that situation, and yet any movement on the part of representatives of agricultural constituencies looking to a direct benefit to agriculture through legislation, because it impinges upon the system of organized monopoly, is made the subject of attack from official sources of the highest order. Emanating from the same sources are these attacks that are made upon labor's attempt to resist the same encroachment.

Labor has been able to organize, as I said, to the limited extent of about 25 per cent of the wage earners of the country, not a very alarming situation. Of course, the farmers, widely scattered over the whole country, find it next to impossible to effect any sort of comprehensive movement that shall afford them relief. They have been making some endeavors in that direction. They have attempted defensive organizations, just as labor has attempted to effect and has partially succeeded in effecting organizations for precisely the same purpose.

Mr. President, the great business combinations not only control our markets but they are all-powerful in government. There is not a Senator who would dare challenge the statement that they are very potential in the national conventions of each of the political parties of the country; that they are very powerful in legislation; and that they are very potential in the selection of Federal judges on the bench.

The individual, be he farmer, laborer, or consumer, is utterly helpless under existing conditions. He can not stand alone against organized business in combinations. The farmer, the laborer, and the consumer have a common interest. They do not enjoy any Government privilege or any advantage derived from legislation. They have alike been exploited by the privileged monopolies.

Mr. President, I wish to say that the farmers, I think, have a large and very direct interest in seeing that the wage earners and the men and women throughout the Nation who are working on salaries are constantly employed under the most favorable conditions. I believe that the farmers of the country ought to make their cause his cause, and, I think, for sound economic reasons. They constitute the great body of the farmer's market for all his staples.

When millions of workers are unemployed, when the purchasing power of tens of millions of those who are employed is unduly curtailed, it is inevitable that the market for everything the farmer produces suffers the greatest depression.

Now, Mr. President, I should like to invite the attention of Senators who do me the honor to listen to me to a very brief discussion of the relation of wages to the cost of living.

WAGES AND THE COST OF LIVING.

When the war ended and the American people found time to look after affairs at home they demanded a reckoning with those responsible for the riot of plunder which ruled in American business.

While the war was on the people blindly accepted the mounting costs of living as a part of the war burden. There was no time to investigate its cause; no facts upon which to determine as to its justice.

But when the war was over and prices continued to soar, when living cost 25 per cent more in 1919 than in 1918, and in 1920 cost 17 per cent more than in 1919, the limit of forbearance had been reached. The storm broke. The American people demanded that the robbers who were plundering the public after the war be called to account. And, sir, the robbers were ready to hunt down the enemy of society; the robbers themselves were ready to raise the cry of "Stop thief" and to lead an indignant public off on a false trail.

They raised a great hue and cry against labor. They claimed that the unions had forced enormous wage advances, and that this had lifted the general wage level and thus caused the unprecedented increase in prices.

Mr. President, there is not the slightest chance in the world that those really chargeable with the economic wrongs which the public suffers will ever be justly punished, but at least the responsibility should be placed where it belongs.

I have undertaken as best I can that task. I will say now that you can not put it on labor, and if Senators will give me their attention here this afternoon I will prove that assertion.

I lay down certain propositions here which are economically true and admit of no denial.

1. The nominal increase in wages has been uniformly less than the increase in the cost of living each year since the war.

I hope Senators will let that sink into their minds, for that is the first proposition I start with. I repeat it. I say "the nominal increase in wages," because I am going to distinguish in what I have to say here to-day between real wages, actual wages as measured by their purchasing power, and nominal wages. "The nominal increase in wages," I repeat, has been uniformly less than the increase in the cost of living each year since the war.

I want to amend that statement; I want to say not only since the war but during the war and since the war as well.

Mr. NORRIS. Mr. President—

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

Mr. LA FOLLETTE. I yield.

Mr. NORRIS. I wish to ask the Senator if, for the purpose of his comparison, when he uses the expression "since the war" he means since the armistice?

Mr. LA FOLLETTE. No.

Mr. NORRIS. What does the Senator mean?

Mr. LA FOLLETTE. I want to withdraw the phrase "since the war"; I want to amend my statement by saying the nominal increase in wages has been uniformly less than the increase in the cost of living each year while the war was on and since

the war closed. I broaden the statement, I correct it, because I know that I can support my amended statement.

Mr. NORRIS. Then the Senator from Wisconsin means, as I understand him—I want to understand the proposition correctly, if I can—that the nominal increase in wages of labor has been less than the increase in the cost of living each year since the beginning of the war?

Mr. LA FOLLETTE. At every stage.

Mr. KING. And I might say, if the Senator will pardon me, that in the District of Columbia one of the principal causes contributing to the distress of the people has been the enormously high rents, which, instead of going down, have increased here nearly 100 per cent in the last year.

Mr. NORRIS. Yes; and that has been despite the attempt of Congress to reduce rents.

Mr. LA FOLLETTE. Yes; the feeble attempt of Congress.

Mr. NORRIS. Yes; feeble and unsuccessful.

Mr. LA FOLLETTE. I will state my propositions again in order to have them appear in the RECORD in a connected way. I lay down certain propositions here which are economically true and admit of no denial:

1. The nominal increase in wages has been uniformly less than the increase in the cost of living each year during the war and every year since the war.

2. The nominal increase in wages has followed and not preceded the increase in the cost of living.

3. Whatever nominal increase there has been in wages since the outbreak of the European war in 1914 has been forced by the increased cost of living, unjustly imposed upon the public by the war profiteers. Listen, sirs, wage advances have been one of the effects of high prices and not the cause of high prices.

A table compiled by the United States Department of Labor conclusively establishes these propositions, and shows in the most graphic manner how far behind the cost of living the wages of union labor trailed even during and since the war period when "high" wages have prevailed.

The comparison of this table, which I wish to have printed in the RECORD, Mr. President, in connection with my remarks, is made with 100 as the base in 1913. I wish to read, very hurriedly and very briefly, the percentages in the table for the consideration of Senators.

I start with 1913.

Taking 100 as the base for wages and 100 as the base for the cost of living, in 1914 the union wage rate had advanced to 102. The cost of living had advanced to 103.

In 1915 the union wage rate still stood at 102, but the cost of living had advanced to 105.1.

In 1916 the union wage rate had advanced from 102 to 106, but the cost of living had advanced from 105 to 118.3.

In 1917 the union wage rate had advanced to 112, but the cost of living that year had advanced to 142.4.

In 1918 the union wage rate had advanced to 130, but the cost of living had advanced that year to 174.4, as shown by the report of the Department of Labor.

Who is responsible for this increase in the cost of living? Was it due to the increased cost in wages? No, no.

In 1919 the union wage rate had been advanced to 148 from 130 the year before, but the cost of living had gone up to 199.3. If the union wage rate and the general scale of wages had not advanced somewhat, you would have had starvation everywhere in the country.

In 1920 the union wage rate had advanced to 189, but the cost of living, for which there was some responsibility attaching to somebody besides labor, had advanced to 216.5. The peak was reached in 1920, with the wages of union labor showing an increase of 89 per cent and the cost of living an increase of 116 per cent over 1913.

I ask unanimous consent that the table to which I have referred be inserted entire in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the table will be printed in the RECORD.

The table referred to is as follows:

The comparison is made with 100 as the base in 1913.

Year.	Union wage rate.	Cost of living.
1913.....	100	100
1914.....	102	103
1915.....	102	105.1
1916.....	106	118.3
1917.....	112	142.4
1918.....	130	174.4
1919.....	148	199.3
1920.....	189	216.5

Mr. LA FOLLETTE. Not once during the period from 1913 to 1920 did the wages received by organized labor breast or reach the level of the steadily mounting cost of living. Wage advances lagged behind, and far behind, price advances throughout all this period of profiteering.

Mr. President, labor has struggled in the face of strongly opposing odds to maintain old standards of living, and it has lost in the struggle. Nominal wages may be high, but I say here now what I have contended on this floor again and again for three years and more, that real wages are low; and I am going to prove it this afternoon.

The total earnings of a laborer at the end of the week—listen to this statement—will buy less food and clothing and fuel today than they would buy before the war. In fact, sir, real wages have actually declined, not only during the period of the European war, but real wages have actually declined in this country for a period of 20 years, when you measure the wages that the man earns by the purchasing power of his labor, and that is the way he has to measure it; and I am appealing to Senators here this afternoon to get a new point of view of this problem.

I am coming now to fix the responsibility for the increased cost of living which has been the cause of despair to the American people for a period of many years. The responsibility does not rest upon labor. I will tell you where the responsibility rests.

WHO IS RESPONSIBLE FOR THE HIGH COST OF LIVING?

In a critical study of the relation between wages and the increased cost of living, Prof. William Jett Lauck, the economist, made an analysis for the years 1912 to 1918, inclusive, of the financial reports of all corporations having an annual income of \$1,000,000 or more, in the lines of business in which the ordinary consumer is particularly interested, as reported in Moody's and Poor's Financial Manuals. Mr. President, I do not think wide public attention has ever been called to this great, this monumental service which Prof. Lauck rendered; but these facts will reach the public finally, and their consideration will help to settle the question of the title to some seats on this floor before another November passes; and therefore I am going to put them into the RECORD. These corporations were shown to have taken \$800,000,000 more in annual profits on the average for the years 1916, 1917, and 1918 than for the three-year period of 1912, 1913, and 1914; and the figures for production showed conclusively that the increased profits were not due to increased production. They were due to the fact that the corporation took a larger proportion of every dollar spent by the purchaser. The corporation took that.

These corporations, typical of the practices of all—now, just get this—nearly trebled their average net income on capital stock during the period covered by Prof. Lauck's studies. That they have continued to fleece the public, the increased prices for 1919 and 1920 and present prices conclusively prove.

These great profiteering organizations in every line of business raised prices until the people could no longer meet their extortionate demands. They were confronted with the alternative of reducing their profits or cutting the wages of labor. They turned upon labor. For more than a year they have been making war on labor unions, and charging labor with responsibility for high living costs.

This attack on labor in the end will fail. There will be great hardship and suffering, but in the end the truth will prevail. Labor will be vindicated, and will come out of the battle with a solidarity welded in the fire of common suffering, a great fighting force in the eternal struggle between the masses and privileged monopoly.

Mr. President, I address myself especially to-day to a consideration of the wages of the railway employees of the country. I do this at this time because the railroad corporations appear to have effected a combination with certain leaders of one or more of the farm organizations to aid in the propaganda to create public sentiment against the present wage scale of railway employees. I believe that all farmers' organizations would better serve the interests of agriculture in securing a substantial reduction in transportation rates by repealing all provisions of the Esch-Cummins law upon which the Interstate Commerce Commission fixed the value of railway property at the grossly excessive sum of \$19,000,000,000 as a basis for freight and passenger rates, and also by repealing such provisions of the same law as have operated to impair and destroy the authority of State railway commissions over intrastate transportation.

I come now to speak what I believe to be the truth about the wages of railway employees.

THE WAGES OF RAILWAY EMPLOYEES.

Mr. President, I assert as an economic fact that, under present conditions, there can be no further reduction of the wages of railway employees without national disaster. Railroad labor

is receiving at present the least it can receive without sinking below the level of efficiency necessary to maintain the railroads in successful operation. It is receiving substantially no more real wages in terms of commodity values for services rendered than it received 20 years ago.

It is receiving far less than necessary to maintain itself at a comfort and decency level of existence. It is receiving so little that its buying power is greatly diminished, with consequent loss and hardship to other industries, particularly agriculture, which depends for one of its important markets upon the 10,000,000 people who derive their support from railroad labor. It is receiving so little that it has failed utterly to share in its rightful proportion in the increased productivity of the Nation's industry which has been achieved during the last quarter century.

It is no longer a question merely of justice or injustice to a class of employees; inexorable economic laws bar the way to a further reduction of the wages of railway employees.

I know that all this is contrary to the popular belief on the subject. The railroad executives, by costly propaganda which has extended to every part of the country, have created and fostered the impression that exorbitant railroad rates are due largely to exorbitant wages claimed to be paid to labor and that railroad rates can only be reduced by reducing the pay of railroad employees. There never was a more shameless, wanton, and vicious falsehood than this foisted upon the public. On another occasion I hope to deal with the cause of excessive railroad rates and the remedy. To-day I am dealing only with the single proposition that the wages of railroad employees can not be further reduced under present conditions without bringing disaster to the industries of the country.

The railway executives have filled the newspapers of the country with the figures they recently gave at the hearings before the Interstate Commerce Commission and before the Senate Committee on Interstate Commerce to show the great increase in the amount paid to labor during the last few years, and from this they seek to have the conclusion drawn that the compensation of the individual employee has been exorbitantly increased. They point out that the labor bill in 1916, before the enactment of the so-called Adamson law, was \$1,468,576,000. In 1917, when the Adamson law was in effect, the compensation of employees was \$1,739,482,000; that in 1918 it was \$2,613,813,000; in 1919, \$2,843,128,000; in 1920 that it stood at \$3,698,216,000. (Interstate Commerce hearings, 1921, vol. 1, p. 14.)

They then summarize these totals and point out that the wage increase in 1917 was \$270,905,000; 1918, \$874,331,000; 1919, \$229,315,000; 1920, \$855,087,000.

They neglected to state that there were nearly 700,000 more employees in 1920 than in 1916 and that pay for extraordinary overtime in 1920 amounted to \$275,000,000, or about 8 per cent of the total compensation paid to employees. (See testimony of Prof. Frank J. Warne before the Senate Committee on Interstate Commerce, hearings, 1921, p. 1187.) They neglected also to point out that included in compensation to employees are the salaries paid to officers during 1920, which amounted to nearly \$100,000,000, showing a great increase over salaries paid under public operation. (Interstate Commerce hearings, 1921, p. 1156.) Then the railroad executives, by the simple device of dividing the total amount paid to employees by the number of employees at a given date arrive at what is called the average earnings of an employee. By confining this operation to a particular class of employees, as engineers, the result is set forth as the average earnings of an engineer. And by the same method the so-called average earning of the different classes of railway employees is arrived at.

It must also be remembered that the attempt to deal statistically with the wages of railway employees must depend upon statistics published by the Interstate Commerce Commission, and these in turn are merely figures furnished by the railway companies themselves.

Mr. Warne in his testimony at the hearings above referred to—page 1187—thus sums up the fallacies of the so-called wage statistics presented before the committee by the railway executives who appeared as witnesses:

First. They include annual compensation to general and division officers exceeding in amount, in 1920, \$92,000,000, which should be excluded.

Second. They include compensation paid employees engaged in new construction work, which properly should be charged to capital account and not operating expenses.

Third. They include compensation paid employees of affiliated and owned companies other than transportation.

Fourth. They include the additional compensation resulting from employment of larger number of employees in consequence of increased volume of traffic. In 1920 this increase in number of employees over

1915 exceeded 694,000 and represents an increase in total compensation in excess of \$550,000,000.

Fifth. They include payments for overtime and increases in overtime, which economically represents not wage increase but the purchase of more man-hours, usually at higher rates. On the basis of 1920, a year of an extraordinary amount of overtime, as much as \$275,000,000, or 8 per cent of the total compensation, was for overtime.

Sixth. They include in total compensation of class I roads for 1920 at least 98 roads, representing a mileage in excess of 6,500 miles, which were not included in earlier years. This shows an arithmetical increase in compensation of approximately \$32,000,000 without a cent increase in wages.

Seventh. They include a larger number of more highly paid employees, such as engineers and conductors, in the later years of increased volume of traffic, compared with earlier years when traffic was not so heavy.

Eighth. They include in 1920, in total compensation, retroactive wage-increase awards by wage-adjustment boards, the amounts of which more properly belong to payments for preceding years.

Ninth. They include in 1920 compensation to employees of the United States Railroad Administration in 1918 and 1919 who returned in 1920 to their former positions with the carriers.

Tenth. They include total compensation to employees in traffic, advertising, publicity, and industrial bureaus and like activities whose services were discontinued under the United States Railroad Administration.

In a general way these various items total more than \$1,250,000,000 of the total compensation paid in 1920.

In view of this criticism of the railway executives' figures it may well be asked whether any figures can be arrived at which will at all fairly represent the wages being paid to railroad labor at the present time and which have been paid to it during any considerable number of years in the past. All available figures on the subject are furnished in the last analysis by the railroads themselves. All figures obtainable from the Interstate Commerce Commission are only such as the railroads furnish. The ingenuity of the railroads in devising schemes and combinations to mislead the public and misrepresent the wages of the employees seems to be exhaustless. Literally hundreds of pages of testimony were taken up by the representatives of the employees in the hearing I have mentioned in exposing the fraud of the railway officials in this matter.

I might pause to say that I remember that in the testimony of Prof. Warne he calls attention to the fact that the Interstate Commerce Commission required the railroads to report these wages and the amounts paid to employees only once a year. Their attention was called to the fact that the railway companies were selecting times in the year which would show most favorably to the roads in the reports upon the average amounts paid to employees. So the Interstate Commerce Commission, their attention being called to the matter, made a correction in their requirements, and asked the railroad companies to report twice a year. After further time, they still found errors and distortions in their reports to the Interstate Commerce Commission after making an investigation of the subject, and increased the reports required from the railroads to quarterly reports and finally to monthly reports, in an endeavor to correct the distortions and subterfuges resorted to by the railroads in making these reports favorable to themselves and unfavorable to labor. I cite that as merely directing attention to the character of the tables upon which we must all make our computations with respect to the average pay of railway employees; but, Mr. President, in so far as it impeaches the character of the record, it must be readily seen that the advantage is all on the side of the railroads, because they control these reports, they make them themselves, and with the best possible checks which the Interstate Commerce Commission can make upon their work, they are still very unreliable. So that any figures I submit here to-day ought to be considered, in so far as they are faulty at all, as having been made so by the railroads to their advantage and as against the interests of the employees. So true is this that the employees practically refuse to recognize the figures or to attach any importance to them.

I have, however, caused to be prepared from these railroad sources a series of tables in which the errors, whatever they are, are necessarily all on the side of the railroad contentions and against those of the men. These tables, computed from railroad sources, show a rate of compensation to the men in excess of the actual compensation as claimed by the men. But even accepting these figures, they show in a startling manner the falsity of the railroad claims.

These figures, therefore, represent the average earnings of the different classes of railway employees as much higher than they actually were during the year 1921, for the reasons which I have pointed out. It must be remembered also that prior to 1914 the railroads reported their number of employees to the Interstate Commerce Commission only once a year, and as the average wage is arrived at by dividing the aggregate amount received by the number of employees, it was always within the power of the railroads to make a favorable showing as to the

average earnings of employees. I have, however, tested out this table by all means available to me and believe it to be substantially correct when certain allowances are made for the year 1922, to which I shall later refer.

The first figures I present are contained in Table I and are intended to show the average actual earnings of railroad employees in dollars from and including 1900 to and including 1921, the years 1900, 1907, and 1913 being taken as typical of the period covered by those years, and 1917 is taken as the last prewar year in which the roads were operated by the private owners. The year 1921 represents during its first half the wage conditions growing out of Federal control and adjustment by the Railroad Labor Board. In its last half it represents the effects of the beginning of the policy of wage reductions.

The earnings of 1921 are presented from the best available sources. The first set of figures shown under 1921 represents the amount which would have been earned during a full year at the rate of wages paid during the first half of the year. The second set of figures under 1921 represents the amount which would have been earned in a full year at the rate of wages paid during the second half of the year following the general wage cut ordered by the Railroad Labor Board, effective July 1, 1921. This wage cut averaged 12½ per cent, ranging from 8 to 16 per cent for the various classes. This last set of figures represents the present rate of earnings, except that it fails to take into account the reduction in earning power, amounting to approximately \$100,000,000, or about \$62 per man, resulting from subsequent decisions of the board abolishing overtime pay and other valuable rights which shopmen and laborers have previously enjoyed and from the practice of the railroads subcontracting a large part of their work at low wages:

TABLE I.

PART I.—Average earnings of railroad employees.

[Calculated from reports of the Interstate Commerce Commission.]

	All employees.	Engineers.	Firemen.	Conductors.	Trainmen.	Machinists.	Trackmen.	Telegraph operators.
1900....	\$567	\$1,161	\$662	\$1,004	\$604	\$698	\$311	\$641
1907....	641	1,340	758	1,143	745	841	370	741
1913....	757	1,661	954	1,407	976	1,007	436	864
1917....	1,000	2,043	1,239	1,965	1,237	1,394	601	1,018
1921 ¹	1,790	2,858	2,102	2,623	2,030	2,202	1,072	1,990
1921 ²	1,575	2,629	1,892	2,391	1,807	1,995	909	1,791

¹ Represents the average earnings of the first half of 1921 multiplied by 2.

² Represents the average earnings of the first half of 1921 multiplied by 2, the product being reduced by the percentage ordered in the Labor Board decision of June 1, effective July 1, varying from 8 to 16 per cent for the various classes.

PART II OF TABLE I.—Increase in earnings compared with cost of living. [Earnings and cost of living in 1900 used as base of 100.]

	Cost of living.	All employees.	Engineers.	Firemen.	Conductors.	Trainmen.	Machinists.	Trackmen.	Telegraph operators.
1900....	100	100	100	100	100	100	100	100	100
1907....	119	113	115	115	114	123	120	119	116
1913....	145	134	143	143	141	162	143	140	135
1917....	194	177	171	187	196	205	200	193	159
1921 ¹	270	316	246	318	263	336	315	345	311
1921 ²	264	278	227	286	239	299	286	289	270

¹ Represents the actual earnings of the first half of 1921 multiplied by 2.

² Represents the actual earnings of the first half of 1921 multiplied by 2, the product being reduced by the percentage ordered in the Labor Board decision of June 1, effective July 1, varying from 8 to 16 per cent for the various classes.

The increases shown in the first part of this table upon first sight appear large. The advance from \$567 average for all employees in 1900 to \$1,575 in 1921 seems to be very substantial and sufficient to compensate for every change that has taken place. But this impression is dissipated when we examine the second part of the table and see the enormous increase in the cost of living that has taken place during the same period. One also feels a distinct shock when he discovers what miserable wages the railway men were receiving in 1900 and the other glorious, golden years of "normalcy." Think of it, Senators, the average earnings of all railway employees, high and low, in 1900 was only \$567, or at the rate of less than \$2 a day. That was the wage upon which a man was expected to raise and educate a family, care for them in sickness and health, and lay by a few dollars for the day when he would become

too old or too broken to perform the hazardous and strenuous work of the railroads and be thrown on the scrap heap by the relentless demands for ever-increasing efficiency, or put to tending crossings at a dollar a day.

Five hundred and sixty-seven dollars was the average earning of railway employees of the country in the year 1900. I do not believe it is possible to find even a railroad president or a banker to-day who will deny that such wages were far below any decent American standard.

Keeping this fact in mind, that the railroad workers were thus underpaid before the war, let us examine Part II of the table. This shows us that the railroad workers, as a whole, have barely kept pace with the increased cost of living, and that the most-favored occupations have at the very most only made up a small part of the amount by which they were underpaid in prewar days. We find that the only groups whose earnings have increased as fast as the increase in the cost of living are those who in 1900 were earning \$2 a day or less. The earnings of the engineers and conductors, whom the railroad propagandists constantly denounce as men whose wages have been exorbitantly increased as a result of the war, have, as these figures clearly show, fallen far behind the increase in the cost of living, and they are actually worse off than they were at the beginning of the century.

In preparing this table I have not taken into account the enormous losses in earning power resulting from recent rulings of the Railroad Labor Board depriving employees of compensation for overtime and other valuable rights which they have enjoyed many years. Nor have I taken into consideration the reduction in earnings due to the illegal practice in which some of the railroads have engaged of subcontracting their shop work, their maintenance, and even some of their operating services, in order to reduce the wages of the workers and destroy their organizations. The losses in earning power as a result of these rulings have been conservatively estimated at \$100,000,000, or about \$62 for each employee.

If these factors are taken into account and proper allowances made for them, it will be found that the wages of railroad employees have lagged behind the increase in the cost of living and that they are therefore less well off than they were in 1900, when they were earning an average of \$567 a year.

In order to demonstrate clearly the effects of the constantly decreasing purchasing power of wages, I have prepared a separate table (Table II) which shows the buying power of the railway men's wages in terms of the value which the dollar possessed in 1900.

The number of dollars which a workman may receive for the services of a day, a month, or a year means very little. It is the purchasing power of that dollar which counts. So, in order to gain any idea of the actual earnings of railroad labor at the present time and to compare it with its earnings in the past, it was necessary to translate both into purchasing power at some given time. That I have done in Table II in connection with the figures showing the change in living cost during the same period. I have taken the year 1900 as the base at which the purchasing power of the dollar represents 100 cents. During the 21 years which have followed the buying power of the dollar has declined until to-day it stands at only 38 cents. Prior to 1913 there were no figures available on living cost except the figures for food. Subsequent to that time all other items which go to make up the cost of living—clothing, fuel, rent, and miscellaneous expenses—have entered into the calculation of the Department of Labor, so that we now have a well-balanced set of figures available.

But it is significant that food prices have corresponded substantially with the prices of the other commodities, so there is little doubt that the measurement of the dollar prior to 1913 by its purchasing power of food is substantially correct when applied to the general cost of living.

THE BUYING POWER OF RAILWAY WAGES.

TABLE II.—Buying power, in dollars of average annual earnings of railroad employees (basis of purchasing power of the dollar in 1900).

	All employees.	Engineers.	Firemen.	Conductors.	Trainmen.	Machinists.	Trackmen.	Telegraph operators.
1900....	\$567	\$1,161	\$662	\$1,004	\$604	\$698	\$311	\$641
1907....	538	1,126	637	960	626	706	311	622
1913....	522	1,146	658	971	673	695	301	596
1917....	520	1,062	644	1,022	643	725	313	529
1921 ¹	662	1,057	778	972	751	815	397	736
1921 ²	599	999	719	909	687	753	342	681

¹ First six months.

² Second six months.

The following figures represent the changes in the purchasing power of \$1 as used in making the above calculations:

1900	\$1.00
1907	.84
1913	.69
1917	.52
1921 (first six months)	.37
1921 (second six months)	.38

The figures for 1900 and 1907 represent the purchasing power of the dollar in terms of the cost of food only, but for the other years in terms of all items entering into the cost of living, as reported by the Bureau of Labor Statistics.

This table, to my mind, presents the actual situation of the railway employees accurately and impressively. No honest mind can examine these figures without being convinced that the wages of the workers on the railroads can not be cut, under present conditions, without inflicting a grave injustice upon this splendid body of men of whom the Railroad Labor Board in its first decision said:

This long delay and succession of disappointments, coupled with the pressure of the further rise in living costs, produced deep and not unreasonable dissatisfaction on the part of railroad employees who felt themselves called on to make sacrifices, as they believed, far beyond those of any other class. Nevertheless, the great majority have continued to serve and to conduct the transportation of the country, awaiting with disciplined and patriotic patience the reduction of living costs, the decision of the director general on their requests, the action of Congress, the conclusion of the conference, the appointment of this board, the presentation of evidence to it and its decision.

It is worth while to analyze these figures in some detail. We find that during the first 13 years of the century the advance in the average earnings of all employees fell so far short of the constant increase in the cost of living that at the beginning of the World War they had actually lost \$45 a year in buying power. Now, this would not have been so serious a matter if these men had been well paid at the beginning of the century. But they were not. Those were the days of the "full dinner pail," but in spite of extravagant promises and fervid oratory the dinner pails of the railroad workers with their earnings of \$567 a year could not have been filled with anything more substantial than hot air. So when they were robbed by the rapid inflation of prices of \$45 a year, leaving them with an actual buying power of only \$522 a year, this great group of Americans, in many respects the very backbone of the Nation, were actually in poverty.

And yet the cost of living had been rapidly advancing from 1913 on through 1914, 1915, 1916, and 1917, but these railroad workers had been held down, subjected to conditions that reduced their buying power in 1917 below that of 1913. They remained at this miserable level until 1918, their buying power in 1917 being actually \$2 less than in 1913. Then the United States went to war and the railroad employees came to occupy a strategic position, more important perhaps than that of any other group, unless it be the American sailor. The movement of troops, munitions, food, raw materials, and supplies of all kinds depended upon the railroad workers of the United States. Underpaid and overworked during the great traffic jams of 1916 and 1917—who can forget them?—which brought the railway corporations the greatest profits in the history of those organizations—the railway men might have used their power to extort any wages and working conditions they chose to demand. But they did not; they stuck to their posts through the terrible winter of 1917-18 until the privately managed railroads broke down and the Government was forced to assume control.

One of the first acts of the Railroad Administration was to do what the private owners had always refused to do. They created a commission. Do you remember about it? It was headed by the late Franklin K. Lane, then Secretary of the Interior. It was a commission to study and readjust the wages of all railroad employees. The work of that commission was done imperfectly and with great conservatism, but it resulted in what appeared to be large increases, because the Lane commission in this one readjustment had to make up all the deficit in buying power which the private owners had inflicted upon the workers during the preceding 18 years. The Lane commission submitted a report, from which I want to put into the RECORD two or three paragraphs. I should like to burn them into the minds of Senators. Listen to what that commission said:

It has been a somewhat popular impression that railroad employees were among the most highly paid workers. But figures gathered from all the railroads dispose of this belief. Fifty-one per cent of all employed during December, 1917, received \$75 per month or less.

Think of it! In 1917 the cost of living had gone up 42 per cent over what it had been in 1913, and yet 51 per cent of the railway employees were trying to keep the breath of life in a family on \$75 a month. They stuck to their posts and worked all through that terrible winter. The report continues—
and 80 per cent received \$100 per month or less.

The cost of living, however, as they got into 1918 had increased 74 per cent; it had almost doubled before the Lane commission got to work. Talk about loyalty to this Government! Find me some other band of men who equaled the loyalty of the railroad employees during that period.

What were those employees doing? What were the shipbuilders on Hog Island doing throughout this period? All the business organizations of this country were plundering the Government in its hour of need, and they are now making this crusade against the railway employees of the country to squeeze out of them the small real increases that have been made—and there have been very few actual increases made—in the earning power of their wages in 20 years.

Mr. President, it is difficult to find language in which to characterize the despicable, the diabolical character of this crusade that has been prosecuted and to which the press has loaned itself. Business organizations have adopted resolutions, and the Farmers' Conference that was in session here the other day passed a resolution to the effect that the wages of railway employees must be reduced, becoming the mere tools of the owners of the railway properties and of the other big business combinations combined with them in order to make this raid on labor.

I quote further from the Lane commission report, as follows:

The greatest number of employees on all the roads fall into the class receiving between \$50 and \$65 per month, 181,693, while within the range of the next \$10 in monthly salary there is a total of 312,761 persons.

Just think, Mr. President and Senators, of the heads of families trying to maintain a family, to clothe them, to heat the homes, to pay the doctors' bills, to keep the children in school in 1918 on \$50 a month when the cost of living was 74 per cent higher than it was in 1913. Think of these employees, receiving no advances in their pay, trying to take care of a family on from \$50 to \$60 a month! The report continues:

In December, 1917, there were 111,477 clerks receiving annual pay of \$900 or less. In 1917 the average pay of this class was but \$56.77 per month. There were 270,855 section men, whose average pay as a class was \$50.31 per month; 121,000 other unskilled laborers, whose average pay was \$58.25 per month; 130,075 station-service employees, whose average pay was \$58.57 per month; 75,325 road freight brakemen and flagmen, whose average pay was \$100.17 per month; and 16,455 road passenger brakemen and flagmen, whose average pay was \$91.10 per month.

They say further:

These, it is to be noted, are not prewar figures; they represent conditions after a year of war and two years of rising prices. And each dollar now represents in its power to purchase a place in which to live, food to eat, and clothing to wear, but 71 cents, as against 100 cents on January 1, 1916.

That shows how rapidly the purchasing power of the dollar had declined.

The wage increase provided for by the Lane Commission was followed by other wage readjustments made necessary by the ever-mounting prices of the necessities of life, until during the first half of 1921, after the return of the railroads to private operation, the earnings of railroad employees were raised by the Railroad Labor Board to their highest point.

THE RAILROAD CORPORATION'S PROPAGANDA.

Then it was that the floods of railroad propaganda were turned loose, at a cost of millions of dollars, to damn these workers in the eyes of their fellow men. Full-page advertisements pilloried them in every newspaper in the United States as the cause of every evil, real and imaginary, from which the Nation was suffering. And all this expense was added to the cost of transportation.

What was the giddy height of wealth and affluence to which these workers had been raised so that the profiteers were forgotten while they were denounced? What were the princely incomes of this new class of war-made plutocrats? Oh, Mr. President and Senators, listen while I reveal the facts. They were actually earning—these 2,000,000 men who run the Nation's railroads—at the very peak of their affluence at an average rate which would have yielded them \$1,790 a year, \$10 less than Henry Ford pays the humblest and most unskilled worker in any of his plants or on his railroad. Mr. Ford pays a minimum wage of \$6 a day and runs full time 300 working days a year.

But this \$1,790 a year was in terms of the inflated dollars of 1921, which were worth only 38 cents in terms of the commodity prices of 20 years before. In terms of the buying power of the dollars of 1900 this \$1,790 was worth only \$662. This is the wealth in which the railroad workers were rolling at the very height of their earning power—the equivalent of just about \$2 a day in terms of the days of normalcy and the full dinner pail.

But this did not last long, for with the decision of the Railroad Labor Board in June, 1921, the era of wage increases ended and the period of wage cutting began. By this one decision the wages of railroad employees were cut so their earning power was reduced to the level of a buying power of only \$599 in the values of 1900. The effect of this decision is shown in table 2, but it has not been possible to include in that table the effects of subsequent decisions of the board and the growth of the practice of subcontracting, which have reduced railway employees' earning power by an amount which can not be exactly calculated, but which may be conservatively estimated at \$100,000,000 a year.

Thus the incomes of railroad employees as a whole have now been reduced to the magnificent level of some \$567 in purchasing power at which they were when the century began. They are back exactly where they started.

It is just like Alice in Wonderland. Do you remember how in "Through the Looking Glass" Alice and the White Queen started to run and for a long time ran so hard that Alice was quite exhausted and looking round her in surprise said to the White Queen:

"Why, I do believe we've been under this tree the whole time! Everything's just as it was!"

"Of course it is," said the Queen. "What would you have it?"

"Well, in our country," said Alice, still panting a little, "you'd generally get to somewhere else if you ran very fast for a long time, as we've been doing."

"A slow sort of a country!" said the Queen. "Now, here, you see, it takes all the running you can do to keep in the same place. If you want to get somewhere else, you must run at least twice as fast as that."

So in this plunderland the railroad employees, like little Alice, have been running for 20 years and are now back exactly where they started.

But while the railway men as a whole have thus managed to maintain their buying power some of them have actually suffered a considerable decrease. The engineers, who began the century with \$1,161 a year, now have a buying power in terms of the same values of only \$999. The conductors from a buying power of \$1,004 have now declined to \$909.

Thus it is that the decline of the dollar from a commodity value of 100 cents in 1900 to 69 cents in 1913 and then to 38 cents in 1921 has wiped out all the apparent gains which the railway workers have been able to secure either through the work of their organizations or as a result of the supposed generosity of those who administered the railways during the period of Federal control.

Table I is the same as Table II, except that it shows in percentages what Table II shows in actual figures. Table III is as follows:

TABLE III.—Buying power of average annual earnings of railroad employes (1900-1921).

Year.	All employes.	Engineers.	Firemen.	Conductors.	Trainmen.	Machinists.	Trackmen.	Telegraph operators.
1900.	100	100	100	100	100	100	100	100
1907.	95	97	96	96	104	101	100	97
1913.	92	99	100	97	111	100	97	93
1917.	91	91	96	101	105	103	100	82
1921 (1).	117	91	118	97	125	117	128	115
1921 (2).	105	86	108	90	113	108	110	108

¹ First half.

² Second half.

This table which assumes 1900 as the base of 100 per cent shows, using as an illustration the engineers, that the wages of the engineer in 1907 while higher than his wages in 1900 by the difference between \$1,161 and \$1,340, in reality had 97 per cent of the purchasing power in 1907 which his earnings had in 1900. In the same way it will be observed that the purchasing power of the earnings of the engineers in 1921, as shown by the table, is but 86 per cent of the purchasing power of his far smaller earnings in 1900.

The Harvard bureau of economic research has made a careful study of the physical volume of goods produced in the United States since 1899. Its results are published in the Review of Economic Statistics issued by the bureau for the month of September, 1919, to January, 1920. They show that from 1900 to 1917, while population increased 34 per cent, the physical production of agriculture, mining, and manufacture in the United States increased 83 per cent. In other words, the physical production of goods per capita increased by more than one-third from 1900 to 1917. We are certainly safe in assuming that the increase from 1900 to 1921 was therefore at least 30 per cent. This means an increase of 30 per cent per capita in the output of our industries in actual physical goods. If labor,

therefore, is simply to hold its own and receive the same relative proportion of the total product it received in 1900, it would be necessary for the buying power of the earnings of labor to be increased by 30 per cent.

The proportion going to labor on any sound economic theory ought to be even larger than that shown on Table IV. Labor ought to demand and ought to receive not the same proportion of the product that it received in 1900 but an increased proportion. To whom does this increased product go if no part of it goes to labor? The answer is plain. It must go to capital. It must go to swell the great fortunes. To deny to labor the right to share in the increased product and wealth of the country is to make it an outcast in its own home. It is to reduce it to a permanent static position above which it can never hope to rise.

I have so far purposely refrained from dealing with standards of living. I do not believe that the wages of labor anywhere should be fixed merely by answering the question how little labor can receive and still function efficiently. I believe that labor should share in the ever-increasing wealth of the country.

President Harding will not be charged certainly with any undue bias in favor of labor, not by anyone who knows him, and knows his record when he was a Member of this body. In an address in New York City on May 23 last, as reported in the press of the country on May 24, he laid down the principle I assume he proposes that his administration shall apply in fixing the compensation of labor wherever that becomes a Government function. As reported in the press of the country on May 24, he said:

In our effort at establishing industrial justice we must see that the wage earner is placed in an economically sound position. His lowest wage must be enough for comfort, enough to make his house a home, enough to insure that the struggle for existence shall not crowd out the things truly worth living for. There must be provision for education, for recreation, and a margin for savings. There must be such freedom of action as will insure full play to the individual's ability.

This, you will see, is what the President promises as the minimum. It is that to which the lowest paid worker is entitled and which he should receive wherever the fixing of his wage becomes a function of the Federal Government, if the declaration of the President is made good.

Now, let us go one step further and see whether the wages which railroad labor is receiving to-day are enough "to make his house a home." Is it enough to assure him those "things truly worth living for"? Is it enough to insure "education for his children"? Is it enough to provide for himself and his family even the humblest "recreation"? What is the "margin for savings" which is left railroad labor on the basis at which it is being paid at present?

These are questions which can be easily answered. The field of living costs is one that has been rather completely covered during the last few years. During the years 1906 to 1914 four studies of living costs were made, and since 1917 no less than 13 other investigations of the same character have been completed. The method of making these studies has been to list the articles necessary to maintain a workingman's family, and then to find out the market price of each of these articles. These studies have taken as a base a husband, wife, and three children of dependent ages, on the assumption that the living wage must consider the family as the unit, if the race is to be perpetuated. The best of these studies probably was that made by the United States Bureau of Labor Statistics during 1919 and 1920. The present cost of the decency and comfort budget for the ordinary industrial worker published by that bureau in 1920 is at least \$2,200, and the average cost of seven decency and comfort budgets worked out by various public and private organizations stood at \$1,970 in May, 1921, when food prices were substantially below their present level. Bear in mind that these decency and comfort budgets are not as liberal as that demanded by President Harding in the speech from which I have just quoted. Thus the Bureau of Labor Statistics says of its budget of \$2,200 per year for the laborer and his family:

It needs to be emphasized that the budget level adopted in the present study is in no way intended as an ideal budget. It was intended to establish a bottom level of health and decency below which a family can not go without danger of physical and moral deterioration. This budget does not include many comforts which should be included in a proper "American standard of living." Thus, no provision is directly made for savings other than insurance, nor for vacations, nor for books and other educational purposes.

Now, turn to your table of railroad wages and take even the exaggerated figures for 1921, and you find that the only two classes of railroad labor which even approach the health and decency level are the conductors and the engineers.

All others are far below it. And mind you, this is not the level that President Harding has promised. It is a level far below that. The telegraphers, a highly skilled body of men,

upon whose accuracy and faithfulness and skill and alertness the operation and the movement of the trains must depend, are short by over \$400 annually of the decency and comfort level of living. The trackmen, upon whose labor the maintenance of the entire railroad system of the country is dependent, now receive only \$900 a year. They are thus \$1,300 below the amount which has been fixed as the minimum level upon which a family can be maintained in health and decency. I wish to call your attention to the fact that it was to this class of labor that President Harding referred specifically when he stated on May 24:

We must see that the wage earner is placed in an economically sound position. His lowest wage must be enough for comfort, enough to make his house a home, enough to insure that the struggle for existence shall not crowd out the things truly worth living for.

This clear-cut enunciation by the President has been entirely ignored by the Railroad Labor Board in fixing the wages of railroad employees. Refusing to recognize that the track laborers, like almost every other class of railroad employees, were already below the level at which a decent living could be maintained, this board or arbitrators, in fixing the new wage scale to take effect as of July 1, 1921, ordered a drastic cut, averaging 12½ per cent, in the wages of all employees. Not only did they ignore the maxim of the President by reducing the general level of railroad wages, but they went still further and imposed the heaviest cuts upon those classes of employees who were already lowest paid and who were, therefore, least able to bear the burdens. They reduced the wages of the more highly paid employees 8 per cent, but they cut the wages of the trackmen and other low-paid laborers 16 per cent. This is, in my opinion, one of the most cruel and indefensible acts ever perpetrated by a governmental institution. So far as I can discover these low-paid laborers were selected for slaughter by the Railroad Labor Board because it was believed that in the existing condition of unemployment these men were least able to offer effective resistance.

Think of it, Senators! Here we have the largest single class of railroad employees, numbering more than 300,000 men who, in rain and snow, under the broiling sun of midsummer, and in the icy blasts of winter, perform heavy and disagreeable labor. By the decision of a Government board these men have had their wages reduced to a point where they are now able to earn only \$900 a year. This is equal to only \$3 a day, or \$18 a week. In terms of the purchasing power of money in 1900, the \$900 a year which these men now have an opportunity to earn is equal to only \$341. In other words, in terms of the actual buying power of money, these men are reduced to the level of \$1 a day. Every mature man knows that it has not been possible, at least in the Northern and Western States, to hire men for \$1 a day since the famine period of the nineties.

But this is only a foretaste of what the railroads hope to do to labor, if they are able to bend the Railroad Labor Board to their will, or, failing that, to evade the provisions of the transportation act by turning over their maintenance work and a large part of their operation to subcontractors. If they are able to do either of these things, they hope and expect to reduce the wages of trackmen to an actual rate of \$1.50 for a 10-hour day, which will be equivalent, in the purchasing power of 1900, to only 59 cents.

This may seem to be a sensational charge, but let me read you from the Wall Street Journal of January 12, 1922:

The carriers have announced their intention, subject to conferences with their employees and the rulings of the Railroad Labor Board, to reduce the wages of men in the train service 10 per cent from the present scale and wages of all other employees to the levels paid for similar labor in the various markets for such labor.

A few of the carriers are already effecting some of these savings, and it is interesting to consider what one of them—the St. Louis-San Francisco—is accomplishing in this way by letting maintenance and even some operating work on contract.

In a free labor market labor, if employed at all, will be employed at the market, and private contractors, were the carriers thus permitted to hire labor at the market, would have no advantage over the railroads. * * * The St. Louis-San Francisco was engaged in 1921 in re-laying with heavier steel a good deal of light rail in Alabama, Mississippi, Oklahoma, and Texas. If the company had undertaken the work on its own account, it would have had to pay the track laborers the board's scale of 38 cents an hour. At these wages it is estimated that the labor cost of the steel laying would have been \$550 a mile. The contract cost of this work was actually \$350 a mile, a saving of \$200, or about 36 per cent.

But this is only part of the case against the Labor Board. The contractors have to make a profit. The track workers employed by them received \$1.50 a day for 10 hours, or 15 cents an hour. * * *

What Frisco achieved could have been accomplished by other roads, and was accomplished by a few, as the result of contract work. The difference between what was and what might have been is a deficit to the fixation of wages and working conditions by Government.

The inevitable conclusion from this article is that the railroads hope and expect that they will be able, if they succeed in their purposes, to force labor to accept employment at a dollar and a half for a 10-hour day. In terms of actual buying power

this \$1.50 would be worth only what 85 cents would buy in 1913 and what 59 cents would buy in 1900. This would be less than Chinese coolies were paid in the days when the Pacific railroads were permitted to import them freely and to exploit them unmercifully.

I do not believe that the railroads can by any possibility succeed in forcing the wages of American labor down to any such level. But I take a much stronger position on this subject than simply warning against drastic wage reductions. I assert that under existing conditions any further reductions in railroad wages are unjustified, and if made will produce economic disaster.

WHAT HAS CAUSED THE DEPRESSION?

Merchants and manufacturers are wondering to-day where their markets have gone. Farmers are in despair because they are unable to sell their crops. Why is this? It is in large part because the men who do the Nation's work in factories, on railroads, or in mines, either through wage cuts or through unemployment, have been deprived of the purchasing power with which to buy the food, clothing, and other necessities of life in normal quantities.

You may not realize it, gentlemen, but these despised industrial workers, whose toil and sweat drives the wheels of the railroad, the factory, and the mine, together with their families, constitute more than half the population of the country and consume an ever greater proportion of the Nation's staple products—its corn, its wheat, and its cotton. They use little wool and less silk and consume little or none of the products of the luxury trades, but they are the great market for the things the farmer produces.

All the millionaires in the United States could stop eating and cease to wear clothes and the markets for wheat, corn, and cotton, susceptible as they are to the slightest influence, would not notice the difference. But let the fifty-five millions who make up the families of America's workers be forced by wage cuts or unemployment to curtail their purchases at the grocery and clothing stores, and the inevitable result is a depression, if not a panic, in every market for staple products in the United States, and even the markets in Liverpool will feel the shock.

When the workers are well paid and steadily employed, there is prosperity and a good market, not only for merchants but for farmers and manufacturers as well. When half the workers are on the streets seeking employment, and the other half are being paid wages insufficient to maintain a decent standard of living, there is commercial and agricultural stagnation and depression, which all the unemployment conferences and agricultural conferences in the world can not relieve or even appreciably alleviate.

This is the great economic truth which every statesman must realize. It is so self-evident that a child in grammar school can understand it. And yet it is ignored and violated every day by those who are now in control of the destinies of this Nation.

The masters of American finance and business devoted the year 1920 to "deflating" the farmers, using as their agency the Federal reserve system, the most powerful and ruthless financial instrument ever constructed by human ingenuity. Through their machinations the producers of corn, cotton, and wheat have been ruined, and despair fills the countryside in every agricultural district.

The year 1921 has been devoted by these same masters of business and credit to the infernal, but not less congenial, task of "deflating" labor and destroying their unions, which alone stand between them and serfdom. In this they have, thank God, not yet fully succeeded. Labor, unlike the farmers, was not so vulnerable to the weapon of concentrated credit control by which the agricultural producers were forced to throw their crops on the market at an enormous sacrifice. Labor has been crushed by the slower but not less formidable processes of unemployment and wage cutting. So to-day five or six millions of toilers in the United States are out of work and their families are hungry, largely to the end that their spirit may be crushed and a new generation of serfs may be bred. The United States Supreme Court and the lower courts are depriving the workers of their weapons of defense one by one and seeking to bind them with chains, so that their masters may with impunity scourge them into submission.

This alliance of the Federal courts and the vested interests for the conquest of labor may succeed. I pray that it may not, but I sometimes fear that it may. No such powerful combination has ever been arrayed together for an evil purpose in the history of this country. In comparison with it the slave power, with its representatives sitting arrogantly in the Senate and House and with its spokesman as Chief Justice of the

Supreme Court delivering the Dred Scott decision, pales into insignificance by the record that is being made by the Federal courts in our own time.

This effort to crush labor and reduce the free-born American workers to the condition of Russian serfs may succeed, although I still have such faith in the courage and the integrity of the American people that I believe they will finally achieve a glorious victory as overwhelming as that which crushed the slave power in 1865. But, in any event, success can be achieved by these sinister forces only after a period of strife and chaos which is too horrible to contemplate, and their success, however and whenever accomplished, will mark the downfall of the American Republic.

I thank Senators for their very patient attention and attendance during the delivery of this address.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATION.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1923, and for other purposes.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading was resumed at line 10, page 24.

The next amendment was, on page 28, after line 16, to insert:

The Public Buildings Commission (the commission in charge of the State, War, and Navy Departments Buildings, to wit, the Secretary of State, the Secretary of War, and the Secretary of the Navy) is hereby authorized and directed to acquire by purchase, so far as they may be able to at prices deemed by them to be reasonable and fair, otherwise by condemnation in accordance with the provisions of the act of Congress, approved August 30, 1890, providing for a site for the enlargement of the Government Printing Office, the following squares of land for public purposes, to wit, the whole of squares known as numbers east of 87; east of 88; 124; 125; 145; 146; and 147, in the city of Washington, D. C., as officially recorded in the office of the surveyor, District of Columbia. The commission is further authorized to reduce the area to be acquired where by reason of improvements constructed, or unreasonable prices asked, or for other reasons in their judgment the public interests may require: *Provided*, That if acquired by purchase, the cost of the squares, including expenses incident thereto, shall not exceed the sum of \$1,500,000, which sum is hereby authorized and the same is hereby appropriated: *Provided further*, That the squares authorized to be acquired herein shall be under the control of the superintendent of the State, War, and Navy Departments Buildings.

Mr. WARREN. I move an amendment to the committee amendment. On page 28, line 17, I move to strike out the words "the Public Buildings Commission" and insert in lieu the word "the."

The amendment to the amendment was agreed to.

Mr. WARREN. There is another amendment to the committee amendment on the same page which I offer. On line 20, page 28, I move to strike out the parenthesis after the word "Navy" and insert in lieu thereof a comma.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 29, line 25, to strike out "\$300,000" and to insert "\$375,000," so as to read:

For salaries and expenses of the United States Tariff Commission, including purchase and exchange of labor-saving devices, the purchase of professional and scientific books, law books, books of reference, and periodicals as may be necessary, as authorized under Title VII of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, \$375,000.

The amendment was agreed to.

The next amendment was, on page 30, after line 19, in the appropriation for the United States Shipping Board, to strike out the following paragraph:

No part of the moneys appropriated or made available by this act shall be used or expended for the purchase, acquirement, repair, or reconditioning of any vessel, commodity, article, or thing which, at the time of the proposed purchase, acquirement, repair, or reconditioning, can be manufactured, produced, repaired, or reconditioned in each or any of the Government navy yards or arsenals of the United States for a sum less than it can be purchased, acquired, repaired, or reconditioned otherwise: *Provided*, That this limitation shall only apply to vessels while in the harbors of the United States, and all expenditures in connection with such work are to be considered in estimating the cost.

Mr. WARREN. That amendment was laid aside the other day because several Senators are interested in a particular item, so I ask that it may be passed over temporarily.

The VICE PRESIDENT. Without objection, it will be passed over.

The next amendment was, under the subhead "Emergency shipping fund," on page 32, line 1, after the word "ships," at the end of the line, to insert: "and (d) \$55,000,000 from moneys collected from mortgages, leases, accounts, and bills receivable other than those arising from current operations, and from moneys collected from the sale of ships, plants, material, securities, and other assets, prior to July 1, 1923, less such por-

tion of said \$55,000,000 which shall have been collected during the fiscal year 1922 under the provisions of an act entitled 'An act making appropriation for sundry civil expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes,' approved March 4, 1921," so as to make the proviso to the emergency shipping appropriation fund read:

Provided, That no part of this sum shall be used for the payment of claims other than those resulting from the current maintenance and operation of vessels; (c) the amount received during the fiscal year 1923 from the operation of ships; and (d) \$55,000,000 from moneys collected from mortgages, etc.

The amendment was agreed to.

The next amendment was, on page 32, line 11, after the figures "1921," to strike out the proviso in the following words:

Provided, That no part of the sums hereinbefore appropriated shall be used to pay a greater sum than 5 per cent as commissions for the placing of advertising matter contracted for.

The amendment was agreed to.

The next amendment was, on page 32, line 23, after the word "representatives," to insert "or arising out of any legal obligations on the part of said board or corporation," so as to make the paragraph read:

For the payment of claims, damage charges and miscellaneous adjustments, authorized under the provisions of the merchant marine act, 1920, \$50,000,000, of which \$30,000,000 shall be immediately available: *Provided*, That no claim shall be paid out of the amount appropriated herein unless the Shipping Board shall find that such claim grew out of an agreement, express or implied, entered into with United States Shipping Board or the Emergency Fleet Corporation or their legal representatives or arising out of any legal obligations on the part of said board or corporation.

The amendment was agreed to.

The next amendment was, on page 33, line 5, before the word "newspapers," to strike out "bulletins," so as to make the paragraph read:

No part of the funds appropriated or made available in this act for the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be expended for the preparation, printing, publication, or distribution of any newspapers, magazines, journals, or other periodicals, or for services in connection therewith, not including, however, the preparation and printing of documents and reports authorized and required to be issued by law.

The amendment was agreed to.

The next amendment was, on page 33, to strike out lines 16 to 20 in the following words: "Not more than six officers or employees of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be paid an annual salary or compensation in excess of \$11,000. But no compensation or salary shall exceed \$25,000," and in lieu thereof to insert: "Not more than 13 officers or employees, including 7 attorneys, of the United States Shipping Board or the United States Shipping Board Emergency Fleet Corporation shall be paid an annual salary or compensation in excess of \$11,000."

The amendment was agreed to.

The next amendment was, on page 34, line 3, after the word "employees," to insert "and all auditing of every nature requiring the services of outside auditors shall be furnished through the Bureau of Efficiency."

The amendment was agreed to.

The next amendment was, in the items for the United States Veterans' Bureau, on page 35, line 23, after the word "vehicles," to insert "including not exceeding 10 passenger-carrying vehicles at a gross cost not exceeding \$7,500."

Mr. WARREN. I ask that the amendment be rejected, as I have an amendment to offer covering it.

The amendment was rejected.

Mr. WARREN. I now send to the desk an amendment to come in at this point, which I ask may be adopted.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 35, line 23, after the word "investigation," insert the words "passenger carrying and other," so as to read "passenger carrying and other motor vehicles."

The amendment was agreed to.

Mr. WARREN. I send to the desk another amendment to come in at this point.

The VICE PRESIDENT. The amendment will be stated.

The READING CLERK. On page 36, line 1, after the word "same," insert:

and not to exceed 10 passenger-carrying vehicles at a total cost of not exceeding \$7,500 may be purchased.

The amendment was agreed to.

The next amendment was, on page 36, line 4, to strike out "\$25,815,942" and to insert "\$34,970,974.65," so as to read:

For carrying out the provisions of an act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau and to further amend and modify the war risk insurance act approved August 9, 1921," including salaries and expenses of the

central office at Washington, D. C., and regional offices and suboffices, and including salaries, stationery and minor office supplies, furniture, equipment and supplies, printing and binding, rentals and alterations, heat, light, and water, miscellaneous expenses, including telephones, telegrams, freight, express, law books, books of reference, periodicals, ambulance service, towel service, laundry service, repairs to equipment, storage, ice, taxi service, car fare, stamps and box rent, traveling and subsistence, salaries and expenses of employees engaged in field investigation, passenger-carrying and other motor vehicles, including purchase, maintenance, repairs, and operation of same, and not to exceed 10 passenger-carrying vehicles at a total cost of \$7,500 may be purchased, salaries and operating expenses of the Arlington Building and annex, including repairs and mechanical equipment, fuel, electric current, ice, ash removal, and miscellaneous items, \$34,970,974.65.

The amendment was agreed to.

The next amendment was, under the subhead "United States Veterans' Bureau," on page 36, line 16, to strike out "\$160,000,000" and to insert "\$145,000,000 and not exceeding \$15,000,000 of any unexpended balance for this purpose," so as to read:

Compensation: For military and naval compensation for death or disability, \$145,000,000 and not exceeding \$15,000,000 of any unexpended balance for this purpose.

The amendment was agreed to.

The next amendment was, on page 38, line 21, to strike out "\$127,000,000" and to insert "\$146,409,188.80," so as to read:

Vocational rehabilitation: For carrying out the provisions of the act entitled "An act to provide for the vocational rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, as amended, \$146,409,188.80.

The amendment was agreed to.

The next amendment was, on page 38, line 24, after the word "cantonment," to insert "acquired for use as a training center, except Camp Sherman, Chillicothe, Ohio," so as to make the proviso read:

Provided, That no part of the foregoing sum shall be used for the establishment, maintenance, or operation of training schools at any Army camp or cantonment acquired for use as a training center, except Camp Sherman, Chillicothe, Ohio.

The amendment was agreed to.

The next amendment was, at the top of page 39, to strike out the additional proviso in the following words:

Provided further, That no part of the foregoing appropriation shall be expended for construction work except necessary minor repairs.

The amendment was agreed to.

The VICE PRESIDENT. The reading of the bill is completed. The first amendment passed over is on page 5.

Mr. LODGE and Mr. CARAWAY rose.

Mr. WARREN. Does the Senator from Arkansas [Mr. CARAWAY] desire to speak on the amendment upon page 5?

Mr. CARAWAY. I was going to suggest that it be passed over temporarily, in order that we may consider the amendment which, I understand, the Senator from Massachusetts wishes to present.

Mr. WARREN. Very well.

Mr. LODGE. On page 30, where the committee proposes to strike out from line 20 on that page to and including line 6, on page 31, in lieu of the words inserted by the House I move to insert what I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The ASSISTANT SECRETARY. On page 30, lines 20 to 25, and page 31, lines 1 to 6, in lieu of the words proposed by the committee to be stricken out insert:

No part of the moneys appropriated or made available by this act shall be used or expended for the repair or reconditioning of any vessel owned or controlled by the Government, if the expense of such repair or reconditioning is in excess of \$5,000, or if the cost of said repair or reconditioning requires that estimates should be made, until an opportunity has been given to the Government navy yards to estimate upon the cost of such repair or reconditioning if performed by said navy yards; *Provided*, That this limitation shall only apply to vessels while in the harbors of the United States, and all expenditures in connection with such work are to be considered in estimating the cost; *And provided further*, That the provisions of this clause shall take effect upon the passage of the act.

Mr. WARREN. I have no objection to the amendment.

Mr. JONES of Washington. Mr. President, I do not think the amendment should be agreed to. In the first place, I do not think there ought to be any limitation upon the matter of appropriation for the care of this shipping. It is really a private business, a private concern carried on by an agency of the Government. It will be carried on just as economically as possible, and it can not be carried on economically if Congress limits the discretion of those whom we have placed in authority and in charge of the work. I do not think there should be any limitation at all.

However, taking the amendment as suggested, I doubt if it really carries out in language what the Senator intended, and I wish to call the attention of the Senator from Massachusetts to the language of the amendment, which reads:

No part of the moneys appropriated or made available by this act shall be used or expended for the repair or reconditioning of any vessel owned or controlled by the Government of the United States if the expense of such repair or reconditioning is in excess of \$5,000.

Then it continues with the word "or." I take it that that part of it is complete, although that probably was not the intention. It then reads:

Or if the cost of said repair or reconditioning requires that estimates should be made, until an opportunity has been given to the Government navy yards to estimate upon the cost of such repair or reconditioning.

I think the phrase "until an opportunity has been given" does not relate to the first part at all.

Mr. LODGE. It was intended to do so.

Mr. JONES of Washington. I thought it was. The word "and" instead of the word "or" would probably cure that.

Mr. LODGE. I have no objection to that change.

Mr. JONES of Washington. But this requires, if the expense is \$5,000 or more, that the matter shall be submitted to the navy yards of the United States; in other words, every navy yard in the United States would be called upon to submit estimates upon the proposition. The expense of making those estimates in the various navy yards of the Government would far exceed the cost of repairs in many instances, and it seems to me that all this should prevent the adoption of the amendment.

Mr. LODGE. If the Senator will allow me, I have no objection to making the amount larger. I want to put in some limit, so as not to require them to go to the yards for trivial repairs. That is the reason why I added the phraseology about the estimates. If the Senator thinks it more desirable to make the limitation larger, as much as \$50,000, I have no objection.

Mr. JONES of Washington. If there is any amendment to be adopted, I think it should read that the nearest navy yard should be required to give an estimate, without requiring estimates from all the navy yards of the United States.

Mr. LODGE. I agree to that. I think that is very well.

Mr. JONES of Washington. Of course, the Senator understands I do not think we ought to adopt any limitation.

Mr. LODGE. I understand that the Senator is arguing the general question.

Mr. JONES of Washington. I am suggesting this in case the provision is adopted.

Mr. LODGE. It is my intention, if the amendment is rejected, to endeavor to have an amendment made which will require all these items above \$100,000 to be submitted to Congress.

Mr. JONES of Washington. That, of course, would be very unwise. We can not carry on a business in competition with private interests in that way at all. I know the Senator does not desire to hamper the business in that way. These Government vessels are engaged in private business and commercial business. That is all they are engaged in.

Mr. LODGE. Yes; but—

Mr. JONES of Washington. I do not yield to the Senator just now. Government ships are entirely different. They are doing an entirely different kind of work; they are carrying on an entirely different sort of business; but these ships are being run or attempted to be run by the Shipping Board of the Government of the United States in commercial business in competition with the world's ships. Now I yield to the Senator.

Mr. LODGE. If it is not Government business, then the sooner we cease making appropriations to carry on the Shipping Board the better. We had better have that door opened.

Mr. JONES of Washington. We are simply making the necessary appropriations in order to enable us to get out of this business as soon as we can, with as much profit as possible.

Mr. LODGE. I have supported the Senator in that, as he knows.

Mr. JONES of Washington. I know the Senator has.

Mr. LODGE. I have not fought it; but it is Government work, paid for by the Government, of course, and it would not last 24 hours if the Government was not behind it.

Mr. JONES of Washington. Technically, of course, it is. The ships are owned by the Government until they are disposed of.

Mr. LODGE. Absolutely.

Mr. JONES of Washington. But they are not engaged in Government business like a battleship is.

Mr. LODGE. That is quite true, but they are Government ships on Government work.

Mr. JONES of Washington. Oh, certainly; they are Government ships and it is Government work.

As I said, the navy yard is called upon to make an estimate. The Senator knows that better than I do, because he is upon the Committee on Naval Affairs. Nevertheless, we should not lose sight of the fact that if an estimate is submitted and the

work is given to a navy yard, then we start on the work, and if it costs twice as much as the estimate we have to pay that money or else abandon the work. That is all there is to it. If an estimate is made of \$500,000 and the actual cost is \$1,000,000, we have to appropriate the other \$500,000 or else lose the first \$500,000 that has been expended. But if we allow the conditioning of these vessels to be made by contract with private parties we know when the contract is let what the cost is going to be. If it is carried on in a businesslike way, ample security is required to insure compliance with the contract so the Government knows exactly what the work is going to cost, knows the time within which it is to be done, and the time may be a very essential element in a contract of this kind.

The hearings disclose a letter from the Secretary of the Navy with reference to this proposition. It is found on page 36 of the Senate committee hearings. A telegram was sent from the editor of the New York American to the Secretary of the Navy with reference to the matter which is really involved here, namely, the reconditioning of the *Leviathan*. The Secretary wrote this letter. It is dated November 8, 1921, a couple of months ago, and reads:

GENTLEMEN: I have at hand your telegram of November 5, 1921, in which you make inquiry in regard to the reconditioning of the *Leviathan* by the Navy.

In April, 1920, the Shipping Board first requested bids upon reconditioning the *Leviathan*. At that time the status of the work in certain navy yards, notably in the Boston Navy Yard, was such that it appeared advantageous for the department to cause that yard to submit an estimate for doing this work.

The reconditioning of the *Leviathan* was not undertaken as a result of the bids received at that time.

Recently the Shipping Board again decided to secure bids for reconditioning the *Leviathan* under modified specifications, with the idea of ascertaining whether the work can now be done at a cost which will be within the means available to the Shipping Board.

I ask the attention of Senators to this statement:

A bid by a private firm is a guaranty of the performance of the work at a price named and within a time stipulated.

A bid by a navy yard is the estimated cost of the work. If work is awarded a navy yard after an estimate, the actual cost of the work is charged, whether same be greater than or less than the estimated cost. Estimates ordinarily run fairly close, say within about 10 per cent, but in a big reconditioning job, where the actual amount of work necessary can only be revealed after opening up work and uncovering all defects, it is difficult to make an estimate that will fall within 10 per cent of the actual cost.

The letter continues, on page 38 of the hearing, after certain interruptions:

Furthermore, the stipulated time for the performance of work for other departments of the Government must always be subject to the condition that urgent naval work shall take precedence, even if such precedence causes failure to perform the other Government departments' work within the time stipulated.

That is a very important element. I hope the Senate will give that consideration. Note what the Secretary says:

Furthermore, the stipulated time for the performance of work for other departments of the Government must always be subject to the condition that urgent naval work shall take precedence, even if such precedence causes failure to perform the other Government departments' work within the time stipulated.

In other words, if a contract should be let at the Boston Navy Yard for the reconditioning of the *Leviathan*, the reconditioning to be done within a certain period of time, and urgent naval work should come in, the work on the *Leviathan* would be put aside and the reconditioning possibly could not be carried on.

What is desired with reference to the *Leviathan*? On page 38—

Mr. OVERMAN. Will the Senator from Washington yield to me? I think there ought to be a quorum here, and I suggest the absence of a quorum.

Mr. JONES of Washington. I hope the Senator will not suggest the absence of a quorum.

Mr. OVERMAN. I suggest the absence of a quorum. Of course, we will want a quorum present when the President addresses the Senate.

Mr. JONES of Washington. I realize that the President will shortly address the Senate.

Mr. OVERMAN. I understand the President will be here at half past 3 o'clock, and it is now nearly that hour. So I make the suggestion there is no quorum present.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ball	Cummins	Harris	Lenroot
Borah	Curtis	Heflin	Lodge
Brandegee	Dillingham	Hitchcock	McCormick
Broussard	Ernst	Jones, N. Mex.	McCumber
Bursum	Fernald	Jones, Wash.	McLean
Cameron	Fletcher	Kellogg	McNary
Capper	Frelighuysen	Kendrick	Myers
Caraway	Gerry	Keyes	Nelson
Colt	Hale	King	Newberry
Culbertson	Harrelld	Ladd	Norris

Oddie	Ransdell	Stanley	Watson, Ga.
Overman	Sheppard	Sterling	Watson, Ind.
Page	Shortridge	Sutherland	Weller
Pepper	Simmons	Swanson	Williams
Phipps	Smoot	Wadsworth	
Poin Dexter	Spencer	Walsh, Mont.	
Pomerene	Stanfield	Warren	

Mr. HEFLIN. I desire to announce that my colleague [Mr. UNDERWOOD] is absent on account of illness.

Mr. CARAWAY. I wish to announce the absence of my colleague [Mr. ROBINSON] on official business.

The VICE PRESIDENT. Sixty-five Senators have answered to their names. A quorum of the Senate is present.

EXECUTIVE SESSION—SUBMISSION OF TREATIES.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business in open executive session.

The motion was agreed to; and (at 3 o'clock and 30 minutes p. m.) the Senate proceeded to the consideration of executive business in open executive session.

Mr. LODGE. I move that the Vice President appoint a committee of two Senators to escort the President of the United States into the Senate Chamber.

The motion was agreed to; and the Vice President appointed Mr. LODGE and Mr. SIMMONS, who retired and immediately reentered the Chamber, escorting the President of the United States, who was accompanied by his secretary, Mr. George B. Christian, jr., and members of his Cabinet.

The President was greeted with prolonged applause, and, standing at the Secretary's desk, he spoke as follows:

THE PRESIDENT'S ADDRESS TO THE SENATE.

MR. PRESIDENT AND GENTLEMEN OF THE SENATE: I have come to make report to you of the conclusions of what has been termed the Washington Conference on the Limitation of Armament, and to lay before you the series of treaties which the United States and the other powers participating in the conference have negotiated and signed, and have announced to the world. Apart from the very great satisfaction in reporting to the Senate, it is a privilege as well as a duty to ask that advice and consent which the Constitution requires to make these covenants effective.

Accompanying the treaties I bring to you the complete minutes of both plenary sessions and committee meetings, and a copy of the official report made to me by the American delegation to the conference. Both the complete minutes and the official report of the American delegation are new accompaniments to the executive report of a treaty or treaties, but they are fitting testimonials to that open and simpler diplomacy for which the world has asked, and the practice of which contributed largely to the success of the conference so recently adjourned. I trust they will facilitate that ample and helpful understanding which is desirable in the Senate, and reflect that understanding which was the keynote of the conference itself. The whole transaction is quite out of the ordinary. I am not thinking of the achievement, which I hope the Senate will come to appraise highly, as I do and as the world seems to do. [Applause.] I am not thinking of the commendable processes by which agreements were wrought, though this was a conference wholly of free nations, exercising every national right and authority, in which every agreement was stamped with unanimity. Indeed, it was a conference of friends, proceeding in deliberation and sympathy, appraising their friendly and peaceful relations and resolved to maintain them, and give to the world new assurances of peace and actual relief from the burdens of excessive and competitive armament. But the out-of-the-ordinary phases which I have in mind are that the Senate—indeed, the Congress—has already advised in favor of one, and inferentially of two, of the treaties laid before you to-day, and the naval pact negotiated and signed is in accordance with your expressed wish. It calls a halt in the competitive construction of capital ships in the great navies of the world, and affords the first actual relief from naval burdens which peoples have been able to acclaim since steam and steel combined to add to naval strength in warfare.

But though the treaty recommended by the Congress marks the beginning of a naval holiday and that limitation of naval armament which accords with a world aspiration, the particular justification of this progressive and highly gratifying step was the settlement of the international problems of the Pacific, attended by new understandings in place of menacing disagreements, and established sureties instead of uncertainties which easily might lead to conflict. Much as it was desirable to lift the burdens of naval armament and strike at the menace of competitive construction and consequent expenditure, the Executive branch of the Government, which must be watchful for the Nation's safety, was unwilling to covenant a reduction of arma-

ment until there could be plighted new guaranties of peace, until there could be removed the probable menaces of conflict. Therefore, all the treaties submitted for your approval have such important relationship, one to another, that, though not interdependent, they are the covenants of harmony, of assurance, of conviction, of conscience, and of unanimity. These we have believed to be essential to perfect the fulfillment which the Congress had in mind.

As a simple matter of fact, all of the agreements, except those dealing directly with the limitation of armament, take the place of various multipower treaties, arrangements, or understandings, formal or informal, expressed or implied, relating to matters in the Pacific Ocean, in which all the powers signatory were essentially, if not equally, concerned. The new agreements serve to put an end to contradictions, to remove ambiguities, and establish clear understandings.

No matter what mental reservations may have existed, or what doubts may have prevailed, because here was an experiment new in many phases, all of the powers came to the conference knowing it was to deal with very practical situations affecting their international relations. There was mutual interest, quite apart from the greater achievement for world peace, and a way to common understanding was found to be practical and speedily arranged. If it has developed a new world school of diplomacy, let it be so called. It revealed the ends aimed at in the very beginning, and pointed the way to their attainment. The powers in conference took the world of the Pacific as they found it in fact. They dealt with actualities by voluntary and unanimous agreement, and have added to mankind's assurances and hopefully advanced international peace.

It is worth while saying that the powers in this conference sought no concert to dispossess any power of its rights or property. All the signatories have given up certain rights which they had, as their contribution to concord and peace, but at no sacrifice of national pride, with no regret or resentment to later flame in conflict. Some relinquished certain rights or prerogatives which they had asserted, notably in the settlement of the Shantung controversy, dealt with in a covenant quite apart from the group herewith submitted. But every concession was a willing one, without pressure or constraint. The conference record is quite unparalleled, not alone because there was the maximum of good feeling and neighborliness throughout the session but common rejoicing in the results; and the separations in departure were marked by genuine cordiality, good will, and new hopes.

It is not necessary to remind you that the conference work was not directed against any power or group of powers. There were no punishments to inflict, no rewards to bestow. Mutual consideration, and the common welfare, and the desire for world peace impelled. The conclusions reached and the covenants written neither require nor contemplate compulsive measures against any power in the world, signatory or non-signatory. The offerings are freewill; the conscience is that of world opinion; the observance is a matter of national honor.

These treaties leave no power despoiled. The delegates of every power participating adjourned with every right and every authority with which they came, except that which was willingly and gladly given up to further the common welfare. I can assure you the nine powers have been brought more closely together, they are stancher neighbors and friends, they have clearer and better estimates of one another, they have seen suspicion challenged and selfishness made to retreat, they have keener and more sympathetic understandings, and they are more strongly willed for right and justice in international relations than ever before. I believe, with all my heart, the powers in conference have combined to make the world safer and better and more hopeful place in which to live. [Applause.]

It was a helpful thing to have the conference reveal how common our human aspirations are and how easy it is, when the task is properly approached, to reconcile our national aspirations. There are mutual and essential interests affecting the welfare and peace of all nations, and they can not be promoted by force. They can be revealed and magnified in that understanding which, it is now proven, the conference of peace promotes, and the same understanding makes compulsion and despoilment hateful in the eyes of mankind.

The treaties submitted, seven in number, are—

The covenant of limitation to naval armament between our Republic, the British Empire, France, Italy, and Japan.

The treaty between the same powers in relation to the use of submarines and noxious gases in warfare.

The treaty between the United States, the British Empire, France, and Japan relating to their insular possessions and their insular dominions in the Pacific.

A declaration accompanying the four-power treaty reserving American rights in mandated territory.

An agreement supplementary to the four-power treaty defining the application of the term "insular possession and insular dominions" as relating to Japan.

A treaty between the nine powers in the conference relating to principles and policies to be followed in matters concerning China.

A treaty between the nine powers relating to Chinese customs tariff.

I invite your prompt approval of all of them. It is quite impossible to readjust our naval program until the naval treaty has your sanction, even though you urged its negotiation. It is not possible to make the readjustment in full confidence until the whole program has commended itself to your approval.

I am not unmindful, nor was the conference, of the sentiment in this Chamber against Old World entanglements. Those who made the treaties have left no doubt about their true import. Every expression in the conference has emphasized the purpose to be served and the obligations assumed. Therefore, I can bring you every assurance that nothing in any of these treaties commits the United States, or any other power, to any kind of an alliance, entanglement, or involvement. [Applause.] It does not require us or any power to surrender a worth-while tradition. It has been said, if this be true, these are mere meaningless treaties, and therefore valueless. Let us accept no such doctrine of despair as that. If nations may not establish by mutual understanding the rules and principles which are to govern their relationship; if a sovereign and solemn plight of faith by leading nations of the earth is valueless; if nations may not trust one another, then, indeed, there is little on which to hang our faith in advancing civilization or the furtherance of peace. Either we must live and aspire and achieve under a free and common understanding among peoples, with mutual trust, respect, and forbearance, and exercising full sovereignty, or else brutal armed force will dominate, and the sorrows and burdens of war in this decade will be turned to the chaos and hopelessness of the next. We can no more do without international negotiations and agreements in these modern days than we could maintain orderly neighborliness at home without the prescribed rules of conduct which are more the guaranties of freedom than the restraint thereof.

The world has been hungering for a better relationship for centuries since it has attained its larger consciousness. The conception of the League of Nations was a response to a manifest world hunger. Whatever its fate, whether it achieves the great things hoped for, or comes to supersede, or to failure, the American unwillingness to be a part of it has been expressed. That unwillingness has been kept in mind, and the treaties submitted to-day have no semblance or relationship save as the wish to promote peace has been the common inspiration.

The four-power treaty contains no war commitment. It covenants the respect of each nation's rights in relation to its insular possessions. In case of controversy between the covenanting powers it is agreed to confer and seek adjustment, and if said rights are threatened by the aggressive action of any outside power, these friendly powers, respecting one another, are to communicate, perhaps confer, in order to understand what action may be taken, jointly or separately, to meet a menacing situation. There is no commitment to armed force, no alliance, no written or moral obligation to join in defense, no expressed or implied commitment to arrive at any agreement except in accordance with our constitutional methods. It is easy to believe, however, that such a conference of the four powers is a moral warning that an aggressive nation, giving affront to the four great powers ready to focus world opinion on a given controversy, would be embarking on a hazardous enterprise.

Frankly, Senators, if nations may not safely agree to respect each other's rights, and may not agree to confer if one to the compact threatens trespass, or may not agree to advise if one party to the pact is threatened by an outside power, then all concerted efforts to tranquilize the world and stabilize peace must be flung to the winds. Either these treaties must have your cordial sanction, or every proclaimed desire to promote peace and prevent war becomes a hollow mockery.

We have seen the eyes of the world turned to the Pacific. With Europe prostrate and penitent, none feared the likelihood of early conflict there. But the Pacific had its menaces, and they deeply concerned us. Our territorial interests are larger there. Its waters are not strange seas to us, its farther shores not unknown to our citizens. Our earlier triumphs of commerce were there. We began treaty relationships with China full '80 years ago, in the youthful vigor of our Republic, and

the sailings of our clipper ships were the romance of our merchant marine, when it successfully challenged the competition of the world. Seventy years ago Commodore Perry revealed Japan to commerce, and there followed that surpassing development of the island empire with whom our unbroken peace found a most gratifying reflex in the conference just closed.

A century ago we began planting the seeds of American friendship in Hawaii, and 70 years ago Webster told the Senate that the United States could "never consent to see these islands taken possession of by either of the great commercial powers of Europe." Whether it was destiny, or the development of propinquity, or the influence of our colonists, or faith in our institutions, Hawaii came under the flag in 1898, and rejoices to-day as a part of our Republic.

The lure of the waters, or the march of empire, or the call of commerce, or inscrutable destiny led us on, and we went to the South Seas and planted the flag in Samoa. Out of the War with Spain came our sponsorship in the Philippines and the possession of Guam; and so we are deeply concerned in the mid-Pacific, the South Seas, and the very center of the Far East. We crave peace there as we do on the Continent, and we should be remiss in performing a national duty if we did not covenant the relations which tend to guarantee it. For more than a half century we have had a part in influencing the affairs of the Pacific, and our present proposed commitments are not materially different in character, nor materially greater in extent, though fraught with vastly less danger, than our undertakings in the past.

We have convinced the on-looking and interested powers that we covet the possessions of no other power in the Far East, and we know for ourselves that we crave no further or greater governmental or territorial responsibilities there. Contemplating what is admittedly ours, and mindful of a long-time and reciprocal friendship with China, we do wish the opportunity to continue the development of our trade peacefully and on equality with other nations, to strengthen our ties of friendship, and to make sure the righteous and just relationships of peace.

Holding the possessions we do, entertaining these views, and confessing these ambitions, why should we not make reciprocal engagements to respect the territory of others and contract their respect of ours, and thus quiet apprehension and put an end to suspicion?

There has been concern. There has been apprehension of territorial greed, a most fruitful cause of war. The conference has dissipated both, and your ratification of the covenants made will stabilize a peace for the breaking of which there is not a shadow of reason or real excuse. We shall not have less than before. No one of us shall have less than before. There is no narrowed liberty, no hampered independence, no shattered sovereignty, no added obligation. We will have new assurances, new freedom from anxiety, and new manifestations of the sincerity of our own intentions; a new demonstration of that honesty which proclaims a righteous and powerful Republic.

I am ready to assume the sincerity and the dependability of the assurances of our neighbors of the Old World that they will respect our rights, just as I know we mean to respect theirs. I believe there is an inviolable national honor, and I bring to you this particular covenant in the confident belief that it is the outstanding compact of peace for the Pacific, which will justify the limitation of armament and prove a new guarantee to peace and liberty, and maintained sovereignty and free institutions.

No allusion has been made to the treaty restraining and limiting the use of the submarine, and the prohibition of noxious gases in warfare. Since we are asking the world's adherence, it is easily assumed that none in America will hold aloof.

Nor need I dwell on the nine-power treaty relating to principles and policies to be followed in the relationship of the signatory powers to China. Our traditional friendship for the ancient Empire, our continued friendship for the new Republic, our commitment of more than 20 years to the open door, and our avowed concern for Chinese integrity and unimpaired sovereignty make it easy to assume that the Senate will promptly and unanimously assent. China's own satisfaction in the restorations covenanted here has been officially expressed, quite apart from the testifying signatures.

Perhaps I may fittingly add a word which is suggested by my relationship as a former Member of the Senate. I had occasion to learn of your very proper jealousy of the Senate's part in contracting foreign relationships. Frankly, it was in my mind when I asked representatives of both the majority and minority to serve on the American delegation. It was designed to have you participate. And you were ably represented.

The Senate's concern for freedom from entanglements, for preserved traditions, for maintained independence, was never

once forgotten by the American delegates. If I did not believe these treaties brought us not only new guaranties of peace but greater assurances of freedom from conflict, I would not submit them to your consideration.

Much depends on your decision. We have joined in giving to the world the spectacle of nations gathering about the conference table, amid the convictions of peace, free from all passion, to face each other in the contacts of reason, to solve menacing problems, and end disputes and clear up misunderstandings. They have agreed to confer again when desirable, and turn the revealing light of world opinion on any menace to peace among them. Your Government encouraged and has signed the compacts which it had much to do in fashioning. If to these understandings for peace, if to these advanced expressions of the conscience of leading powers, if to these concords to guard against conflict and lift the burdens of armament, if to all of these the Senate will not advise and consent, then it will be futile to try again. Here has been exercised every caution consistent with accomplishment. Here was a beginning on your advice, no matter when conceived, and the program was enlarged only because assurances of tranquillity were deemed the appropriate concomitants of the great experiment in arms limitation.

I alluded a moment ago to my knowledge of the viewpoint of the Senate, from personal experience. Since that experience I have come to know the viewpoint and inescapable responsibility of the Executive. To the Executive comes the closer view of world relationship and a more impressive realization of the menaces, the anxieties, and the apprehensions to be met.

We have no rivalries in our devotion to the things we call American, because that is a common consecration. None of us means to endanger, none of us would sacrifice, a cherished national inheritance. In mindfulness of this mutuality of interest, common devotion, and shared authority, I submit to the Senate that if we can not join in making effective these covenants for peace, and stamp this conference with America's approval, we shall discredit the influence of the Republic, render future efforts futile or unlikely, and write discouragement where to-day the world is ready to acclaim new hope. Because of this feeling, because I believe in the merits of these engagements, I submit them to the Senate with every confidence that you will approve. [Prolonged applause.]

Mr. LODGE. Mr. President, I ask that the message of the President, the report of the American delegation, and the minutes of the conference and the committees of the conference be referred to the Committee on Foreign Relations and printed.

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

Mr. LODGE. I ask that the treaties, which are included in the appendix to the report of the American delegation, be also printed separately for the convenience and use of the Senate.

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

Mr. LODGE. I ask that the injunction of secrecy may be removed, which is simply disposing of an old rule.

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

Mr. HITCHCOCK. Mr. President, I would like to inquire concerning the printing of the minutes of the conference.

Mr. LODGE. I have asked that they be printed.

Mr. HITCHCOCK. I did not understand that they were included in the Senator's request.

Mr. LODGE. I asked to have them referred to the Committee on Foreign Relations and printed. That was my request.

Mr. HITCHCOCK. The minutes, as well as the treaties?

Mr. LODGE. I asked to have the President's message, the report of the American delegation, and the minutes of the conference and the committees of the conference—

Mr. BRANDEGEE. And the treaties.

Mr. LODGE. The treaties are included in the report of the delegation, and I made a separate motion as to them. I asked to have the President's message, the report of the American delegation, the minutes of the conference and the committees of the conference referred to the Committee on Foreign Relations and printed. I then asked that the appendix to the report of the delegation, which contains the treaties alone, be printed separately as well as with the report of the delegation.

Mr. SMOOT. Does the Senator ask that they be printed for the use of the committee or as a public document?

Mr. LODGE. I intended to ask that they be printed as a public document, of course. I ask that order now.

The VICE PRESIDENT. Without objection, that order will be made.

Mr. LODGE. I suppose there will be a sufficient demand later to make it necessary for the Committee on Printing or the Committee on Foreign Relations to ask for a large number to be printed. Already I have had requests from the House for that

purpose, but I thought to-day it was sufficient to have the order entered to print them all as Senate documents. I ought to state that the minutes of the plenary conference and the minutes of all the meetings of the committees of the conference will make a very large document.

Mr. SMOOT. May I suggest to the Senator that he ask now that additional copies to the cost of \$500 be printed, because they can be printed so much more cheaply now than if we print the first 1,674 copies and then make a reprint. I am quite sure the Senate will need even more than \$500 worth of them, but we can only order \$500 worth without a concurrent resolution, so I would like to have the Senator make the request now.

Mr. LODGE. Very well; I make the request suggested by the Senator from Utah.

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

Mr. CURTIS. I move that the Senate proceed to the consideration of legislative business.

The motion was agreed to.

The VICE PRESIDENT. The Senate resumes its legislative session.

EXECUTIVE AND INDEPENDENT OFFICES APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 9981) making appropriations for the Executive and for sundry independent executive bureaus, boards, commissions, and offices, for the fiscal year ending June 30, 1923, and for other purposes.

Mr. JONES of Washington. Mr. President, I was reading from a letter from the Secretary of the Navy, especially where he states that in the performance of work given to a navy yard, any private work in the yard must be subordinate to the Government's work, and if any work must be delayed in its execution it, of course, would be the private work. So that if, under the estimates submitted by the Secretary of the Navy, the navy yard should undertake the work to be done in a specified time, and if Navy work came in which would extend the private work over that time, that would have to be done. In other words, there is no assurance when a job is given to a navy yard that it will be finished within the time stipulated, and this is very pertinent with reference to a matter that is now pending with the Shipping Board. Mr. Lasker said:

For instance, the *Leviathan*, unless she is ready by March of 1923, would lose the spring trade of 1923, which runs into enormous sums.

In other words, if the *Leviathan* is to be reconditioned, it ought to be done and ready for the spring business of 1923. If that is not done, the Government in the operation of that ship would lose a great deal more money than if the vessel were ready to take advantage of that trade. This is a very large job, and if given to some navy yard the probabilities are that the Government work would prevent the carrying on of that work as expeditiously as it ought to be carried on.

I want to read further from the letter of the Secretary of the Navy. He says:

As the total cost of reconditioning the *Leviathan* will probably run somewhere between \$6,000,000 and \$8,000,000—

I hope Senators will give attention to this—

It will be seen that an estimate submitted by a navy yard would not give the Shipping Board the exact information which they desire as to cost and time of performance of this work. The necessity for economy is so great that the authorities of the Shipping Board do not feel that they could take the chance of overrunning the estimated cost by possibly \$500,000 or \$600,000. They must have a guaranteed total expenditure.

Mr. President, that the navy yards can not give. The Secretary continues:

In addition to the above uncertainties which surround the submission of estimates by a navy yard and their acceptance by the Shipping Board, the department finds—

This is, the Navy Department finds—

the department finds that at the present time the status of work at navy yards is such that it would not be advantageous to undertake the reconditioning of the *Leviathan* at a navy yard.

Mr. President, that letter comes from the Secretary of the Navy himself, who states that under the conditions in the navy yards on the 8th of November, which is the date of the letter, "it would not be advantageous to undertake the reconditioning of the *Leviathan* at a navy yard." The letter continues:

The above facts are known to the Shipping Board as well as to the Navy Department, and have been developed after the most considerable consultation on the part of all concerned.

I hope that the above information will give you an insight into the existing conditions. The relations between the Shipping Board and the Navy Department are entirely harmonious, and each of these branches of the Government is considering not only its own interests but is cooperating with the other, to the end that the best interests of the whole country may be served in arriving at important decisions such as the one here discussed.

Mr. President, I want to call attention to the fact that bids have already been called for for the reconditioning of this vessel. I hold in my hand the specifications for that work [exhibiting] embracing over a thousand pages. If we are going to require the submission of bids or estimates on the part of the navy yards, they must go all through these specifications and consider them item by item. It will take them—I was going to say months, but I do not know how long it will take them to do it. It certainly will take them several weeks with a very large force, and it will be very expensive.

Mr. NORRIS. May I interrupt the Senator?

The PRESIDING OFFICER (Mr. ODDIE in the chair). Does the Senator from Washington yield to the Senator from Nebraska?

Mr. JONES of Washington. I yield.

Mr. NORRIS. There was so much confusion in the Chamber when the Senator began to speak that I was unable to hear all he said. I wish to ask him, first, whether what he has stated would not be true in the case of any private concern which desired to bid on this work? Would they not have to examine these specifications just the same?

Mr. JONES of Washington. But that has already been done; the bids have already been submitted.

Mr. NORRIS. But estimates have not been submitted by the navy yards.

Mr. JONES of Washington. No; I think not on the last occasion when bids were called for; but the navy yards submitted estimates once before; they did that last year.

Mr. NORRIS. If those estimates were complete, then we have their bid or their estimate.

Mr. JONES of Washington. Oh, no; not on these particular specifications.

Mr. NORRIS. I understood the Senator to say they had been submitted to the navy yards.

Mr. JONES of Washington. They were in the first instance submitted to the navy yards.

Mr. NORRIS. If they were not submitted to the navy yards, I do not quite understand why the Senator should blame the navy yards.

Mr. JONES of Washington. I am not blaming the navy yards.

Mr. NORRIS. If I understand the Senator, he is using that as an argument why the committee amendment should be adopted, to show that it ought to be adopted, and that the navy yards ought not now to be allowed to submit estimates because it would involve delay. Is not that the Senator's argument?

Mr. JONES of Washington. This is one reason. But I am not blaming the navy yards; they were not responsible, of course.

Mr. NORRIS. If it is not their fault, then I can not understand why the Senator should use that even as an argument for the striking out of this language.

Mr. JONES of Washington. I have just read to the Senate from the statement here in the testimony that if the *Leviathan* is to be reconditioned it ought to be accomplished by the spring of 1923, and if these specifications, and all that sort of thing, must be gone over by the navy yards the chances are that it will delay the work and it can not be accomplished by that time.

Furthermore, independent of that, if a contract of such magnitude is to be let to a navy yard the probabilities are very great that the work would not be completed within that time, even if the navy yard agreed to do it, because if any Government business comes in the contract work must be subordinated to it and must be postponed. In other words, the probabilities are that it would not be accomplished by that time by a navy yard.

Mr. NORRIS. Of course, that is a risk which must be taken in the case of a private bidder as well. It often happens that a piece of work is not completed in contract time by a private concern. I do not myself know why we should assume that a navy yard would be any less expert than would be a private institution.

Mr. JONES of Washington. Let me suggest to the Senator that from a private contractor the Government requires a bond to guarantee the completion of the contract and to save the Government if it is not complied with. It is true that the private contractor may not fulfill his contract; but if the officials of the Government will use their business judgment, as I am satisfied they will, and employ practical business methods—

Mr. LODGE. Mr. President—

Mr. JONES of Washington. I will ask the Senator to wait for a moment, if he please.

Mr. LODGE. I beg the Senator's pardon. I shall not again interrupt him.

Mr. JONES of Washington. I did not intend to be discourteous, but I had not completed the sentence.

Mr. LODGE. I thought the Senator paused.

Mr. JONES of Washington. If they use business methods—as I assume they will do—then they will take a bond from the contractors to insure that they will comply with their contract; but, of course, no bond is furnished by navy yards and we have to rely upon their ability to complete the work on time.

Mr. NORRIS. But the Senator from Washington does not use that as an argument why we should not utilize our own property in our own navy yards, does he?

Mr. JONES of Washington. I was only using that as an argument why, in view of what it is desired to accomplish, we should not incur the delay of a month.

Mr. NORRIS. I may be mistaken in my comprehension of the matter, but it seems to me that what the Senator is saying amounts to this, that in the case of the *Leviathan* we ought to strike out the provision granting authority for the reconditioning of the vessel in a navy yard, because—at least that is one reason—plans and specifications have been submitted to private corporations so that they may bid without delay.

Mr. JONES of Washington. They have already bid on the work.

Mr. NORRIS. Very well; but if we submit the proposal to a navy yard they will have to take the time in order to look it over; therefore we should take away from the navy yards the opportunity to do the work.

Mr. LODGE. Mr. President, I do not think the Senator from Washington means to create any misunderstanding.

Mr. JONES of Washington. Certainly not.

Mr. LODGE. In 1920 the Todd Shipbuilding Co. submitted a bid for reconditioning the *Leviathan* of \$10,740,000, while the Boston Navy Yard bid \$8,938,000. That was for a complete reconditioning, furnishing equipment, painting, and everything concerning the ship, outfitted for use. This year bids have been asked from three private yards, but the Government has refused to allow the Boston Navy Yard to bid.

Mr. NORRIS. To my mind the Government can not be excused for taking such a course. Even if it should result in some delay, as we have our navy yards, if they are equipped to do this work, and can make a bid on it, and can do it cheaper or as cheaply—I would go even further than that; but that far I think I can safely go—if they can do it as cheaply as a private yard could we ought, if for no other reason than to maintain our own yards, to give it to them.

Mr. JONES of Washington. Let me suggest to the Senator that I think this is the reason why the bids were not called for from the navy yards. I quoted a few moments ago from a letter from the Secretary of the Navy, dated November 8, in which he had this to say:

In addition to the above uncertainties which surround the submission of estimates by a navy yard and their acceptance by the Shipping Board—

This statement is from the Secretary of the Navy, and not from the Shipping Board—

the department finds that at the present time the status of work at navy yards is such that it would not be advantageous to undertake the reconditioning of the *Leviathan* at a navy yard.

I have no doubt that these questions were gone over with the Shipping Board; in fact, the Secretary of the Navy says:

The above facts are known to the Shipping Board as well as to the Navy Department, and have been developed after the most considerable consultation on the part of all concerned.

That is all that I know about it.

Mr. NORRIS. Mr. President, will the Senator let me interrupt him there?

Mr. JONES of Washington. I yield to the Senator.

Mr. NORRIS. If in this instance, or in any other, a navy yard is not equipped to do the work and does not want to submit bids, that is an entirely different proposition. It seems to me, however, that it ought to have the opportunity of doing so.

Mr. JONES of Washington. Mr. President, I take it this is the reason why the navy yards were not given the opportunity to submit estimates under the last specifications, as they were given such opportunity under the first specifications. I take it from the statement of the Secretary that in consultation with the Shipping Board he told them it would not be advantageous to have the navy yards submit bids.

Mr. LENROOT. Mr. President, I should like to ask the Senator from Washington if it is not the position of the Shipping Board that all existing bids expire on February 15, and the board is satisfied that unless the bidders can be held to the bids they have already submitted it can not ever again get bids so low as those it now has?

Mr. JONES of Washington. Yes; I was just coming to that point. I ask the attention of Senators to this statement by Mr. Lasker. Senator OVERMAN asked:

How do you know what it is going to cost, or do you know?

Mr. LASKER. Yes, sir; we do. The contract will be given February 15.

Senator OVERMAN. To the lowest bidder?

Mr. LASKER. To the lowest bidder; and it will cost, all told, \$8,200,000.

I hold in my hand a letter from John Wanamaker, of New York, furnishing contractors, addressed to J. W. Powell, president of the Emergency Fleet Corporation, Munitions Building, Washington, D. C. The letter explains itself, and I want to read it to the Senate:

DEAR SIR: We beg leave to address you concerning our proposal for supplying the steward's equipment for the S. S. *Leviathan*. Our prices are guaranteed according to the proposal until February 15, 1922.

I take it that that item is included in the bid of \$8,200,000, and that this firm is what might be called a subcontractor supplying steward's equipment under the principal bid.

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

Mr. JONES of Washington. Yes.

Mr. LENROOT. That bid amounts to over a half million dollars, but, as a matter of fact, Wanamaker is not the lowest bidder. The amount involved, however, over \$500,000, is under one specification.

Mr. JONES of Washington. He is not the lowest bidder for that particular work, but I think his proposal is a part of the lowest bid for doing all of the work. Then the letter continues:

Our prices are guaranteed according to the terms of the proposal until February 15, 1922.

The market has taken an upward turn since December 15, 1921. Wool to-day is 35 per cent higher, linen 20 per cent. This, however, does not affect our prices until February 15. We have obtained the necessary guaranties to protect us until the date mentioned, but the guaranty which we obtained will cease on February 15.

As we are the lowest formal bidder, we are intensely interested to know as to when you expect to arrive at a decision to proceed with the work. We would like to know a few days previous to the 15th instant, so as to be able to cover ourselves in the market.

Anticipating an early reply, we are,

Yours, very truly,

JOHN WANAMAKER, *New York,*
By E. C. MORRIS, *Contract Bureau.*

Mr. President, that shows the urgency of the matter. I think we have the situation now fully before the Senate. From the letter of the Secretary of the Navy I infer that he conferred with the Shipping Board when it was contemplated to ask for new bids on the revised specifications; that the Navy Department pointed out their views that it would not be advantageous to have the Navy undertake this work, and, therefore, bids were not called for from the navy yards. Bids have been called for from private contractors; they have been received and the lowest bidder has been accepted, so far as acceptance goes, and the contract is to be let by February 15. One of the subcontractors who was to furnish to the principal contractors certain supplies says that he can not guarantee his bid after February 15, and unless action is taken by that time the chances are that all the bids will be off, and instead of a bid of \$8,200,000 we will probably have a larger bid if it is desired to carry on the work.

Mr. President, it seems to me that under these conditions we ought not to hamper the Shipping Board. Let me say a word in the nature of a general statement. I am not going to take much more time.

Mr. NORRIS. May I ask the Senator another question there?

Mr. JONES of Washington. Yes.

Mr. NORRIS. Assuming that all the Senator says is correct—and, of course, I am not doubting what he says at all—if it is necessary to make an exception of this particular case for the reason that the Senator has given, that the matter must not be delayed beyond the 15th of February, we could very easily meet that by adding a proviso stating in effect that this particular provision shall not apply in a case where bids had already been received.

Mr. JONES of Washington. Of course that could be done; but I just want to say, in a general statement with reference to the situation, that while these ships that the Shipping Board has as Government property they are being used in a commercial way. They are being used in competition with the ships of all the world. The business ought to be carried on just as economically and just as efficiently as it is possible to carry it on. It is absolutely necessary to do that in order to maintain our standing in competition with the nations of the world and the other shipping of the world. It is difficult enough for our private shipowners to maintain their position. I think the great majority of the sentiment on this floor is that it is more

expensive to carry on Government operation; that Government operation is carried on with less efficiency than private operation; and so this shipping being engaged in this commercial business we should place just as few restrictions upon the Government agency that is handling it as we feel that we can possibly get along with.

Mr. President, we have given to the Shipping Board a tremendous task. Without in any way criticizing the past administration or wishing that what I shall say shall be taken in that sense—because I try to make due allowance for the conditions that confronted the administration when this great shipping fleet was developed and the primary purpose for which it was developed—I want to say that the present Shipping Board took over a chaotic mass of shipping, with a chaotic condition with reference to accounts, information with reference to its handling, and all that sort of thing, that is simply indescribable. They are doing their best to get it upon a business basis. The Commerce Committee have had members of the Shipping Board before them several nights, and we have had them tell us what they are doing, what the conditions were that faced them, and what they have been able to accomplish in the time they have been in office. I want to say that I have been amazed at the accomplishments that they present to us, considering the conditions that confronted them at the time they went in. In my judgment they are doing a great work, and it is being done by the whole board and the Emergency Fleet Corporation working together, trying to get business principles applied and business policies used in the endeavor to bring up the American merchant marine and get this great business of the Government in such shape that it can be gotten into private hands in a way entirely consistent with the welfare of the country, they believing that that is what Congress desires.

Mr. HITCHCOCK. Mr. President—

Mr. JONES of Washington. I yield to the Senator.

Mr. HITCHCOCK. Would it interrupt the Senator if he should give us, in a few moments, an outline of the accomplishments of the Shipping Board during the period to which he refers?

Mr. JONES of Washington. Mr. President, that would take a long time. Four hundred pages of testimony, I think, were taken before the House committee. I have here a summary of this work, prepared, I think, by the Shipping Board and submitted to the Appropriations Committee. Here is a statement that is a very striking one to me as to the character of this business. I think, if the Senator would like to have it, that it would be interesting to the Senator to read just a page here:

The activities of the United States Shipping Board and its agencies have been as wide in scope as the commerce of the whole world. It contracted for the purchase of ships under various types of purchase contracts. In the performance of these contracts it became a co-worker in the building of ships. It undertook the duties and responsibilities of a banker and became a party to the financing of the shipbuilding program. It became a general contractor and assisted in providing greater shipbuilding facilities. It became a manufacturer and undertook to increase the output of ship equipment. It became a lumber merchant and acquired timber forests. It became an insurance company and sold protection against insurable losses. It entered transportation fields and built and operated street railways. It built and operated hotels for housing workmen; it built homes for the families of workmen, and in so doing created townships with paving, water, gas, sewers, moving-picture theaters, hospitals, and all the necessities and conveniences of municipal life.

The relation of the Shipping Board to the maritime needs of the country led naturally into wider activities. It constructed and operated fuel-oil stations the world over. It organized shipping agencies in the larger ports of the world. It became associated in the creation of an American shipping survey and registry. It contracted with foreign nations for cargo space. It organized a recruiting service to man the ships and instruct American manhood in the art of seamanship. It maintained warehouses, and provided the ships with necessary stores and supplies. It controlled the dry docks and ship-repair yards of the country. It established an organization for the repair and upkeep of ships, and later it had the duty of holding and preserving the laid-up or idle ships.

With the coming of the armistice—

Mr. President, this describes the activities of the Shipping Board before the armistice, while we were in war, trying to build up this as a war machine—

With the coming of the armistice new duties were thrust upon the Shipping Board. It became one of the biggest merchants in the history of the country. It had available for disposal an immense amount of property, including ships, tugs, shipyards, land, buildings, equipment, homes, hotels, street railways, electric transmission lines, timber forests, machinery, a warehouse full of marine engines, ship stores, and materials and supplies of almost every conceivable character and description.

There, to my mind, is a vivid description of the various activities of this board.

Mr. NORRIS. Mr. President, can the Senator think of anything that it did not do?

Mr. JONES of Washington. I do not know of anything that it did not do.

Mr. NORRIS. I have wondered if the adoption of the eighteenth amendment interfered with its activities at all.

Mr. JONES of Washington. There are some people who contend so. I am not looking into that question, however.

Mr. KING. Mr. President, I may say, if the Senator will permit me, that what it did do it did not do well, so that it did not do that well.

Mr. NORRIS. It had too much to do. You could not expect it to do it well.

Mr. JONES of Washington. How could we expect an enterprise so vast as that, so far-reaching, to be carried on without loss and without inefficiency and without disorganization, and so on, especially when it was largely done during the war? And let us not forget, Mr. President, when we are talking about the Shipping Board, that the Congress of the United States required it to do this.

Mr. HITCHCOCK. Mr. President, I think perhaps the Senator misunderstood me, or else I misunderstood him.

Mr. JONES of Washington. I am coming now to what I understood the Senator to ask.

Mr. HITCHCOCK. I understood the Senator to speak in great praise of the achievements of the Shipping Board since its present constitution.

Mr. JONES of Washington. Yes.

Mr. HITCHCOCK. That is what I was inquiring about.

Mr. JONES of Washington. Yes; I knew that, and I am coming right to that now, briefly.

When the present Shipping Board came in, here is one statement that it makes:

Voyage accounting and auditing was a thorn in the side. All sorts of disputes arose between the managing agents and the Fleet Corporation. The fundamental cause of the accounting chaos was the failure to clean up matters. By June 30, 1921, the discrepancy between the Fleet Corporation controlled accounts and the managing agents' accounts was \$47,000,000.

They state that drastic measures have been applied; and while they do not contend that their accounts are as yet perfect and complete, they do make the showing that they have these operators' accounts in practically correct form, practically complete shape; that they have them practically all adjusted in that respect.

Here is another statement that Mr. Lasker makes. He says that on August 15, 1921, he said to the Senate Committee on Appropriations:

If by the 1st of December we have not cut the employees 30 per cent or more I shall be disappointed.

This is what he says to the committee:

The number of employees as of June 15, 1921, was 8,324. The pay roll of December 31, 1921, shows a total of 5,035, after allowing for those to be separated after expiration of accrued leave and accomplishment of other changes already ordered.

This is equivalent to a 39.5 per cent reduction, or 9.5 per cent more than the ratio mentioned by the chairman on August 15, 1921, and a saving of \$4,942,319 in annual salaries of 3,289 employees, who were dropped.

Approximately one-half of the saving is in the comptroller's department. June 15, 1921, the personnel there consisted of 3,086, with annual salaries of \$5,787,035. On December 31, 1921, the number had been reduced to 1,535, with annual salaries of \$3,138,802, a reduction of \$2,648,231.

Here is a very striking example of what they have done, and I invite the attention of the Senate to it. We have, of course, a great many of our ships laid up. There is no business for them. They can not be run economically. A good many ships were laid up when the present board took charge, and of course they had to be watched and looked after. Here is one concrete example of what they have done:

In July, 1921, there were 719 steel vessels laid up with 4,577 employees, with an average annual cost per vessel for wages and incidental expense of \$12,233.16.

That is per vessel. Mark you, that is what it was costing on an average in July, 1921, to maintain a laid-up vessel, to look after it and care for it.

Now, there are 1,029 vessels laid up, total employees reduced to 3,421, average annual expense \$5,013.12.

Instead of \$12,233.

Based on the number of steel vessels laid up as of this date, this shows an annual reduction of approximately seven and one-half million dollars. The reduction in number of employees amounted to 25 per cent.

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

Mr. JONES of Washington. I yield.

Mr. KING. I recall reading that testimony; but it occurred to me as I read it that it was unfair in the deductions or implications which the writer or witness intended should be drawn from that statement. It must be borne in mind that some of the ships that were tied up—to use that expression—in July, 1921, had been tied up but a short time, and they were being brought into the docks and tied up from time to time, and no

policy had been adopted then as to what should be done with them. That is to say, some of the Shipping Board expected an immediate revival in business, so that the ships would be again conditioned or put into commission for service; so they kept them in more or less of a condition so that they could be speedily put on the water again.

Mr. JONES of Washington. And they are being kept in that condition now.

Mr. KING. But it became apparent later, and is apparent now, that they would probably be tied up for an indefinite period, so a policy was adopted—and it could be adopted when it was known that they would be tied up for some time—of caring for a larger number in a more economical way, and those facts ought to be taken into account.

Mr. JONES of Washington. I am not saying they are not taken into account. I am just simply giving the evidence. I shall not take the time this afternoon to go fully into this question. We will discuss the whole shipping matter a little later, and I do not want to embark on that subject in connection with this bill.

As I said a while ago, I do not intend to criticize the preceding board in any way, shape, or form, because I am looking to the future. I think we have to look to the future. I believe, Mr. President, that you may point out wherein this board has had better advantages than the other, or that certain conditions appeared to be different, and so on. Grant it all. I make no criticism, and I have no controversy about it; but I am convinced that the present Shipping Board is doing its utmost to do whatever is for the best interest of the Government and the best interests of the American shipping, and I am satisfied that the chairman of that board, Mr. Lasker, and the members of the board, and the members of the Emergency Fleet Corporation are exercising possibly not the best possible judgment, but as good judgment as would be exercised by anybody. They are doing their best in this great work. I have been actually amazed at the wonderful comprehension which Mr. Lasker has acquired with reference to the details and intricacies of this great business within the last six months. I simply want Congress to give these men a chance, to have confidence in them. If we have not confidence in them, let us get rid of them; but as long as we keep them, let us have confidence in their integrity, confidence in their ability, confidence in their patriotism, and confidence in their determination to make a success out of this if they can.

I am convinced of it myself, and I do not know of any man who could have been gotten for this tremendous job who would have done in six months what Mr. Lasker has done as chairman of the board, with the aid of the other members of the board.

Mr. NORRIS. Mr. President, I hope the Senator will not infer that any Senator who is opposed to the committee amendment is inclined for that reason to find fault with the Shipping Board. I do not understand that that has anything to do with the question.

Mr. JONES of Washington. No; not at all; I am not arguing on the amendment at all.

Mr. NORRIS. On the question the Senator has raised, I would like to ask if these vessels which are tied up are fully equipped, ready to go to sea and carry passengers and freight?

Mr. JONES of Washington. A great many of them are. They would need some reconditioning, of course, but they are trying to keep these ships in good condition.

Mr. NORRIS. Why are they spending eight or ten million dollars then to repair one ship if they already have ships which are in repair and ready to be used, but which are tied up?

Mr. JONES of Washington. They have no ship like the *Leviathan*.

Mr. NORRIS. None so big?

Mr. JONES of Washington. Nothing like it.

Mr. NORRIS. Which would do the same work?

Mr. JONES of Washington. Oh, no; I suppose it is the one ship, really, in its class.

Mr. NORRIS. They expect to be able to utilize that ship?

Mr. JONES of Washington. Yes; they think they can utilize it to very great advantage in the North Atlantic, in crossing the Atlantic.

Mr. RANSDELL. I would like to suggest, if the Senator will permit, that while we have a great many cargo ships, we are very short of combined cargo and passenger ships, which the *Leviathan* is. She is principally a passenger-carrying ship, but she carries a good deal of cargo. We do need really for a well-balanced merchant marine, if I understand it correctly, quite a number of ships which will carry passengers and a certain quantity of cargo.

Mr. LODGE. Mr. President, if the Senator will allow me a moment, I think it is perfectly well known to everybody who is at all familiar with ocean travel that the most unprofitable

ships are those ships of enormous tonnage, like the *Vaterland*—now the *Leviathan*—the *Olympic*, the *Aquitania*, and ships of that kind. They are extremely expensive to run, they are luxury ships, and they are not profitable freight carriers. They are building an entirely different type of ship now. They are going back very largely to ships of lesser tonnage, because the others are so enormously expensive. I dare say that Mr. Lasker thinks this will be a profitable ship, but that is not the general experience. Certainly for freight, no one would think of building such a ship.

Mr. JONES of Washington. That is true.

Mr. FLETCHER. Mr. President, I merely wish to say, in this connection, that we often speak about how the British have built up their merchant marine, and how we have failed to accomplish what we probably should have accomplished in that direction. The very best illustration of the reason why we have failed and why Great Britain has built up her merchant marine lies in these two great ships, the *Imperator*, taken by the British, and the *Leviathan*, taken by the United States. The *Imperator* was put in condition, and has been making money "hand over fist" for months, and the *Leviathan* is tied up at a dock at a dead expense to the Government of thousands and thousands of dollars. That is just the difference between the British merchant marine enterprise and the American. We take our ship and tie it up at a dock, and at great expense keep it there. The British put theirs into service, and earn money on her. There is no question but what the *Leviathan* can earn a tremendous profit. We need just such a ship to carry passengers. The profits are made in the carrying of passengers.

Mr. NORRIS. Mr. President, as far as the passenger traffic is concerned, the Americans, as I understand it, supply most of the money that is made in that service, and the difficulty has been that Americans who go abroad are so inclined to travel in English ships that they do not patronize ships flying the American flag.

Mr. FLETCHER. That is because we have never given them the service.

Mr. OVERMAN. Mr. Lasker says that if we would fix this vessel up, they would get the traffic; that Americans would take passage on her.

Mr. NORRIS. I understand they are going to do so, but there are a good many American ships now on the ocean in the passenger-carrying business. I read an article last night, which I believe was an interview with some man connected with the Shipping Board, perhaps the chairman of it, in regard to an advertising plan he has in mind for the purpose of calling the attention of the American people to the fact that in going across the Atlantic, as they do by the thousands, they ought to patronize American ships, and that they have the ships. But he said that if all the Americans who went abroad, estimating the travel in the coming year according to the travel in past years, would travel on American ships, they would not be able to carry all of the Americans who went abroad, and they could make money "hand over fist" if the people would only travel in American ships instead of foreign ships.

Mr. JONES of Washington. My information is that Americans are traveling more and more on American ships.

Mr. NORRIS. I hope so.

Mr. JONES of Washington. I hope so, too; and my information is also that the *George Washington* is making money in the carrying of passengers.

Mr. LENOX. I would like also to call attention to the fact that the *Leviathan* is now costing us \$700,000 a year merely to take care of her.

Mr. LODGE. That is an example of the excellent management of the Shipping Board. That ship has been lying there ever since the troops came back and nothing has been done to her.

Mr. JONES of Washington. The Shipping Board, either this one or the one before the present board, is not entirely to blame. It was proposed that the *Leviathan* be sold unconditionally, and a bid was made for her, I think, of nearly \$4,000,000. Congress held that up by resolution.

Mr. NORRIS. That was a bid under which the ship might have gone out from under the American flag.

Mr. JONES of Washington. No; it had to go under the American flag. I take blame to myself with reference to that. I am inclined to think we made a mistake. I joined in reporting favorably the resolution to withhold action upon it, and I am inclined to think we made a mistake.

Mr. NORRIS. I remember the occasion now, since the Senator speaks of it, and I voted for the resolution, or if I did not, I was in favor of it, and I am still in favor of it. That was a long time ago. Have they not had sufficient time to equip the ship and get it going?

Mr. JONES of Washington. The present Shipping Board is trying to do it; but it has only been in office about six months. The other Shipping Board did not; it did not have the money.

Mr. NORRIS. How much time has elapsed since that resolution was passed?

Mr. JONES of Washington. I think about two years.

Mr. NORRIS. It ought to have been equipped in two years.

Mr. JONES of Washington. We would have had to provide the money.

Mr. FLETCHER. They did not have the money, and we did not have any Shipping Board about half the time.

Mr. NORRIS. They had money with which to work on the other ships, did they not?

Mr. JONES of Washington. No; not extensively. They kept them somewhat in repair out of receipts from operation.

Mr. LENROOT. I would like to say to the Senator from Nebraska that what there was of the Shipping Board could never get the approval of the committee of either House to go ahead with the reconditioning, owing largely to the way the financial operations of the Shipping Board were then being conducted.

Mr. RANSDELL. I would like to add just this statement to the debate about the *Leviathan*: It was a very expensive ship in its original cost. I do not remember exactly, but it cost something like \$25,000,000 or \$30,000,000. It is an asset on our hands.

Mr. JONES of Washington. It did not cost that originally, but Mr. Ferguson, testifying before our committee when that matter was being considered, said it would cost from \$25,000,000 to \$30,000,000 to replace the *Leviathan* at this time.

Mr. RANSDELL. Very well; put it that way.

Mr. JONES of Washington. That was two years ago.

Mr. LODGE. It did not cost anything like that sum when it was built.

Mr. JONES of Washington. No; it did not.

Mr. RANSDELL. But it would cost that to replace it.

Mr. LODGE. I think it probably would.

Mr. RANSDELL. It is a dead asset on our hands. The Senator from Wisconsin [Mr. LENROOT] just stated that it is costing about \$700,000 a year. I do not remember that that is exactly correct.

Mr. JONES of Washington. It is a liability in the shape in which it is now.

Mr. RANSDELL. It is a tremendous liability right now. It can be repaired and made practically a new ship, and a very valuable asset, at a cost of \$8,200,000. As I read the testimony of Mr. Lasker and others, it will certainly pay a good dividend on a \$15,000,000 valuation, if we spend \$8,200,000 on it. It will then become a paying proposition, something of which we, as Americans, would be proud, something which would help us to build up that merchant marine we all talk so much about, something which would balance the merchant marine; something which we have not now, for we have not a ship like that to come in competition with the great ships of England.

With a dead asset, costing us a tremendous amount to care for, would it not be good business to spend \$8,200,000 and make a profitable asset on a valuation of \$15,000,000? It seems to me there can be no question about that. We must either do that, Senators, or we ought to take this hulk out in the ocean and sink it. One or the other ought to be done.

Mr. LODGE. I am not opposing the reconditioning of the *Leviathan*, but I want it reconditioned at the lowest price.

Mr. RANSDELL. We will discuss that phase of it later.

Mr. LENROOT. I made the statement that it was costing \$700,000 a year to care for the *Leviathan*, and I wish to be entirely accurate about that. It is costing us \$44,000 a month for care. The ship is using a pier for which we could receive \$18,000 a month if the *Leviathan* were not there. Therefore it is costing us \$62,000 a month, or a little over \$700,000 a year.

Mr. JONES of Washington. I could cite other changes this board has made, but I shall not take the time to do it, as I hope we will be able to get this bill through to-day. I know the Senator from Massachusetts wants this vessel reconditioned, and the only question in my mind is whether or not we should hamper the Shipping Board in using its best judgment as to how it should be done. I have no doubt, as I said before, that it conferred with the Navy Department, and the Navy Department said it would not be advantageous to do this in the navy yard. Therefore they called for bids. The bids have been received. The contract can be let by the 15th of the month. If it is not let, then the chances are it will cost more to do what everybody seems to think ought to be done.

Mr. President, I do not believe that we ought to put any restrictions upon the Shipping Board, especially in this respect.

Mr. KING. Mr. President, before the Senator resumes his seat may I ask him a question?

Mr. JONES of Washington. Certainly.

Mr. KING. The Senator has been discussing the amendment before us from one angle only, as I have understood his statement. Will the Senator give us his views as to the wisdom of embarking upon a policy which will inevitably lead to the continuation of Government plants, shipping plants, navy yards, that we do not need, merely for the purpose of coming into competition with private plants that are engaged in the construction, reconditioning, and repair of ships?

Mr. JONES of Washington. I do not wish to go into that question. I reported a bill to the Senate which was passed and is now a law, in which we declared it to be the policy to have an American merchant marine ultimately, privately owned and privately operated. I am stronger now in my belief in that policy than I was even at that time. But we are confronted with a situation that we can not get away from. We have the ships and we can not sell them now. What the Shipping Board is trying to do is to create conditions under which these ships can be sold, and under which they can be sold at an advantage to the Government, and build up an American merchant marine.

Mr. KING. If the Senator will pardon me—

Mr. JONES of Washington. I am coming now to what the Senator asked. I would strain a point in the building of battleships probably, and real naval ships; I would favor their building or repair in navy yards, because I realize the importance of maintaining navy yards to some extent, although if we ratify the treaties probably not nearly to the extent we will need hereafter; but, generally, I am in favor of having the work done in private yards where it really is of a private character.

While, as the Senator from Massachusetts said, these are technically Government ships, yet they are ships we have to get into private ownership, and when they are in private ownership we shall want to have private shipyards in the country. While I am not making that as an argument in this case for having these vessels repaired in private yards, I would rather see it done on that account. But the main stand that I take here is that the less we interfere with the business discretion of the Shipping Board in the handling of the great property that they now have in their charge the more likely they are to succeed. That broad proposition governs my action in this case.

Mr. LODGE. Mr. President, it is now after 5 o'clock and I have something I desire to say about this question. I think I can bring it clearly before the Senate that my purpose, at least, is to do the work more economically than the Shipping Board is even willing to try to do it. I shall want some little time to go over the facts. Therefore, preferring not to go on to-night, I am going to move that the Senate proceed to the consideration of executive business.

Mr. WARREN. Will the Senator withhold that motion for a moment?

Mr. LODGE. Certainly.

Mr. WARREN. There were two reservations made by the Senator from Utah [Mr. KING], which he informs me he does not wish to bring up, one on the purchase of certain lands and another one on the Bureau of Efficiency. So those may stand as agreed to.

Mr. KING. Let it be understood that the one with respect to the Bureau of Efficiency and the other with reference to the purchase of certain lands may stand as agreed to.

Mr. WARREN. They were agreed to, and the Senator gave notice that he might wish to move to reconsider.

Mr. KING. I withdraw that notice.

Mr. FLETCHER. There is an amendment proposing to increase the salaries of the members of the Civil Service Commission, which was passed over.

The VICE PRESIDENT. That was passed over.

Mr. KING. I should like to have the item relating to the Bureau of Aeronautics go over until to-morrow.

EXECUTIVE SESSION.

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

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

RECESS.

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

The motion was agreed to, and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Saturday, February 11, 1922, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 19 (legislative day of February 3), 1922.

APPOINTMENTS IN THE DIPLOMATIC SERVICE.

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

Alanson B. Houghton to be ambassador extraordinary and plenipotentiary to Germany.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY.

Fred Morris Dearing to be envoy extraordinary and minister plenipotentiary to Portugal.

Roy T. Davis to be envoy extraordinary and minister plenipotentiary to Costa Rica.

Albert Henry Washburn to be envoy extraordinary and minister plenipotentiary to Austria.

Theodore Brentano to be envoy extraordinary and minister plenipotentiary to Hungary.

AGENT AND CONSUL GENERAL.

Joseph M. Denning to be agent and consul general at Tangier, Morocco.

RECEIVER OF PUBLIC MONEYS.

Harry B. Drum to be receiver of public moneys at Billings, Mont.

PROMOTIONS IN THE NAVY.

To be rear admiral.

Jehu V. Chase.

To be captains.

Lyman A. Cotten.
John J. Hyland.
William P. Cronan.

To be commanders.

Charles S. Joyce.
Edmund S. Root.
Harold G. Bowen.
Arthur K. Atkins.
Anthony J. James.
Wilhelm L. Friedell.
Henry A. Orr.
William H. Toaz.
Turner F. Caldwell.
Ferdinand L. Reichmuth.
Isaac C. Kidd.
Charles C. Hartigan.
Sherwoode A. Taffinder.

Lesley B. Anderson.
Ronan C. Grady.
Hollis M. Cooley.
Edward D. Washburn, jr.
Harold Jones.
Edwin A. Wolleson.
Isaac C. Bogart.
Harvey Delano.
Robert A. White.
Frank H. Roberts.
Stephen Doherty.
Albert C. Read.

To be lieutenant commanders.

Andrew B. Denney.
William B. Cothran.
Theodore S. Wilkinson, jr.
Frank T. Leighton.
Leo L. Lindley.
Monroe Kelly.
William C. Wickham.
Charles H. Morrison.
Robert G. Coman.
Joseph M. Deem.
Deupree J. Friedell.
George B. Keester.
Thalbert N. Alford.
Theodore H. Winters.
Joseph A. Murphy.
Henry T. Settle.
Hollaway H. Frost.
James B. Will.

Thomas Moran.
Spencer S. Lewis.
Walden L. Ainsworth.
Edwards B. Gibson.
Walter A. Edwards.
Bolivar V. Meade.
Godfrey de Courcelles Chevalier.
Hugh P. Le Clair.
Fitzhugh Green.
Granville B. Hoey.
Wilbur J. Carver.
Lucius C. Dunn.
Ewart G. Haas.
Francis A. La Roche.
Roy C. Smith, jr.
James G. Ware.
Samuel W. King.

To be lieutenants.

Ralph G. Risley.
Charlie P. McFeaters.
Lloyd H. Lewis.
Maxwell Case.
Frederick D. Powers.
Samuel B. Brewer.
Kenneth Floyd-Jones.
John H. Forshew, jr.
William H. Hartt, jr.

Robert Poole.
John W. Rogers.
John K. Jayne.
Elmer V. Iverson.
Ernest A. Foote.
William Masek.
Frank G. Kutz.
Axel Lindblad.
Miles R. Browning.

To be lieutenants (junior grade).

Kenneth Floyd-Jones.
John H. Forshew, jr.
William H. Hartt, jr.
Robert Poole.
John W. Rogers.
John K. Jayne.

Elmer V. Iverson.
James M. Johnston.
Stuart S. Murray.
William J. Strachan.
Axel Lindblad.
Ralph B. Netting.

To be surgeon.

Claude W. Carr.

To be medical directors.

Will M. Garton.
William H. Bell.
Holton C. Curl.

To be passed assistant surgeons.

James E. Houghton.
Elwood A. Sharp.
Ammi L. Johnson.

To be dental surgeons.

William L. Darnall.
Logan A. Willard.
John V. McAlpin.

Marson W. Mangold.
Edward E. Harris.

To be passed assistant dental surgeons.

William R. Taylor.
Hubert F. Delmore.

John A. Walsh.
Harrison B. Duncan.

To be pay inspectors.

David C. Crowell.
Walter D. Sharp.
Graham M. Adee.

To be pay directors.

Walter B. Izard.
William A. Merritt.

To be paymasters.

Major C. Shirley.
George S. Wood.
Harold C. Gwynne.

To be passed assistant paymasters.

Earl LeR. Bailey.
Wallace Prior.

To be civil engineers.

Walter H. Allen.
Frederick H. Cooke.
Albert A. Baker.

Ralph Whitman.
Ralph M. Warfield.

POSTMASTERS.

CALIFORNIA.

Joseph F. Carroll, Bell.
William H. Nicholson, Ben Lomond.
Thomas J. Durfee, Bieber.
Marion B. Cheever, Camp Meeker.
Mary T. Monsport, Capitola.
Roswell M. Wilbur, Delano.
Alice R. Scheeck, Eldridge.
Theodore H. Zimmerman, Fillmore.
Clarissa P. Mosher, Inglewood.
Thomas H. Faus, Lindsay.
Patrick P. O'Brien, Los Angeles.
Jessie Hossack, Merced Falls.
Loring N. Kirk, Upland.
Arthur M. Becker, Visalia.
John P. Day, Woodlake.

COLORADO.

Henry A. Danielson, Boone.
Clarence A. Smith, Delta.
Edward P. Owen, Genoa.
Richard G. Dalton, La Junta.

IOWA.

Paul S. Miller, Corydon.
William C. McCurdy, Massena.

KANSAS.

John W. Coleman, Sylvia.
Jacob K. Luder, Waldo.

MICHIGAN.

George B. McIntyre, Fairgrove.
Thomas H. McGee, Farmington.
Charles T. Lockwood, Portland.
Edward A. Gast, St. Joseph.

NEBRASKA.

Clyde W. Norton, Kearney.
Blanche Snyder, Oconto.
Philip Stein, Plainview.

NEW JERSEY.

Elbert Wilbert, Bayhead.
Clark P. Kemp, Little Silver.
William H. Cottrell, Princeton.

NEW YORK.

Ella Babcock, Lake Huntington.

NORTH CAROLINA.

John W. Chapin, Aurora.

J. F. Stawles, Pinetops.

Abram L. Alexander, Plymouth.

OHIO.

Herman W. Davis, Bedford.

Frank M. McCoy, Bloomingburg.

Herbert S. Cannon, Canal Winchester.

Charles E. Schindler, Coldwater.

Earl R. Burford, Minerva.

Ward B. Petty, Sycamore.

OKLAHOMA.

Eugene J. Blossom, Atoka.

George N. Davina, Colony.

William I. Fisher, Cordell.

Thomas E. Miller, Francis.

Walker D. Guthrie, Granite.

Irvin T. Boldrey, Helena.

Jason A. N. Horton, Hunter.

Charles L. Bell, Lindsay.

Walter S. Florence, Madill.

Lee R. Johnson, Olustee.

PENNSYLVANIA.

Jerome G. Shelley, Richfield.

SOUTH DAKOTA.

Frank I. Neal, Aurora.

Charles H. Hess, jr., Blunt.

Frederick M. Webb, Hitchcock.

Henry W. Knutson, Leola.

TEXAS.

Ima L. Jeffrey, Bigwells.

David E. Watson, Centerville.

Joseph C. Eakin, Chilton.

William J. Ott, Cuero.

Elam O. Wright, Estelline.

Robert Dempster, Hitchcock.

Thomas L. Darden, Meridian.

Sam G. Reid, Oglesby.

Charles E. Simpson, Refugio.

Joseph E. Willis, Rochelle.

Frank L. Aten, Round Rock.

William J. Hall, Tiffin.

Thomas J. Hill, Yoakum.

UTAH.

C. Thomas Martin, Milford.

VERMONT.

Albert E. Currier, Danville.

VIRGINIA.

Leo H. Beach, Camp Humphreys.

Charles A. McKinney, Cape Charles.

James W. Milton, Eagle Rock.

Norman V. Fitzwater, Elkton.

Ernest A. de Bordenave, Franklin.

James E. Johnson, New Church.

William A. Wine, Quicksburg.

Floyd E. Ellis, Roanoke.

Ella M. Shifley, Rose Hill.

George N. Kirk, St. Charles.

Lee S. Wolfe, South Boston.

Ernest H. Croshaw, Stony Creek.

John W. Layman, Troutville.

WASHINGTON.

Mark D. Keeney, Bothell.

Harry L. Bras, Centralia.

Eugene J. Edson, Coulee.

Jerome E. Depew, Elk.

Leonidas I. Wakefield, Elma.

Franz S. Drummond, Gig Harbor.

Ralph L. Philbrick, Hoquiam.

William F. Ulrich, Index.

Anna A. Chapman, Kirkland.

Eugene M. Splawn, Lyle.

Howard H. Lair, Marcus.

Helen L. Hadenfeldt, Mukilteo.

Winslow M. McCurdy, Port Townsend.

Walter C. Sommers, Prosser.

Thomas Harries, Renton.

Golda R. Moore, Roy.

Juanita Morris, St. John.

David M. Donnelly, Sedro Wooley.

John Maloney, Skykomish.

William I. Leech, Stellacoom.

Andrew J. Diedrich, Valley.

HOUSE OF REPRESENTATIVES.

FRIDAY, February 10, 1922.

The House met at 12 o'clock noon.

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

Almighty God, again Thou hast opened for us the gates of day. Where our strength ends Thou dost begin, and where our hope fades Thou dost come. Blessed be Thy holy name! We are grateful that we still have a place in the heart of God and a refuge in His house of defense. In all our ways lead us out and on and up. Amid the currents and the denials of life help us always to put good things to noble uses and cast aside all things else. As we live with the arms of God about us, O may His moral law be within. We would have our work be full of wisdom for our country and have it bring every enlargement of life to our citizenship everywhere. Through Jesus Christ our Lord. Amen.

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

CALL OF THE HOUSE.

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

The SPEAKER. The gentleman from Iowa makes the point of order that there is no quorum present. Evidently there is no quorum present.

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

A call of the House was ordered.

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

Ansorge	Penn	Knight	Robertson
Atkeson	Fess	Kreider	Robison
Barkley	Fields	Kunz	Rodenberg
Bird	Focht	Langley	Rogers
Bland, Ind.	Funk	Lee, Ga.	Rose
Bland, Va.	Gallivan	Lee, N. Y.	Ryan
Brennan	Gerner	Lineberger	Sanders, Ind.
Brinson	Gould	Luhning	Shaw
Britten	Graham, Pa.	Mansfield	Siegel
Brown, Tenn.	Green, Iowa	Martin	Slomp
Butler	Greene, Vt.	Mead	Smith, Mich.
Cantrill	Hays	Michaelson	Sproul
Carew	Hill	Mills	Stedman
Chandler, N. Y.	Hogan	Montague	Steenerson
Chandler, Okla.	Houghton	Moore, Ill.	Stiness
Clark, Fla.	Hukriede	Mott	Sullivan
Clarke, N. Y.	Husted	Mudd	Taylor, Colo.
Classon	Ireland	Nelson, J. M.	Thomas
Codd	James	O'Brien	Tilson
Cole, Ohio	Jefferis, Nebr.	Ogden	Tinkham
Connell	Johnson, Ky.	Parker, N. J.	Treadway
Connolly, Pa.	Johnson, S. Dak.	Parker, N. Y.	Underhill
Crowther	Kahn	Parrish	Upshaw
Curry	Keller	Patterson, N. J.	Vare
Davis, Minn.	Kelley, Mich.	Perlman	Vestal
Dempsey	Kelly, Pa.	Pou	Volk
Demson	Kennedy	Rainey, Ala.	Ward, N. Y.
Drowry	Kiess	Rainey, Ill.	Winslow
Driver	Kindred	Reavis	Wood, Ind.
Dyer	Kirkpatrick	Reber	Yates
Echols	Kitchin	Riordan	

The SPEAKER. Three hundred and seven Members have answered to their names. A quorum is present.

Mr. CRAMTON. I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

INTERIOR DEPARTMENT APPROPRIATIONS.

Mr. CRAMTON. I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10329, the Interior Department appropriation bill.

Pending that motion, Mr. Speaker, I should like to come to an agreement as to the limit of general debate. I will ask my colleague, the gentleman from Oklahoma [Mr. CARTER], how much time he thinks will be needed on his side?

Mr. CARTER. I have demands for a little more than two hours on this side, Mr. Speaker.