

4052. Also, petition of Bernus A. Soli and 42 other residents of Bentley, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4053. Also, petition of Hon. R. W. Patten and 32 other citizens of Plaza and Parshall, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4054. Also, petition of Ed Fossaa and 30 other residents of White Earth and Powers Lake, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4055. Also, petition of O. B. Barfuss and four other residents of Cooperstown, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4056. Also, petition of P. J. Hutton and 36 other residents of Reeder, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4057. Also, petition of Hon. W. J. Maddock and 21 other residents of Plaza, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4058. Also, petition of Hon. P. F. Doyle and 22 other residents of Charlson and Sanish, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4059. Also, petition of Jack Henrick and 12 other residents of South Heart, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4060. Also, petition of Clarence Anderson and 13 other residents of Veblen, S. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4061. Also, petition of Nils G. Dahl and 16 other residents of Watford City and Cherry, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4062. Also, petition of J. M. Carr and six other residents of Carrington, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4063. Also, petition of Joseph A. Tupa and two other residents of Regent, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4064. Also, petition of Don Birdsall and 29 other residents of Berthold, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4065. Also, petition of North Dakota Farm Bureau Federation, urging that an appropriation of \$15,000 be made for the investigation of the manufacture of flax straw into paper and pulp; to the Committee on Appropriations.

4066. Also, petition of William M. Martin, county auditor, Bottineau, N. Dak., on behalf of the county commissioners of Bottineau County, favoring the passage of a bill to provide aid in the purchase of seed this spring by needy farmers; to the Committee on Agriculture.

4067. Also, petition of A. N. Winge and 30 other residents of Van Hook, N. Dak., urging the revival of the United States Grain Corporation and a stabilized price for farm products; to the Committee on Agriculture.

4068. By Mr. SNYDER: Petition of the historical societies of the American Historical Association for the erection of a modern historical building in the city of Washington; to the Committee on the Library.

4069. By Mr. SWING: Petition of the Associated Chambers of Commerce of Imperial Valley, Calif., supporting the adjusted compensation bill; to the Committee on Ways and Means.

4070. By Mr. TEMPLE: Petition of members of Mispah Council, No. 361, and Friendship Council, No. 201, Junior Order United American Mechanics of Washington, Pa., in support of House bill 9458; to the Committee on Immigration and Naturalization.

4071. Also, petition of Albert L. Pierce, rural delivery route No. 3, Washington, Pa., in support of House bill 8086; to the Committee on Agriculture.

4072. By Mr. WINSLOW: Petition of the Pan-Albanian Federation of America, for recognition of the present Government of Albania, dated January, 1922; to the Committee on Foreign Affairs.

SENATE.

WEDNESDAY, February 15, 1922.

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

Our Father, we thank Thee that though all secrets are known unto Thee and our ways are scrutinized we can come to Thee, notwithstanding our failures, and ask from Thee a continuance of Thy mercy, assured that Thy goodness shall never fail us. Help us to fulfill our tasks, to do Thy will, and to prove acceptable before Thee. Through Jesus Christ. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Monday, February 13, 1922, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

ACCOUNTS OF THE EMERGENCY FLEET CORPORATION (S. DOC. NO. 105).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury calling attention of Congress to the necessity for legislation to provide for an audit of the accounts of the United States Shipping Board Emergency Fleet Corporation by the General Accounting Office, and suggesting an amendment to the act approved July 1, 1918, for this purpose, which was ordered to be printed and, with the accompanying papers, referred to the Committee on Appropriations.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 2373) to authorize association of producers of agricultural products.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 1268. An act for the relief of the Six-Minute Ferry Co., of Vallejo, Calif.;

H. R. 1362. An act for the relief of M. Fine & Sons;

H. R. 1370. An act for the relief of Col. Herbert Deakyne, Corps of Engineers, United States Army;

H. R. 1372. An act for the relief of the M. Feitel House Wrecking Co.;

H. R. 1721. An act to authorize the refund of a part of the purchase price of Camp Mills to the Buffalo Housewrecking & Salvage Co.;

H. R. 1733. An act for the relief of W. R. Grace & Co.;

H. R. 2144. An act for the relief of the owners of the schooner *Charlotte W. Miller*;

H. R. 2373. An act to authorize association of producers of agricultural products;

H. R. 3249. An act for the relief of certain employees of the Bureau of Lighthouses;

H. R. 5597. An act granting an increase of pension to N. May Jernegan;

H. R. 6437. An act for the relief of the Cleveland Trinidad Paving Co., of Cleveland, Ohio;

H. R. 6622. An act for the relief of Gaetano Davide Olivari fu Fortunato;

H. R. 8217. An act to authorize the payment of \$872.96 to the Government of Italy for the relief of the heirs and assigns of N. Ferro;

H. R. 9724. An act making appropriations for the Treasury Department for the fiscal year ending June 30, 1923, and for other purposes; and

H. R. 9931. An act to extend the time for completing the construction of a bridge across the Delaware River.

VIEWS OF JUDICIARY ON LEGISLATIVE QUESTIONS.

Mr. HARRIS. Mr. President, on yesterday I called the attention of the Senate to a speech of Mr. Justice Clarke, of the Supreme Court of the United States, in regard to the cancellation of our foreign war debts when Members of the Senate and the House had delayed discussing those questions on account of the Limitation of Armament Conference being in session. In my address I also expressed regret that the Republican Party had nominated Mr. Hughes for President while a member of the Supreme Court. Since then it has been called to my attention that Mr. Justice Clarke made a speech in New York in which he discussed other matters with which Congress has to deal, including prohibition. I have also been informed that Chief Justice Taft has recently made some speeches which have

been different from those made by any other Chief Justice, but I do not recall them.

We all know the efforts of the Senator from South Carolina [Mr. DIAL] in directing attention of the country to the baseball contract which Federal Judge Kenesaw Mountain Landis made, and how that has lessened the respect for the judiciary. I think the Senator from South Carolina has rendered a splendid service in this and many other important matters. All such things will injure the judiciary of our country.

Mr. WATSON of Georgia. Mr. President, will my colleague allow me to ask him a question?

Mr. HARRIS. Certainly.

Mr. WATSON of Georgia. Has the Chief Justice or the associate justice expressed an opinion upon the Muscle Shoals project?

Mr. HARRIS. Mr. President, I am a great admirer of the Chief Justice of the Supreme Court. My colleague and I differ with reference to him. I voted for his confirmation and my colleague voted against it. The Chief Justice of the Supreme Court has the respect and confidence of the people of my section. While President he appointed an ex-Confederate soldier, Justice White, of Louisiana, Chief Justice at a time when it took a brave and generous man to do it, and our people will never forget him for that. There was at a time when there was a Federal soldier on the bench whom he might have promoted to that high office. He also appointed Joseph R. Lamar, one of the ablest lawyers of my State, a Democrat, to be a member of this highest court. Justice Lamar distinguished himself and our section by the splendid services rendered on the Supreme Court, but the hard work shortened his useful life.

I think William McKinley and William Howard Taft rendered the country a great service when, as Presidents of the United States, they tried to do away with sectionalism and reunite our people. I am a great admirer of the present Chief Justice, but the judiciary is going to be injured, and the people will not have the same high respect for it if the Chief Justice and associate justices of the Supreme Court of the United States make speeches in public not in their line of duty as has been done recently.

I have referred to the generous and broad-minded spirit shown ex-Confederate soldiers by the present Chief Justice and the late President McKinley, and I hope I may be pardoned for a personal reference. When I was made Director of the United States Census Bureau in 1913 one of the first things I discovered was that a number of the ex-Federal soldiers and widows of Federal soldiers employed in the bureau were not having the comforts that younger men and younger women were receiving.

One of the first acts of my administration was to see that they were given the best attention and every comfort. When I left that bureau all the ex-Federal soldiers and the widows of Federal soldiers came to me in a body and said that I had shown them more consideration than any director who had ever held the position, although I was the only southern man appointed to fill that office up to that time. While in that position it gave me pleasure to appoint ex-Confederate soldiers to Federal positions in the South than any other person. My father was a Confederate soldier, served four years, and I am proud of his record, but he quit fighting when the war was over and there was no bitterness in him. In my humble way I have done what I could to bring about a complete understanding between our sections. During the Spanish-American and the World War there was never any complaint made about the sons of the Northern or Southern soldiers failing to do their duty—just as their fathers did in the Civil War no matter which side they fought on.

PETITIONS AND MEMORIALS.

Mr. STERLING presented a petition of sundry citizens of Sisseton and Peever, S. Dak., praying for the 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.

Mr. MOSES presented the memorial of Mrs. Daniel Connell and sundry other ladies of Somersworth, N. H., remonstrating against the proposed increase in the rates of duty on women's leather gloves in the pending tariff bill, which was referred to the Committee on Finance.

Mr. NEWBERRY presented petitions of the Woman's Literary Club, of Pontiac, and of sundry members of the American Association of University Women, of Birmingham, both in the State of Michigan, praying for the enactment of legislation

creating a department of education, which were referred to the Committee on Education and Labor.

He also presented a memorial of sundry citizens of Battle Creek, Mich., remonstrating against the enactment of legislation providing for compulsory Sunday observance, which was referred to the Committee on the District of Columbia.

ADDITIONAL DISTRICT JUDGES.

Mr. CUMMINS. I report back favorably with amendments from the Committee on the Judiciary the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes, and I submit a report (No. 497) thereon.

I ask that the report be printed in the RECORD as well as printed under the general order, so that Senators may acquaint themselves with the subject. It is a very important measure and I give notice that within a short time the bill will be called up for consideration.

Mr. OVERMAN. May I ask the Senator from Iowa if that is the bill known as the pork barrel judges bill?

Mr. CUMMINS. I do not recognize the designation applied by the Senator from North Carolina, but I am sure he understands pretty well what the bill is.

The VICE PRESIDENT. The bill will be placed on the calendar, and without objection the report will be printed in the RECORD.

The report is as follows:

The Committee on the Judiciary, to which was referred the bill (H. R. 9103) for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to authorize the designation, assignment, and appointment of judges outside their districts, and for other purposes, having considered the same, report it back to the Senate with an amendment, and recommend that the bill as amended do pass.

Amend the bill by striking out all after the enacting clause and insert in lieu thereof the following:

"That the President be, and he is hereby, authorized to appoint, by and with the advice and consent of the Senate, the following number of district judges for the United States district courts in the districts specified in addition to those now authorized by law:

"For the district of Massachusetts, two; for the eastern district of New York, one; for the southern district of New York, two; for the eastern district of Pennsylvania, one; for the western district of Pennsylvania, one; for the northern district of Texas, one; for the eastern district of Michigan, one; for the northern district of Ohio, one; for the northern district of Illinois, one; for the district of Minnesota, one; for the eastern district of Missouri, one; for the eastern district of Oklahoma, one; for the district of Montana, one; for the northern district of California, one; for the southern district of California, one; for the district of Arizona, one; and for the northern district of Georgia, one.

"Whenever a vacancy shall occur in the office of any district judge appointed pursuant to this act the same shall not be filled unless the Congress shall so provide.

"Sec. 2. That it shall be the duty of the Chief Justice of the United States, or, in case of his disability, of one of the other justices of the Supreme Court, in order of their seniority, as soon as may be after the passage of this act, and annually thereafter, to summon to a conference on the last Monday in September at Washington, or at such other time and place in the United States as the Chief Justice, or, in case of his disability, any of said justices in order of their seniority, may designate, the senior circuit judge of each circuit. If any of said senior circuit judges is unable to attend, the Chief Justice, or, in case of his disability, any justice of the Supreme Court in the order of seniority, may nominate any other circuit or district judge belonging to the circuit whose senior circuit judge is unable to attend, that each circuit may adequately be represented at said conference.

"It shall be the duty of every such senior or other circuit or district judge to attend such conference, and to remain throughout its proceedings, and to advise as to the needs of his circuit and as to any matters in respect of which the administration of justice in the courts of the United States may be improved.

"It shall be the duty of the senior district judge of each district court of the United States to make, on or before the 1st day of August of each year, a report to the senior circuit judge as to the condition of the business in his district and a recommendation as to what additional judicial force, if any, is needed to dispose of the business of such district with reasonable dispatch. It shall not be sufficient for him merely to state in his report the cases as shown upon the docket of the court, but, after investigation, he shall express his best judgment as to the condition of business existing or likely to arise in his court during the ensuing year. The senior circuit judge, or, in his absence, a judge representing the circuit at the conference, shall present such reports to the conference, with a summary thereof, and his comments thereon.

"The Attorney General shall, upon request of the Chief Justice, report to said conference on matters relating to the business of the several courts of the United States, with particular reference to causes or proceedings in which the United States may be a party.

"The said conference shall be presided over by the Chief Justice of the United States, or in case of his disability, by any justice of the Supreme Court in the order of seniority.

"Said conference shall make a comprehensive survey of the conditions of business in the courts of the United States and prepare plans and schedules for the assignment and transfer of judges to or from circuits or districts where the state of the docket or the condition of business indicates the need therefor, and shall submit such suggestions to the various courts as may seem in the interest of uniformity and expedition of business.

"The Chief Justice and each justice or judge summoned to and attending said conference shall be allowed his actual expenses of travel and his necessary expenses for subsistence, not to exceed \$10 per day,

which payments shall be made by the marshal of the Supreme Court of the United States upon the written certificate of the Chief Justice.

“Sec. 3. That sections 13, 14, 15, 16, 17, and 18, as amended by the act of October 3, 1913 (chap. 18, 38 Stats., p. 203), of the Judicial Code, be amended to read as follows:

“Sec. 13. (1) A district judge for a district may be designated to act in another district or the same circuit (including territory attached thereto)—

“(a) In the place of a district judge who is physically or mentally unable for the time being to perform his duties or who is or who is to be necessarily absent from his district;

“(b) In aid of a district judge who on account of the accumulation and urgency of business is unable to perform speedily all the work of his district;

“(c) In aid of a district judge when the public interests so require.

“(2) Such designation shall be made by the senior circuit judge whenever he is satisfied that condition (a), (b), or (c) exists and that the designation can be carried out without such prejudice to the regular work of the designated judge as to make it inadvisable.

“Sec. 14. (1) A circuit judge may be designated to act as district judge in any district of his circuit or of attached territory in any case where a district judge might be so designated.

“(2) Such designation may be made by the senior circuit judge (who may designate himself) whenever he is satisfied that the occasion therefor exists and that the public interests so require.

“(3) This section shall apply to the circuit judges formerly comprising the Commerce Court.

“Sec. 15. (1) A district judge of a district (called herein the home district) may be designated to act in any district of another circuit or its attached territory (called herein the aided district) in place of or in aid of a judge thereof, in case—

“(a) The senior circuit judge of the aided district shall certify to the Chief Justice of the United States that the public interests require the designation of an additional judge or judges in such district and that it is impracticable to supply the need from among the judges of his circuit; and

“(b) The senior circuit judge of the circuit of the home district shall certify to the Chief Justice of the United States that neither the business of that district nor of other districts in that circuit will suffer by the proposed designation.

“(2) Such designation may be made by the Chief Justice if, in his judgment, the public interests so require.

“(3) For the purposes of this section the District of Columbia is to be deemed one of the districts which may be aided and likewise a circuit, the Supreme Court of the District of Columbia is to be deemed a district court to which designations may be made, the justices of the Court of Appeals as circuit judges, and the Chief Justice thereof as the senior.

“Sec. 16. (1) The designation provided for by sections 13, 14, and 15 shall be in writing, signed by the judge or justice designating, and shall specify the district aided, the judge designated, and the period of service.

“(2) It shall be filed in the clerk's office and entered in the minutes of the district court of the aided district; and when so filed and entered shall be conclusive evidence of all the facts necessary to support it.

“(3) A certified copy shall at once be furnished by the clerk to the judge designated; also to the judge of the aided district; also (if under section 15) to the senior circuit judge of each of the two circuits.

“Sec. 17. (1) During the period of service named the judge designated under sections 13, 14, or 15 shall have all the duties, powers, and rights of the judge of the aided district (excepting the power of appointment to a statutory position or of permanent designation of newspaper or depository of funds): *Provided, however,* That in case a trial has been entered upon before such period of service has expired and has not been concluded, the period of service shall be deemed to be extended until the trial has been concluded.

“(2) Any designated judge who has held court in another district than his own shall have power, notwithstanding his absence from such district and the expiration of the time limit in his designation, to decide all matters which have been submitted to him within such district, to decide motions for new trials, settle bills of exceptions, certify or authenticate narratives of testimony, or perform any other act required by law or the rules to be performed in order to prepare any case so tried by him for review in an appellate court; and his action thereon in writing filed with the clerk of the court where the trial or hearing was had shall be as valid as if such action had been taken by him within that district and within the period of his designation.

“(3) Whenever, pursuant to any law, more than one district judge is authorized to hold court in the same district, each may, separately, but at the same time, hold a district court and discharge the judicial duties of the district judge therein, but subject to section 23 hereof.

“Sec. 18. (1) Any power given by section 13, 14, or 15 to the senior circuit judge may be exercised by the Chief Justice or associate justice allotted to that circuit, or by the circuit judge who, on account of the illness or absence from the circuit of the senior, is acting as such.

“(2) In case of vacancy in the office of Chief Justice, or his disability from illness or absence, any power given to him by this section or section 15 may be exercised by the senior associate justice.”

“Sec. 4. That section 118 of the Judicial Code, as amended by the act approved February 25, 1919 (40 Stats. L., p. 1156), be, and the same hereby is, amended so as to read as follows:

“Sec. 118. There shall be in the second, seventh, and eighth circuits, respectively, four circuit judges; in the fourth circuit three

circuit judges; and in each of the other circuits, three circuit judges, to be appointed by the President, by and with the advice and consent of the Senate. All circuit judges shall receive a salary of \$8,500 a year each, payable monthly. Each circuit judge shall reside within his circuit and when appointed shall be a resident of the circuit for which he is appointed. The circuit judges in each circuit shall be judges of the circuit court of appeals in that circuit, and it shall be the duty of each circuit judge in each circuit to sit as one of the judges of the circuit court of appeals in that circuit from time to time according to law: *Provided,* That nothing in this section shall be construed to prevent any circuit judge holding district court or otherwise, as provided for and authorized in other sections of this act.”

Section 1 of the bill provides for the appointment of 19 additional judges of the district courts of the United States in 17 districts, as follows: Two judges in each of the districts of Massachusetts and the southern district of New York, and one judge in each of the following-named districts: Eastern New York, eastern Pennsylvania, western Pennsylvania, northern Texas, eastern Michigan, northern Ohio, northern Illinois, eastern Illinois, Minnesota, eastern Missouri, eastern Oklahoma, Montana, northern California, southern California, Arizona, and northern Georgia.

The committee feel that the appointment of so many additional district judges at this time can only be justified by the fact that an emergency exists in the business of the courts of the districts named. This emergency has largely been brought about by the increase of business on account of recent legislation of Congress, an accumulation of business occurring during the recent war, the intricate character of the litigation in certain districts, and the large size of some districts making it difficult for one judge to do the work to advantage. The committee also feel that much of this accumulation of business is of a more or less temporary character, and have therefore provided that whenever a vacancy occurs in the office of any district judge appointed, pursuant to this act the same shall not be filled unless the Congress shall so provide.

Section 2 provides for an annual conference of the senior circuit judges of all the circuits, to be held at Washington, and to be presided over by the Chief Justice of the United States. It is made the duty of the senior district judges of each district to report to the senior circuit judge of his circuit the condition of business in his district with his recommendations, and such reports shall be presented to the conference by such senior circuit judges together with their recommendations and comments thereon. The Attorney General is also, on request of the Chief Justice, to report to the conference on matters pertaining to the several courts of the United States with particular reference to causes or proceedings in which the United States may be a party. The object of the conference is to “make a comprehensive survey of the conditions of business in the courts of the United States and prepare plans and schedules for the assignment and transfer of judges to or from circuits or districts where the state of the docket or the condition of business indicates the need therefor,” and to “submit such suggestions to the various courts as may seem in the interest of uniformity and expedition of business.”

Section 3 amends sections 13, 14, 15, 16, 17, and 18 of the Judicial Code, so as to provide more efficient machinery for the designation, assignment, and transfer of district judges from one district to another district in the same circuit, from a district in one circuit to a district in another circuit, and the designation of a circuit judge to act as a district judge within his own circuit, and to arrange the provisions in a more logical order.

The amendment to section 13 covers the subject of assigning district judges within their home circuit, and includes everything on that subject found in House bill 9103, and in sections 15, 16, and 17 of the Judicial Code.

Section 14 of the Judicial Code as amended covers the subject of appointing circuit judges to hold the district court.

Section 15, as amended, covers the subject of assigning district judges to service outside of their home circuit. It includes what is now found in section 18 of the Judicial Code and section 5 of House bill 9103; also, it brings into the same frame the treatment of the District of Columbia courts found in section 7 of House bill 9103.

Section 16, as amended, covers the manner of designation in all cases. It includes the provisions on that subject made by sections 3 and 4 of House bill 9103 as affected by the remaining sections of the Judicial Code.

Section 17, as amended, unites into one section everything that is found about the duty and power of the designated judge, in House bill 9103, and in sections 13 to 18 of the present Judicial Code. It adds only the power to decide certain matters after the judge has gone home, which is the present practice.

Section 18, as amended, unites into one section the power of other judges to designate in addition to the primary one.

Section 4 of the bill amends section 118 of the Judicial Code only to provide for three circuit judges in the fourth judicial circuit instead of two as now provided in said section. This is the only circuit that now has only two judges.

A table showing the state of the business in several districts is hereto attached.

Amend the title to read as follows: “An act for the appointment of additional district judges for certain courts of the United States, to provide for annual conferences of certain judges of United States courts, to amend certain sections of the Judicial Code relating to the designation, assignment, and appointment of judges outside their districts, and for the appointment of an additional circuit judge in the fourth circuit.”

BUSINESS PENDING IN ALL THE DISTRICT COURTS OF THE UNITED STATES.

Statement showing business pending in United States district courts, year ending June 30, 1921, compiled from information furnished by the Attorney General.

	Number of judges.	Number of cases pending June 30, 1921.							Population, 1920.	
		United States civil.	Criminal, including prohibition.	Admiralty.	All other civil.	Total.	Bankruptcy.	Draft cases.		Prohibition cases.
FIRST CIRCUIT (5 DISTRICTS).										
Maine.....	1	22	244	92	233	591	152	8	50	768,014
Massachusetts.....	1	206	186	142	923	1,478	1,494	3,943	68	3,852,356
New Hampshire.....	1	14	45	3	58	120	136	21	443,083
Rhode Island.....	1	39	202	25	93	433	160	18	95	604,397
Porto Rico.....	1	16	47	3	98	194	111	30	43	1,297,772
Total.....	5	297	733	265	1,405	3,670	1,993	3,900	277	6,965,622

Statement showing business pending in United States district courts, year ending June 30, 1921, etc.—Continued.

	Number of judges.	Number of cases pending June 30, 1921.							Population 1920.
		United States civil.	Criminal, including prohibition.	Admiralty.	All other civil.	Total.	Bankruptcy.	Draft cases.	
SECOND CIRCUIT (6 DISTRICTS).									
New York:									
Northern district.....	2	83	323	74	771	1,251	499		224
Eastern district.....	2	177	560	1,552	705	2,994	1,047	2,036	480
Southern district.....	4	2,890	1,893	3,230	2,413	10,426	2,740	7,004	2,015
Western district.....	1	135	475	32	213	855	638	5	231
Vermont.....	1	11	117	1	55	185	254	24	64
Connecticut.....	1	62	166	37	120	386	1,016	2	125
Total.....	11	3,358	12,605	4,926	4,278	16,096	6,194	9,071	3,139
THIRD CIRCUIT (5 DISTRICTS).									
Pennsylvania:									
Eastern district.....	2	283	342	286	1,887	2,788	880	59	210
Middle district.....	1	25	41	1	292	359	459	1,096	13
Western district.....	2	137	450	178	1,684	2,449	1,859	3	324
New Jersey.....	3	331	1,989	178	562	2,060	914	10,593	429
Delaware.....	1	14	13	58	149	234	41		4
Total.....	9	790	1,825	701	4,574	7,890	4,159	11,751	980
FOURTH CIRCUIT (9 DISTRICTS).									
West Virginia:									
Northern district.....	1	25	97	2	120	244	283		25
Southern district.....	1	49	222	3	282	556	195	3	80
Virginia:									
Eastern district.....	1	90	239	271	151	751	423		45
Western district.....	1	38	458		70	566	249	2	108
Maryland.....	1	51	33	69	56	209	163		13
North Carolina:									
Eastern district.....	1	27	371	46	204	648	145		270
Western district.....	2	134	788		152	1,078	165	17	448
South Carolina:									
Eastern district.....	1	27	316	24	89	456	421	3	133
Western district.....	1	30	416		75	521	102	25	196
Total.....	10	471	2,912	415	1,199	4,977	2,133	78	1,318
Texas:									
Northern district.....	2	140	557		523	1,220	464	28	185
Eastern district.....	1	54	141	19	156	370	492	1	45
Southern district.....	1	79	126	25	130	360	172	4	66
Western district.....	2	128	279		109	515	197	3	131
Louisiana:									
Eastern district.....	1	70	282	252	233	837	78	6	67
Western district.....	1	60	207		144	401	366	14	57
Mississippi:									
Northern district.....	1	3	131		52	186	323	2	
Southern district.....	1	18	215	4	155	392	481		79
Alabama:									
Northern district.....	2	30	451		168	649	3,556	292	205
Middle district.....	1	10	85		77	522			26
Southern district.....	1	20	169	30	32	241	138	5	85
Georgia:									
Northern district.....	1	559	1,900		130	2,589	809	447	113
Southern district.....	1	134	1,238	43	173	1,588	804	15	509
Florida:									
Northern district.....	1	4	147	26	32	209	192	1	22
Southern district.....	1	250	594	165	327	1,336	235	18	247
Total.....	16	1,559	6,511	564	2,441	11,075	8,829	836	1,837
SIXTH CIRCUIT (9 DISTRICTS).									
Michigan:									
Eastern district.....	1	109	378	16	251	754	583	87	181
Western district.....	1	11	38		82	131	60	15	22
Ohio:									
Northern district.....	2	155	579	21	656	1,411	722	540	317
Southern district.....	2	67	71	1	309	448	497	6	18
Kentucky:									
Eastern district.....	1	96	433	1	323	853	332	4	208
Western district.....	1	151	115	3	261	530	558	2	56
Tennessee:									
Eastern district.....	1	44	257	2	57	360	115		69
Middle district.....	1	68	443		50	561	458		105
Western district.....	1	41	195		262	498	103	15	70
Total.....	10	742	2,509	44	2,251	5,546	3,428	669	1,046
Wisconsin:									
Eastern district.....	1	30	83	12	138	263	132		31
Western district.....	1	65	319	4	111	499	106	56	110
Illinois:									
Northern district.....	2	229	1,092	10	863	2,184	1,322	16	275
Eastern district.....	1	36	276		146	458	281		128
Southern district.....	1	109	539	1	163	812	658	28	344
Indiana.....	1	96	304		262	662	234	2	136
Total.....	7	565	2,613	27	1,683	4,888	2,733	102	1,024
EIGHTH CIRCUIT (17 DISTRICTS).									
Minnesota.....	2	399	382	29	1,130	1,940	469	2	179
Iowa:									
Northern district.....	1	15	63	1	174	253	385	1	23
Southern district.....	1	155	163	2	190	510	272	73	23
Missouri:									
Eastern district.....	1	46	257	3	316	622	350		188
Western district.....	1	48	170		297	515	442	1	76

Statement showing business pending in United States district courts, year ending June 30, 1921, etc.—Continued.

	Number of judges.	Number of cases pending June 30, 1921.							Population, 1920.	
		United States civil.	Criminal, including prohibition.	Admiralty.	All other civil.	Total.	Bankruptcy.	Draft cases.		Prohibition cases.
EIGHTH CIRCUIT (17 DISTRICTS)—Continued.										
Arkansas:										
Eastern district.....	1	21	136		196	353	288		44	1,157,452
Western district.....	1	51	331		137	519	67	29	44	593,543
North Dakota.....	1	40	292		100	432	97	212	189	645,730
South Dakota.....	1	30	87		232	349	364	18	24	635,839
Nebraska.....	2	97	183		490	770	364	1	80	1,295,502
Kansas.....	1	52	88		296	436	280	29	3	1,709,257
Oklahoma:										
Eastern district.....	1	233	764		394	1,391	343	1	163	1,177,823
Western district.....	1	43	285		172	500	110	6	42	849,736
Wyoming.....	1	25	108		67	201	40	7	38	194,402
Colorado.....	1	48	107		158	313	203	2	25	939,376
New Mexico.....	1	24	67		54	145	74	9	48	390,237
Utah.....	1	39	101		90	230	165	157	17	449,446
Total.....	19	1,367	3,514	35	4,493	9,409	4,313	618	1,205	18,258,896
NINTH CIRCUIT (14 DISTRICTS).										
Alaska:										
First division.....	1	3	68	8	151	230	5		1	55,035
Second division.....	1		5	3	38	46	1			
Third division.....	1	1	14	2	54	65	6	12		
Fourth division.....	1		13		91	104	11			
Hawaii.....	2	11	18	2	11	42	43		10	255,912
Montana.....	1	81	309		135	525	218	31	71	547,593
Idaho.....	1	20	103		324	447	270	6	15	431,825
Washington:										
Eastern district.....	1	23	30		51	104	99	1	6	437,034
Western district.....	2	121	265	57	270	713	255	4	75	919,282
Oregon.....	2	52	209	43	183	485	691	3	41	783,389
California:										
Northern district.....	2	147	811	755	2,413	4,126	1,156	288	415	1,746,408
Southern district.....	2	129	538	22	490	1,179	520	196	250	1,680,128
Nevada.....	1	17	39		118	174	151		4	77,407
Arizona.....	1	16	122		160	310	84	12	20	333,273
Total.....	20	621	2,544	802	4,489	8,596	3,460	553	908	7,267,188
Grand total (86 districts in United States).....	105	9,770	26,686	7,869	26,813	71,138	37,242	27,677	11,735	106,840,877
District of Columbia Supreme Court.....	6	75	2,732	5	3,544	6,622	46	8	266	437,571

Statement showing business pending in United States district courts, year ending June 30, 1921, of districts affected by H. R. 9103.

	Present judges.	Judges granted.	United States civil.	Criminal, including prohibition.	Admiralty.	All other civil.	Total.	Bankruptcy.	Draft.	Prohibition.
Massachusetts.....	1	2	206	186	142	923	1,457	1,434	3,943	68
New York:										
Eastern district.....	2	1	177	560	1,552	705	2,994	1,047	2,036	480
Southern district (P.).....	4	2	2,890	1,893	3,230	2,413	10,426	2,740	7,004	2,015
Pennsylvania:										
Eastern district.....	2	1	283	342	286	1,887	2,788	886	59	210
Western district.....	2	1	137	450	178	1,684	2,449	1,859	3	324
Texas, northern district.....	2	1	140	557		523	1,220	464	28	185
Florida:										
Southern district.....	1	1	250	594	165	327	1,336	235	18	247
Northern district.....	1		4	148	26	32	200	192	1	22
Michigan, eastern district (P.).....	1	1	109	378	16	251	754	583	87	181
Ohio, northern district.....	2	1	155	579	21	656	1,411	722	540	317
Tennessee, middle district.....			68	443		50	666	458		105
Illinois:										
Northern district.....	2	1	229	1,092	10	863	2,194	1,322	16	275
Eastern district.....	1	1	36	276		146	458	281		128
Minnesota (P.).....	2	1	399	382	29	1,130	1,940	460	2	179
Missouri:										
Eastern district.....	1	1	46	257	3	316	622	350		188
Western district.....	1	1	48	170		297	515	442	1	76
Oklahoma, eastern district.....	1	1	233	764		394	1,391	1,343	1	163
Montana (P.).....	1	1	81	309		135	525	218	31	71
California:										
Northern district (P.).....	2	1	147	811	755	2,413	3,126	1,156	288	415
Southern district.....	2	1	129	538	22	490	1,183	520	196	250
Arizona.....	1	1	16	122		160	298	84	12	20
Total.....	32	22	5,783	10,840	6,435	15,795	38,860	15,805	14,206	5,916

APPOINTMENT OF POSTMASTERS.

Mr. SWANSON. Mr. President, I desire to call up the resolution (S. Res. 236) which I introduced on Monday last and which comes over under the rule.

Mr. CURTIS. In the absence of the chairman of the Committee on Post Offices and Post Roads [Mr. TOWNSEND] I ask that the resolution may go over without prejudice until his return.

Mr. SWANSON. The request of the Senator from Kansas is entirely proper. I think the chairman of the Committee on Post Offices and Post Roads should be here when the resolution is disposed of, and I ask that it may go over without

prejudice and with the privilege of calling it up in the morning hour on any day after the chairman of the Committee on Post Offices and Post Roads shall have returned.

The VICE PRESIDENT. Without objection, the resolution will go to the Table Calendar.

AMENDMENT OF THE RULES—APPROPRIATION BILLS.

Mr. CURTIS, from the Committee on Rules, to which was referred the resolution (S. Res. 213) to amend the Standing Rules of the Senate so that all general appropriation bills shall be referred to the Committee on Appropriations, reported it with amendments and submitted a report (No. 498) thereon.

BILLS INTRODUCED.

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

By Mr. CARAWAY:

A bill (S. 3154) for the relief of C. M. Reives; to the Committee on Public Lands and Surveys.

By Mr. CAPPER:

A bill (S. 3155) for the relief of L. S. Boyer; to the Committee on Claims.

By Mr. HARRISON (for Mr. UNDERWOOD):

A bill (S. 3156) to change the terms of the district court for the northern division of the southern district of Alabama; to the Committee on the Judiciary.

By Mr. HARRISON:

A bill (S. 3157) for the relief of John G. Sessions; to the Committee on Claims.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed bills and joint resolutions of the following titles:

On February 13, 1922:

S. 2124. An act to relinquish, release, remise, and quitclaim all right, title, and interest of the United States of America in and to all the lands contained within sections 17 and 20, township 3 south, range 1 west, St. Stephens meridian, Alabama;

S. 2468. An act providing for the sale and disposal of public lands within the area heretofore surveyed as Tenderfoot Lake, State of Wisconsin; and

S. J. Res. 140. Joint resolution relative to payment of tuition for Indian children in Montana State public schools.

On February 14, 1922:

S. 2802. An act to amend an act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920;

S. 2994. An act to revive and reenact the act entitled "An act to authorize the Gulf Ports Terminal Railway Co., a corporation existing under the laws of the State of Florida, to construct a bridge over and across the headwaters of Mobile Bay and such navigable channels as are between the east side of the bay and Blakely Island, in Baldwin and Mobile Counties, Ala.," approved October 5, 1917; and

S. J. Res. 99. Joint resolution providing a site upon public grounds in the city of Washington, D. C., for the erection of a statue of Dante.

THE FOUR-POWER TREATY.

Mr. HITCHCOCK. Mr. President, I offer the resolution which I send to the desk and ask that the Secretary may read it.

The reading clerk read the resolution (S. Res. 237), as follows:

Resolved, That the President be, and he is hereby, requested to furnish to the Senate, if not incompatible with the public interest, all drafts or forms presented to or considered by the delegates of the United States, the British Empire, Japan, or France in considering the subject of the four-power treaty.

Also copies of all proceedings, records, negotiations, arguments, debates, discussions, and conversations which occurred between the delegates of the United States, the British Empire, Japan, or France, or any of them, covering the subject of the four-power treaty or the supplementary note which accompanied it or the supplementary agreement relating to it and subsequently signed.

Mr. HITCHCOCK. If there is no objection to the present consideration of the resolution, I should like to have it acted on at this time.

Mr. CURTIS. The chairman of the Committee on Foreign Relations is not here to-day, but expects to be here to-morrow. I ask that the resolution may go over under the rule. I understand that nearly all the matter asked for has been printed.

Mr. HITCHCOCK. No, Mr. President. I had the impression, when the chairman of the Committee on Foreign Relations asked to have certain documents printed, that there would be printed a full report of the negotiations which occurred between the American delegates and the delegates of France, Great Britain, and Japan which led up to the four-power treaty, but after a very careful examination of the records printed reveals the fact that there is absolutely nothing which records the negotiations or the conversations or forms of discussion or debates which led up to the four-power treaty.

The large volume which was printed (S. Doc. 126, 67th Cong., 2d sess.) is divided practically in two parts. The first half of it relates to the details of the discussion of the disarmament treaty. The latter half of the volume relates almost exclusively to discussions of the Chinese question. There is almost nothing at all explanatory of the four-power treaty, which, as we all know, is the most debatable of all those presented.

I may say to the Senate that this is not without precedent. We have the very best possible precedent for asking for the information. Inasmuch as great interest attaches to the four-power treaty, it seems to me there ought not to be any opposition to laying before the Senate the full details of the discussions.

Mr. MOSES. Mr. President—

Mr. HITCHCOCK. I will say that this is all the more important because there was an open and notorious disagreement between the President of the United States and his chief representative upon the American delegation, the Secretary of State, Mr. Hughes, as to the meaning of the four-power treaty, and that disagreement led to some revelations at the time and finally to a supplementary note explanatory of the treaty itself.

I yield to the Senator from New Hampshire.

Mr. MOSES. I wish to suggest to the Senator from Nebraska that we are all familiar with the precedent to which he has alluded. I think the precedent also carried another element, namely, the reference of all such inquiries to the Committee on Foreign Relations.

I will say further to the Senator that the Committee on Foreign Relations is to meet to-morrow morning, and in this connection I ask if he has any objection to having the resolution referred to that committee. I assure the Senator that when the committee meets to-morrow morning I shall very gladly join with him in asking for any proper documents which we have not yet received. I have not examined the bulky document which has been sent to us, and while I have no disposition to question the Senator's summary as to what it contains, it is altogether probable that the chairman of the committee, who will be here to-morrow, may be able to furnish any further information desired.

Mr. HITCHCOCK. I see no need for referring this simple resolution asking for information to the Committee on Foreign Relations. I can see the propriety of having it go over until to-morrow, when the chairman of the committee will be here. It may be that the whole matter can be adjusted on the floor. At least, in preference to having it referred to the committee, I would like to adopt the suggestion of the Senator from Kansas that it lie on the table and go over until to-morrow.

Mr. MOSES. Under the rule it would have to do that in any event, unless it were referred to the committee.

The VICE PRESIDENT. The resolution will lie over under the rule. The morning business is closed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 7077) to increase the force and salaries in the Patent Office, and for other purposes, and it was thereupon signed by the Vice President.

RELIEF AGAINST DEPRESSION AND UNEMPLOYMENT.

Mr. KENYON. In accordance with the notice which I gave on yesterday, I ask unanimous consent for the present consideration of the bill (S. 2749) to prepare for future cyclical periods of depression and unemployment by systems of public works.

The VICE PRESIDENT. The Senator from Iowa asks unanimous consent for the present consideration of the bill named by him. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

Mr. KENYON. Mr. President, I should like first to have the bill read, and I then wish to explain its object to the Senate.

The VICE PRESIDENT. The Secretary will read the bill.

The Assistant Secretary read the bill, as follows:

Whereas a sound economic policy requires that a larger percentage of the public works and projects of the United States be undertaken and prosecuted during a period of major industrial depression and unemployment, when labor and capital are not fully employed in private industry, that a smaller percentage of such works and projects should be undertaken and prosecuted during a period when private industry is active and competing for the same men and material with resulting business strain and overextension, and that the prosecution of such works and projects should be utilized as a stabilizing force during a period of overexpansion as well as during a period of depression. It is the purpose of this act to grant the authority necessary to carry out this policy: Therefore

Be it enacted, etc., That the head of each executive department is authorized to prepare and to periodically revise the necessary plans for all public works and projects within his jurisdiction concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law, and to make the surveys and to prepare the engineering plans necessary for proposed public works and projects, in order that the work may be commenced immediately and properly prosecuted when an appropriation becomes available therefor.

Sec. 2. (a) That the Secretary of Commerce shall prepare and publish monthly reports as a supplement to the Current Survey of Business of the Bureau of the Census, or otherwise, concerning the trend of business conditions, the approach of periods of business strain and overextension, or of periods of business depression, in order that the Presi-

dent, the heads of the executive departments, the Congress, the governors of the respective States, the mayors of cities, and persons engaged in private industrial enterprises may properly prepare for and plan against such periods.

(b) The Secretary of Commerce shall transmit, with his recommendations, copies of such report to the President, the heads of departments, and to the Congress.

(c) The Secretary of Commerce shall utilize the available statistics collected or compiled by any department, bureau, office, or agency of the Federal Government or of a State, or by an industrial, banking, labor, or other association, and he is authorized to obtain such additional facts and statistics as may be necessary to carry out the provisions of this section.

Sec. 3. That the head of each executive department is authorized, upon the advice of the President, to postpone the date of the commencement or retard the prosecution of such portions of the public works and projects within his jurisdiction as may be necessary, in order to prepare for and to prevent a further rise in the cylindrical wave of industrial expansion and resulting business strain and overextension and, within the appropriations therefor, to enter upon a maximum program of public works and projects as a preparation for and in order to counteract an impending period of industrial depression and unemployment. Where a time limit has been specifically provided within which any such work or project, or any part thereof, is to be commenced or completed, this section shall not be construed to extend or remove such limit.

Mr. CURTIS. Mr. President, I think this is an important measure, and I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

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

Ashurst	Fernald	Keyes	Phipps
Borah	Fletcher	McKinley	Poindexter
Brandegee	Gooding	McNary	Sheppard
Bursum	Hale	Moses	Spencer
Capper	Harris	Nelson	Sterling
Caraway	Harrison	New	Trammell
Culberson	Hitchcock	Newberry	Wadsworth
Cummins	Jones, N. Mex.	Oddie	Watson, Ga.
Curtis	Jones, Wash.	Overman	Willis
Dial	Kellogg	Page	
Ernst	Kenyon	Pepper	

The VICE PRESIDENT. Forty-two Senators have answered to their names. A quorum is not present. The Secretary will call the names of the absent Senators.

The Assistant Secretary called the names of the absent Senators, and the following Senators answered to their names when called:

Heflin	Lenroot	Simmons	Swanson
Kendrick	Norris	Smith	Warren
Ladd	Pomerene	Stanley	

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

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

Cameron	Glass	McCormick	Shortridge
Colt	King	Ransdell	Stanfield

Mr. RANSELL. I desire to announce that my colleague [Mr. BROUSSARD] is detained from the Senate on official business. I ask that this announcement may stand for the day.

Mr. HEFLIN. I have been requested to announce that the senior Senator from Tennessee [Mr. SHIELDS] is absent on account of illness.

Mr. CURTIS. I desire to announce that the following Senators are detained from the Senate in attendance upon a meeting of the Committee on Finance: The Senator from North Dakota [Mr. McCUMBER], the Senator from Utah [Mr. SMOOT], the Senator from Vermont [Mr. DILLINGHAM], the Senator from Connecticut [Mr. McLEAN], the Senator from Indiana [Mr. WATSON], the Senator from New York [Mr. CALDER], the Senator from West Virginia [Mr. SUTHERLAND], and the Senator from New Jersey [Mr. FRELINGHUYSEN].

The VICE PRESIDENT. Sixty-one Senators have answered to their names. A quorum is present.

Mr. KENYON. Mr. President, from the recommendations of the Unemployment Conference which was held at Washington some time ago has come this bill. I have been anxious that some concrete thing be passed by the Congress as a result of that conference, and for the purpose of helping the situation as to unemployment in the country.

I want to say now that I do not believe this bill will accomplish very much as to the present situation of unemployment, nor do I believe that it will be a panacea for that condition, or a solve-all for the future. I believe that it will merely be helpful.

This bill does not seek to assist the unemployment situation with charity or by any abnormal expenditures. It carries no appropriation, but simply proceeds on the theory that public works in the country should be stimulated during times of industrial depression and held back during times when there is great activity in all lines of business and great demands for labor and great demands for material. That is the theory of the bill.

Mr. OVERMAN. Mr. President, I do not exactly understand that. Suppose that one corporation in one line of business is very active in doing business and another is not. Does the Senator mean that the power is given to stop the business which is going on and is prosperous?

Mr. KENYON. Oh, no. What I mean is this: Here is a general market for labor. Private industry is after labor. Labor is being employed at good wages. In those times there is not much necessity for Government work from the labor standpoint; so under this bill the President could hold back certain parts of public work, and then concentrate that work at the time of industrial depression. It does not interfere, of course, with anybody's private business.

Mr. FLETCHER. Mr. President, may I ask the Senator if he does not think section 3 gives very broad arbitrary power to the President—who would act, perhaps, on the recommendation of the head of a department—to postpone work or operations in any one portion of the country and to carry it on in another, and to stop work in one part of the country and proceed with it somewhere else, and delay it as far as he might see fit, in order that, looking ahead, he might arrange conditions so that what he conceived to be for the public good might be accomplished?

The objection to this, to my mind, is that after Congress has authorized certain public works to be prosecuted, and has passed its judgment upon those public works, feeling that the necessity is there for the prosecution of that kind of work, it is proposed then to vest in the President, in a way, the power to nullify absolutely the acts of Congress, the expressed will of Congress, with reference to carrying on those works.

I suggest to the Senator that it seems to me that is a very broad power to put in the hands of the Executive, and the question in my mind is whether it is a safe thing and a wise thing to do. Of course, I do not question but that the present Executive would exercise great wisdom and splendid judgment in connection with that matter; but we know that the President has not the time to consider all these details and that he has to depend upon the heads of the different departments for their recommendations. The question in my mind is about the wisdom of vesting that extensive power practically in the heads of the different departments.

Mr. KENYON. Mr. President, it is true that a good deal of power is lodged in the President under this bill; but I call the Senator's attention to the concluding paragraph of section 3:

Where a time limit has been specifically provided within which any such work or project, or any part thereof, is to be commenced or completed, this section shall not be construed to extend or remove such limit.

So that if Congress had provided a time limit the President could not do it.

I will say to the Senator that, as he knows, appropriations have been made for public buildings. They have been simply held up in view of the general financial situation of the country, and this very thing is going on now without any well-regulated plan, such as there would be under this bill. That is my answer to the Senator.

Mr. WATSON of Georgia. Mr. President—

Mr. KENYON. I yield to the Senator.

Mr. WATSON of Georgia. I will ask the Senator from Iowa whether, under this bill, the heads of departments could not pile up against the Government a large deficiency bill, which the Congress would be legally bound to pay?

Mr. KENYON. No, I think not; because the works are merely to be planned and surveys and engineering plans made. That would cost something, of course; but I am advised that this work could be started without any appropriation, and none has been provided for here.

That simply stands in readiness to be used when Congress makes the appropriation. A bureau head could not stop anything and could not start anything. The heads of the executive departments would take up the matter with the President of the United States, and then he would determine whether a certain amount of this work could be retarded for a year or two.

Let me illustrate the matter in this way:

Suppose, under the reports which are provided under section 2, that the Secretary of Commerce is getting reports from the country—and I may say that we have no reports now that amount to anything, practically, as to the situation of unemployment—or suppose he sees that an industrial depression is to come. The President, under the appropriations made by Congress for certain lines of work, holds back this year 20 per cent, the next year he holds back 20 per cent, and the following year 20 per cent. Then suppose the depression starts. They have this reservoir of employment, 60 per cent more, to put right into that depression. That is the object of it.

The Federal Reserve Board is a reservoir for credit. This is a reservoir for labor to draw on. It will not be large; it will not accomplish a great deal, because the amount of labor engaged in public work is a very small percentage of the entire labor employed in all the work of the country. I will show what it is; but it is a little, perhaps, over 1 per cent.

Mr. President, the economic theory that I am trying to advance is the only proposition I have known to be before Congress at this session to do anything at all for labor, and I have hoped that we might give it some serious consideration. This bill was reported out of the committee unanimously. I think the committee felt that it would not accomplish a great deal, but that it would accomplish something, and that it was worth trying.

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

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. Yes.

Mr. PHIPPS. I do not recall having been polled on the matter of reporting out the bill, perhaps on account of absence during the holidays; but I have no recollection of any hearings having been conducted on this bill. I should like to ask the Senator what course was pursued in the committee in handling this measure?

Mr. KENYON. I am glad to inform the Senator, because I have had such difficulty in ever getting a quorum of the committee. I do not speak of it in criticism, but I think one of the most discouraging things about the American Congress, especially the Senate, is the fact that it is almost impossible to get quorums of committees. It has been almost impossible for the Committee on Education and Labor to get a quorum. I will say to the Senator that we had hearings on this bill and they have been printed. I think the Senator was in the West at the time.

Mr. PHIPPS. They must have been very short indeed. I was absent a very few days.

Mr. KENYON. There never has been a meeting of the committee without notice being sent to all the members, and I think the Senator from Colorado has been as diligent in attending the sessions of the committee as any of the members. Hearings were had, and the hearings are printed, and they were very interesting hearings.

Mr. PHIPPS. It just so happens that I have not had my attention called to the hearings, or to the action of the committee.

Mr. KENYON. I think at the time we voted on the bill the Senator was absent. I will state that this bill has been endorsed by the officers of the Chamber of Commerce of the United States, by leading economists and professors, and by the American Federation of Labor, which is a very remarkable situation.

Mr. PHIPPS. Was any report ever submitted with the bill?

Mr. KENYON. No.

Mr. PHIPPS. No report was made?

Mr. KENYON. No report was made.

Mr. LENROOT. Mr. President, if the Senator will yield, I should like to ask his construction of subdivision (c), on page 3:

The Secretary of Commerce shall utilize the available statistics collected or compiled by any department, bureau, office, or agency of the Federal Government or of a State, or by an industrial, banking, labor, or other association, and he is authorized to obtain such additional facts and statistics as may be necessary to carry out the provisions of this section.

What is the Senator's construction of the language requiring the Secretary of Commerce to utilize statistics collected and compiled not only by any governmental agency but by any private agency?

Mr. KENYON. I will say to the Senator that the Secretary will get all the facts he can. The Bureau of Labor Statistics now, in gathering facts, have been compelled to go into reports of all kinds, private and others, the reports of the Bureau of Economic Research, and so forth; and that provision simply means that the Secretary is to utilize every available means of getting at the truth as to the labor situation.

The Senator will remember that in the conferences that took place the statement was made that there were over 5,000,000 men out of employment in this country. That was denied; it was disputed. A gentleman connected with the Government, who has made a great study of this matter, told me a couple of weeks ago that there were 7,000,000. There is absolutely no way, apparently, of getting authentic statistics now. This would enable the Secretary of Commerce to utilize every available fact he could get bearing on the question.

Mr. LENROOT. Does the Senator think that should be mandatory?

Mr. KENYON. No; I do not think so.

Mr. LENROOT. Would the Senator object to the word "may" instead of "shall"?

Mr. KENYON. Not at all. I do not think it should be mandatory. I think it is for him to get all the information he can. I will be very glad to accept an amendment making that change.

In the report of the President's conference on unemployment, pages 96 and 97, this was stated:

When public works are done in greatest volume during periods of active industry the same men and material are being competed for by both public and private employers. The inevitable result is to raise the height of the crest of the wave of cyclical business inflation and to cause a greater crash when the heightened wave breaks, as it always does.

In a growing country like the United States the aggregate volume of public works of cities, counties, States, and of the Federal Government is so great that if a larger proportion were executed in years of depression than in years of active industry a powerful stabilizing influence would be exerted.

The leadership of the Federal Government in expanding its public works during periods of depression and contracting execution in periods of active industry requires no great change from existing procedure. Already the executing agency enjoys great latitude as to the period in which the period of intensive execution to synchronize with major periods of industrial depression.

Certain works of the Federal Government, such as reclamation, flood prevention, river and harbor work, roads, and public buildings, are peculiarly suited for consideration as large undertakings covering a long period and capable of elasticity of execution to synchronize with cycles of business depression.

A committee of the conference was empowered to make specific recommendations for utilizing a percentage of the ordinary necessary public works of the Federal, State, and city governments as a reserve against future periods of unemployment and industrial depression. This bill embodies the first steps recommended. It makes no provision for the present industrial depression and carries no appropriation. It seeks to adopt as a Federal policy the expansion and contraction of Federal public works to accord with the periods of fall or rise in private industry and employment.

In embarking upon a policy of long-time planning of public works and framing a program that will lighten public-work construction in years of prosperous private industry and concentrate it in depression years is the issue this bill brings up.

The measure of relief concentrating public work can bring is not large, but there is a great incentive to it as to States, counties, and municipalities.

I want to cite the interesting economic fact that in the whole history of the Government up to 1903 the periods of depression came practically every 10 years; they were almost unending. Since 1903 the periods of depression have come every five or eight years, but it is perfectly certain that there will be the lean years as well as the fat years.

In 1914 we had a serious depression. We had unemployment. The wages in 1913 of mining, manufacturing, railway, express, and miscellaneous hired labor were \$16,180,000,000. In the depression year of 1914 the wages paid for the same lines of industry were \$15,077,000,000, or a reduction of a little over a billion. If we had had a measure of this kind on the statute books, with that depression approaching, if 22 per cent of the public-work construction of the preceding five years could have been held back, it would have put in an extra \$183,000,000 of wages, or one-sixth of the total wage reduction. If it continued for 10 years, it would be a third instead of a sixth, so that the load of the major depression would be lifted at least one-sixth by some policy of this kind carefully worked out.

Mr. McCORMICK. Mr. President, the Senator apparently attributes to the executive branch of the Government, without regard to party, an economic and administrative perspicacity which I have never been able to find in them.

Mr. KENYON. Not equal to the congressional perspicacity.

Mr. McCORMICK. I do not want to pass compliments with the Senator. Who, in the administration of any government, clearly foresaw the time of the onset of the present depression? There were a few academic economists, I think, who forecast it. In the world of business, certainly, men of the highest authority, of presumed intelligence and information, believed a year ago last September that a few weeks, or a few months, at most, would see us on the upward curve in the resumption of industry.

I raise that point because the argument of the Senator presumes that public works, needed or believed to be needed by communities and the Congress, would be held back upon the judgment of executive experts for long periods, until, in the judgment of those same experts, we could go ahead.

Mr. KENYON. Of course, they could not be over long periods. There is a good deal in what the Senator says, but, as I said a few moments ago, the economic history of the country shows that up to 1903 the cyclical periods have come regularly about

every 10 years. Since 1903 we have had them every five or eight years.

Mr. McCORMICK. Of course, there is no one who can be prophet enough to know just when they are coming.

Mr. KENYON. The object of the second section is to enable the Secretary of Commerce to collect all the information he can get and to issue bulletins, so that business will not be taken unawares, but will know just what is coming on.

It is said that will bring on scares; but the warnings are given now by unreliable sources, and the result might be much better if it were done by some governmental agency simply telling the truth about the conditions.

Mr. McCORMICK. I will not hold that the other sources are reliable, but I do hold that we can not presume that the Department of Commerce could reliably assume a responsibility proposed to be vested in it by paragraph (a) of section 2. Let me say at this time that I subscribe as cordially as does the Senator to the principle of this bill, but under sections 2 and 3 it purposes to vest a discretion in the Executive and to impose upon the Executive a responsibility which might work to the inestimable injury of industry and labor in this country.

Mr. KENYON. It might; and, of course, if the Executive wanted to injure business or industry or anything else he could do it.

Mr. McCORMICK. I do not presume he would want to, because that would injure him. I only hold that if he were called upon, or if the Secretary of Commerce were called upon, to act under sections 2 and 3, through mere misjudgment the Secretary of Commerce or the President by Executive order or Executive pronouncement might work havoc in industry and inestimable injury to labor.

Mr. KENYON. They could now, could they not?

Mr. McCORMICK. Yes; but this makes the action mandatory.

Mr. KENYON. No, not mandatory. It is entirely up to the President.

Mr. McCORMICK. If they could not, what virtue is there in it?

Mr. KENYON. We are making nothing mandatory. The Senator made a pretty good speech here yesterday on "Trust the President."

Mr. McCORMICK. I think not.

Mr. KENYON. The President of the United States, when these matters are brought before him by the heads of executive departments, will not make some fool order about them, I imagine.

Mr. McCORMICK. I think the Senator would not hold, if he had followed my speech, that it was upon the subject of "Trust the President." In view of the President's recent appointment to the bench, my confidence in him is enhanced.

Mr. KENYON. I am sure it would be; but we assume that the Secretary of Commerce has certain information that trouble is coming, maybe a year away, maybe two years away. All this does is to enable the President to postpone or retard the prosecution of part of the public work and concentrate it at another time.

Mr. McCORMICK. I think paragraph (a) is the most dangerous provision.

Mr. SMITH. May I ask the Senator if there would not be danger of precipitating the very thing he wishes to avoid if they were mistaken? In my judgment, no matter how honest they were, if they actually began desisting from the prosecution of certain public works, the whole public not being advised as to just the reasons which caused them to take that precaution, it might magnify the thing and precipitate the very condition the Senator is hoping to mitigate by this legislation.

Mr. KENYON. Of course, if the Secretary of Commerce should issue a bulletin that there is going to be a panic on the 1st day of September, 1923, it would help to precipitate it. I assume men are not going to do things of that kind. This simply provides for a recitation of the business conditions. The Senator knows that within the last few years, during war times, we appropriated for certain things the Government was to do which were not carried out at once because the cost of construction was so tremendous. I do not think it made any very great hubbub in the country or that anybody has been afraid that trouble was going to follow from it.

Mr. SMITH. The public was thoroughly advised of the reasons why the work was not carried on, that there were extravagances which had been practiced, and that there was a lack of urgency for it; but suppose in the ordinary course of events the time approached when there was disturbance in business more or less, and suppose there were evidences here and there which might not be of sufficient magnitude, or whose causes might not be so far-reaching as to ultimately develop into

a business panic, and suppose while those symptoms were manifest, and business was attempting to adjust itself, the Government began to stop work in certain places, began to retrench, to get ready for trouble, in order to avoid the very conditions which they feared were about to arise; the public would be advised, the newspapers throughout the country would begin to publish that the Government had quit work at such and such a place and that at another place it was retrenching, and the psychology of it would be that the public would magnify the cause.

So I am asking the Senator if that of itself would not create an impression in the minds of the public that if the Government, with all its facilities for gathering knowledge and for getting information as to conditions, was beginning to reef and prepare they should do the same, and if it would not precipitate the very thing the Senator is attempting to avoid?

Mr. KENYON. Of course I see the force in the Senator's suggestion, and I have thought a good deal about it. If it was unwisely handled it would result in some such situation, that is true. Any question that may come up to the Government, if it is not wisely handled, makes trouble, and if it is wisely handled it may be beneficial.

Mr. SMITH. The question of the wisdom of handling these things finds its sanction in whether or not the Government would take this action before or after the symptoms were so pronounced that everybody knew it was intended.

Mr. KENYON. Does the Senator, for instance, think the Government could hold back in this way? Suppose we had a number of public buildings to be constructed and the Government were to hold back one year 20 per cent and the next year 20 per cent, in order to have this reservoir for labor. Does the Senator think the mere holding back of the doing of that work would be injurious to the business condition of the country?

Mr. SMITH. I do not know. I was just taking the purpose of the bill as I read it, which is to retrench in the face of what might be a serious condition that might develop. For that reason, unless it was incorporated in the bill that full notice should be given to the public as to what were the conditions, it might lead to an unsatisfactory condition.

Mr. KENYON. That is what the Secretary of Commerce does now. He issues a monthly bulletin that goes out and the people know what is going on. We have now the survey of current business which is issued every month by the Department of Commerce. That would, under a section of the bill, contain more than a mere survey, but this has been going to the country, so we have one in a general way and when the people come in contact with this they know what are the general business conditions of the country.

Mr. SMITH. Merely giving this survey would not help very much. The Senator and I have had experience where prices have gone down and there was more or less business depression, but it was a healthy one, it was from perfectly natural causes, and as soon as those were over the country rebounded easily.

The thing I fear would be that a mere publishing of a bulletin by the Government, stating the business conditions, would not necessarily mean in the minds of the public that any real tangible disaster was imminent, but if, coupled with the bulletin, the Government begins to retrench and take its forces away from work, people will say, "it is of sufficient seriousness and of sufficient importance for the Government to begin to conserve its labor forces and its money, and therefore we had better retrench," and it would create a psychology that could not be controlled. That is the only point I was attempting to make.

There is quite a difference between issuing just a formal statement as to the business conditions of the country, and coupling with that formal statement a further statement in which it is shown that the Government is beginning to retrench. The public, not being thoroughly advised, as the Government is, as to why the Government is doing those things, might start a panic, just like an avalanche, without rhyme or reason, like the panic of 1907, and the whole world would be shaken to its foundations without any adequate cause save the psychology precipitated by just a slight unfortunate condition.

Mr. KENYON. I think the Senator is borrowing quite a good deal of trouble. The panics which we have had in the past have occurred without anything of this kind being invoked, but I know there is some force in what the Senator said. I think where the bulletins are issued showing the exact facts and the country knows the facts it is better. There is nothing to be gained by keeping the facts from the country. The country makes up its mind from the facts. We can not have too much truthful information before the country as to conditions.

If, coupled with that, the Government commences the policy of conserving and retarding public work in order to assist when the crash comes—it may not be a crash, but when the depression comes—it would be helpful. The Senator makes the argument that that would help along the crash or the depression. That is to be thought about.

Mr. SMITH. The point I was making was that it would help precipitate perhaps a crisis that might otherwise be tided over, because there is nothing so sensitive as business and commerce, especially where there is liquid capital invested for quick turnover. If the Government gives out these bulletins and there are weak spots emphasized, showing such and such conditions are prevailing that are not as promising as they might be, and coupled with that is the overt act in that the Government begins to retrench here and there, there is danger. The public would attach infinitely more importance to the overt act than they would to the mere statement, and others who were getting along and did not see the danger and were not feeling it might be affected. The very effort of the overt act on the part of the Government beginning to retrench might cause everybody else to stop who were in a position to want to take care of their property, and thus precipitate a tightness and a crisis that might otherwise be avoided.

Mr. KENYON. Of course, we have the reports, showing the facts, coming out monthly. That would not be a shock to the business world. Even now there is nothing to prevent every kind of frenzied statement being given out about business and industrial conditions. Would it not be better to have something that is really authentic, something the people can understand and believe in, than to have the danger arising from unauthorized and inaccurate frenzied statements?

Mr. SMITH. As the Senator is very well aware, in these business depressions the mere fact that certain Government operations have gone on at full speed has had a reassuring effect upon the public rather than a deterring effect.

Mr. KENYON. That is getting exactly at the point which is the purpose of the bill. When that feeling comes the Government starts and accelerates the municipalities, the cities, and the counties to go ahead with their work. The mere part of the Government would be small, because it has only about 1 per cent of the entire labor of the country engaged in its work, so it accomplishes the very thing the Senator is afraid of. His idea is that it will create that condition before we get down to business.

Mr. SMITH. My idea is that if the Government begins to retrench in order to get a full head of steam when the crash comes, it may precipitate the crash which we are then trying to avoid.

Mr. KENYON. It will be used before the crash comes, and the department will not wait for the crash to come. It would be used to avoid the crash.

Mr. BRANDEGEE. Mr. President—

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

Mr. KENYON. Certainly.

Mr. BRANDEGEE. My understanding of the provision is that when the President and the head of the department, the Secretary of Commerce, apprehend that business may be slowing up, they do not start to intrench, but they start to increase expenditures and employ more men. When business is expanding they slow up on the governmental activities.

Mr. KENYON. That is the purpose of the bill exactly.

Mr. SMITH. Then I have misunderstood the purpose of the bill. According to the statement of the Senator from Connecticut, the idea is that during a flood time the Government will not go ahead.

Mr. KENYON. It will hold back then, of course.

Mr. SMITH. And when it begins to see a time of stress coming, it will then go ahead with the full employment of labor.

Mr. KENYON. That is what I have been trying to say for a good while, but the Senator from Connecticut has stated it in very few words. When we have a maximum of private employment, then the Government will hold back. When it commences to go down, then the Government will concentrate on its work.

Mr. BRANDEGEE. In other words, if business through the country is slack and it is desired to help out labor that has been employed in private business, if the Government can then step in and employ a lot of the unemployed labor and perhaps get the advantage of cheaper prices of construction, it tends to keep labor better employed. When business is good, instead of rushing into the labor market and competing with employers of labor at rising prices for labor upon construction, it defers or slows down Government construction, and private industry is relieved of Government competition, and the Government

projects generally can wait a little while for the surely recurring period of industrial depression.

Mr. KENYON. That is the exact philosophy of the bill.

Mr. BRANDEGEE. My only objection is this—and I refer to it now only because I do not expect to be on the floor longer. I realize how embarrassing it must be to the Senator, who is endeavoring to make a consecutive statement upon the general features of the bill, to be interrupted with special questions as to particular portions of the bill, but I am obliged to leave the Senate very shortly.

Mr. KENYON. I am very glad to yield to the Senator from Connecticut.

Mr. BRANDEGEE. Section 3 reads:

That the head of each executive department is authorized, upon the advice of the President, to postpone the date of the commencement or retard the prosecution of such portions of the public works and projects within his jurisdiction as may be necessary, in order to prepare for and to prevent a further rise in the cyclical wave of industrial expansion and resulting business strain and overextension.

It seems to me that the power given to the head of a department, even upon the advice of the President, to postpone the date of the commencement of a work that Congress has ordered to be commenced within a particular time, or before a particular date, is a pretty large one.

Mr. KENYON. I hope the Senator will read lines 19, 20, 21, and 22 and see if they do not cover the point.

Mr. BRANDEGEE. No. The lines which the Senator suggests I read are:

Where a time limit has been specifically provided within which any such work or project, or any part thereof, is to be commenced or completed, this section shall not be construed to extend or remove such limit.

Mr. KENYON. That was intended to cover the very objection the Senator is raising, that no power should be granted to set aside what the Congress has done.

Mr. BRANDEGEE. If the words "such limit" refer to the date of the commencement, it would cover it; but where a time limit has been specifically provided within which any such work or project is to be commenced or completed, it may not apply. However, if the Senator is satisfied that wherever Congress has authorized or directed a thing to be done before a particular date the provision I have read does not apply to it, I have no objection.

Mr. KENYON. That was the purpose of it. If it does not cover that, I want it to do so.

Mr. PHIPPS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. KENYON. I yield.

Mr. PHIPPS. I also dislike to interrupt the Senator, but I am obliged to leave the Chamber. I appreciate the Senator's remarks about my diligence in attendance upon the meetings of the committee. I think I can say that I have never missed a called meeting unless it was interfered with by another committee hearing or meeting. However, I was unavoidably absent at the time the bill was considered by the committee, and my attention has not been called to the hearings, which I understand are printed.

I wish to direct the Senator's attention to the language of section 1 of the bill, and I think in order to understand it the entire section would have to be read:

That the head of each executive department is authorized to prepare and to periodically revise the necessary plans for all public works and projects within his jurisdiction concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law, and to make the surveys and to prepare the engineering plans necessary for proposed public works and projects, in order that the work may be commenced immediately and properly prosecuted when an appropriation becomes available therefor.

I call the Senator's attention to the fact that engineering plans necessary for such works will involve the expenditure of perhaps 10 per cent of the entire amount for the undertaking, and therefore I inquire where authority is conferred for the expenditure of that money? Can we in a bill such as this confer blanket authority for all time to expend for the preparation of plans in the engineering necessary in public works?

Mr. KENYON. They can only carry out that provision to the extent of the appropriation which they may now have, and I am informed that they can commence the work without additional appropriation.

Mr. PHIPPS. I am afraid that would not be the interpretation of the section, as I read it.

Mr. KENYON. Oh, I think so, because there is absolutely no appropriation, so they could not spend it.

Mr. PHIPPS. If we connect up the entire thing it would read:

To make the surveys and to prepare the engineering plans necessary for proposed works and projects * * * when an appropriation becomes available therefor.

Where is the appropriation for the surveys and engineering plans? How can the departments do what is contemplated until an appropriation has been provided?

Mr. KENYON. They can not unless it is possible to do it out of appropriations which they already have.

Mr. PHIPPS. That would be my understanding under the general law, but I do not think this is quite in accordance with the general law.

Mr. KENYON. It is the idea that this measure shall not at this time carry any appropriation. Eventually there will have to be some appropriation to carry it out, but not now. It is merely intended that the department shall do what they can with the funds they have on hand. They assure me that they can do a large part of what is contemplated by the bill without any more funds.

Mr. PHIPPS. If they have been properly called upon by the Congress or by a committee thereof to report on a project that would necessarily involve the making of some preparatory plans, and when it comes to working plans and surveys they involve very heavy expense which can not be taken care of out of the ordinary appropriations allowed the various bureaus for their maintenance.

Mr. KENYON. They can not go ahead under this bill in excess of the funds they have. If they can not do the work, then they will have to come to Congress and ask for an appropriation.

Mr. BURSUM. Mr. President—

Mr. KENYON. I yield to the Senator.

Mr. BURSUM. I simply desire to make a suggestion to which I call the attention of the Senator from Colorado. Would not the effect of this proposition be that the department would be requested by Congress to supply certain information and to report, and in the event there was not a sufficient amount of funds on hand, the natural thing would be for Congress to appropriate for the specific purpose, and it might be made an emergency matter?

Mr. PHIPPS. It would be the duty of the department to report back to Congress that it could not furnish the information unless provided with the necessary appropriation.

Mr. BURSUM. That would be the natural consequence. That is the limitation, as I understand, imposed by this bill. It is aimed only to cover such matters as Congress may designate.

Mr. KENYON. No; I wish to be perfectly fair about that; I do not desire any misunderstanding to arise. The Senator will observe, beginning in line 8, that each department is authorized to make surveys and to prepare plans.

Mr. BURSUM. Exactly; but limited to such information as has been called for by Congress.

Mr. PHIPPS. I do not think it is limited to that under the language of the section, but, on the contrary, it is broad and comprehensive enough to cover any kind of public work that the head of a department may think necessary or advisable.

Mr. KENYON. Where he has the funds on hand to provide for it.

Mr. BURSUM. Section 1 provides:

That the head of each executive department is authorized to prepare and to periodically revise the necessary plans for all public works and projects within his jurisdiction concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law.

Mr. KENYON. Yes; but then the section goes on to mention other things which the departments may do.

Mr. BURSUM. But they must be done upon the request of Congress.

Mr. KENYON. It is not the intention, I will say to the Senator, to have the making of surveys and engineering plans limited to those things which Congress may request, but it is for the department head to go ahead and plan some public work.

Mr. BURSUM. Even if that be true, if they are short of money, the natural thing would be to call upon Congress for an appropriation. I do not see that the objection is serious at all.

Mr. KENYON. I do not think it is, either. Mr. President, I will be glad to discuss this bill, but I think there is really no use doing so at this time, for there are only five or six Senators present.

Mr. NEW. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. KENYON. I am going to yield the floor, for there seems to be no particular interest in the pending measure.

Mr. NEW. Mr. President, in my opinion, the pending bill must either not be taken seriously or be taken extremely seriously, for I think it puts upon the Government certain obligations and certain duties which it is absolutely beyond the power of the Government or of man to intelligently discharge.

Mr. President, there is a book to which I occasionally refer, not so often perhaps as I should, but in the opening book of the Book of Books I find the story of Pharaoh's dreams. Pharaoh was a gentleman of prominence in those days, which was at least before the present administration. He had a dream, and the dream ran after this fashion:

And, behold, there came up out of the river seven well-favored kine, and fat-fleshed; and they fed in a meadow.

And, behold, seven other kine came up after them out of the river, ill favored and lean fleshed, and stood by the other kine upon the bank of the river.

And the ill-favored and lean-fleshed kine did eat up the seven well-favored and fat kine. So Pharaoh awoke.

Pharaoh also had another dream, but we will omit that. He sought an interpretation of his dreams. A young man named Joseph was called upon to interpret them. Joseph had established a reputation for the correct interpretation of dreams, and Joseph said:

The seven good kine are seven years, and the seven good ears are seven years; the dream is one.

And the seven thin and ill favored kine, that came up after them, are seven years; and the seven empty ears, blasted with the east wind, shall be seven years of famine.

This is the thing which I have spoken unto Pharaoh: What God is about to do, he showeth unto Pharaoh.

So that these recurring periods of plenty and of famine have been going on for some time. There seems to have been devised no successful method of arresting their progress, and I very much doubt if one can be provided even by the Congress of the United States.

I notice that section 3 of the bill provides:

That the head of each executive department is authorized, upon the advise of the President, to postpone the date of the commencement or retard the prosecution of such portions of the public works and projects within his jurisdiction as may be necessary, in order to prepare for and to prevent a further rise in the cyclical wave of industrial expansion.

I am not entirely clear as to just what this reference to cyclical waves means, but I suppose I know. Mr. President, who is going to guarantee the correctness of any man's prognostication as to what is going to occur in the business world? The wisest business heads have failed to do it; they all know, just as everybody in every walk of life knows, that we have recurring periods of prosperity and depression. I think that this bill puts the Government really into competition with Mother Shipton, Hicks, the weather man, and other prognosticators of greater or less degrees of success and conspicuousness. It seems to me, Mr. President, that the bill puts the Government almost in the bucket-shop business.

Suppose the Secretary of Commerce, under the authorization of section 2, should predict a period of depression; that would be pretty good advice to the man who wants to utilize it for the purpose of buying futures. I repeat my opening statement, that it seems to me that the bill must either not be taken seriously or that it must be taken very seriously. That feature of it alone is one which, in my judgment, renders the enactment of this bill of at least very doubtful expediency.

Mr. KENYON. Mr. President, the Biblical selection rendered by the elder from Indiana is interesting, but it will be remembered, too, that Joseph set up a reserve fund of grain against the seven years of famine, just as we are trying to do something here in setting up a reserve unemployment fund.

Yes, Mr. President, the bill should be taken seriously or not at all. It is designed to do something to meet a most distressing situation. If it is a dream it is a dream of some of the best economists of the United States and of the world, who, perhaps, have given as much study to it as has the Senator from Indiana.

The Canadian Government is going much further than the United States would go under a bill of this kind. They are going ahead with systems of public work to provide against unemployment. The unemployment situation in this country may not trouble some gentlemen; they may sneer and deride any attempt, however small and however humble, to help solve the unemployment situation. This is the first attempt which has been made. If the Senator from Indiana has anything better, let us have it. It is very easy to deride and sneer at any attempt of this character.

Mr. NEW and Mr. POINDEXTER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa yield; and if so, to whom?

Mr. KENYON. Let me yield, first, to the Senator from Indiana, and then I will yield to the Senator from Washington.

Mr. NEW. Mr. President, the Senator from Iowa speaks of my sneering at the bill. I am not sneering at the bill at all.

Mr. KENYON. To call it a "bucket-shop bill" comes pretty near sneering at it.

Mr. NEW. If the Senator will permit me, I think that he is prone to take any man's opposition to a measure in which he is

interested as personal to himself or as a sneer upon what he is undertaking.

Mr. KENYON. Not at all.

Mr. NEW. That is not intended at all. The criticisms I make of this bill are seriously made and well-intentioned. They are not intended as sneers or anything of the kind.

Mr. KENYON. Does not the Senator think that calling it a "bucket-shop bill" is pretty nearly a sneer at the bill? I am not in the habit of trying to help bucket-shop bills, and I have no objection to anybody finding any fault he can with the bill. I have not any particular pride in the bill. It grew out of the unemployment conference here, and Mr. Hoover and other men connected with that conference felt that this proposition should be carried out into law. Other nations have done the same thing. It has not been a dream with them, as the Senator suggests.

Mr. NEW. Mr. President, if the Senator will further indulge me for one moment, I do think that that very criticism is a sound one. I do not believe for a minute that a Secretary of Commerce would willingly or purposely make predictions with the idea of having them turned to that kind of account at all, but I do believe that he might be honestly mistaken. I do believe that his judgment might be honestly wrong, his forecast a mistaken one, and that information might be fed to him by designing people that would be calculated and intended to cause him to make predictions that were founded upon misinformation rather than upon solid fact, and that in that way they might be turned to very unfavorable account, and be open to the very objection that I have just urged.

Mr. KENYON. Mr. President, in the first place, where is there any power for the Secretary of Commerce to make predictions or prognostications? Under section 3 he merely publishes the reports; and reports of a similar nature are being published now. Has the Senator from Indiana seen those—the Current Surveys of Business, published every month?

Mr. NEW. Yes; I have.

Mr. KENYON. What prediction is there about those of panics, or what panics have those brought on?

Mr. NEW. I think the bill must be taken as a whole, and the authority to have these predictions made is given in section 3, for instance, if not in section 2. That is the very purpose of it—to have advance predictions made as to what is probably going to occur in the business world.

Mr. KENYON. The purpose of it is to give the facts and then let the consequences follow; and that is being done now in a way that would not be as substantial or merit the standing that the reports would merit under this bill, because there is no particular law to cover it.

I spoke of Canada. France has followed this idea, and has not thought it was a dream.

Mr. STERLING. Mr. President—

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. KENYON. Yes.

Mr. STERLING. I should like to ask, for information, as to when either Canada or France adopted a plan like this? What was the date of it?

Mr. KENYON. Canada has gone even further than this, but I have not the date.

I will say to the Senator that in 1902 and in 1907 an inquiry was made in France by the minister of public works into the effect of depressions upon railways, and it was reported as feasible for the railways to distribute their orders over a full period of the industrial cycle so as to increase the volume in a year of depression.

In 1908 a commission set up by the President of France reported favorably upon plans for allocating public contracts so as to compensate in part for the lack of private contracts in bad times.

In Great Britain before the war a sum was appropriated by Parliament to be expended upon roads during future periods of unemployment only.

During the post-war period Great Britain is pushing an extensive program of public works, including great arterial roads about the outskirts of London. Great Britain does not find it such a dream to try to provide some method of public works to help the unemployed.

The Belgian Government set up what is called the national crisis fund for the execution of public works during periods of unemployment only.

Czechoslovakia, a new country, in 1919 adopted legislation compelling communes and industries to undertake public works, the State paying two-thirds of the wages of those employed. They have not yet discovered the philosophy of the Senator from Indiana, that it was all a dream.

Switzerland has a traditional policy of subsidizing local public works in order to cover the additional expense resulting from the employment of untrained workers.

Some of these measures would be undesirable in the United States.

Mr. President, just a few weeks ago the President of the United States wrote a letter on this subject. It might be well for the Senator from Indiana to read that letter. I ask to have it placed in the RECORD. Also, I should like to have printed in the RECORD portions of the President's address of welcome to the conference on unemployment, and Secretary Hoover's address at the opening of the conference on unemployment.

The PRESIDING OFFICER. Does the Senator desire to have these matters read?

Mr. KENYON. No; I think not. I ask to have them published as part of my remarks.

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

Mr. NORRIS. Mr. President, I should like to have read the letter from the President, which the Senator says refers to this bill.

Mr. KENYON. No; it does not refer to this bill. It refers to the general subject, but not to this bill.

Mr. NORRIS. If it has any application to this bill, I should like to have it read.

Mr. KENYON. It has application to the question of doing public work.

Mr. NORRIS. I ask to have it read.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read the letter.

The reading clerk read as follows:

THE WHITE HOUSE,
Washington, January 26, 1922.

The honorable the SECRETARY OF COMMERCE,
Washington, D. C.

MY DEAR MR. SECRETARY: The response of employing interests throughout the country, to the appeal for special effort to afford employment to the greatest possible extent during the winter, has produced highly gratifying results. Thanks to this fine cooperation, the situation has been much less difficult during the winter thus far than it might otherwise have been.

The most difficult period of the winter, however, is still before us, and I am therefore writing you to bespeak the utmost cooperation that your department may be able to afford in extending further employment.

States and cities, as well as private companies and individuals, have taken more comprehensive and effective measures than probably have ever been taken before in such a situation. The natural self-reliance of the American citizen has been supplemented in these times by neighborly help, by part-time work, by odd jobs; employers have, to a marked degree, exerted themselves to find work for employees, and have anticipated repair and construction operations, which otherwise might have been taken up later.

City and State authorities have generally organized to provide work and prevent or alleviate distress due to lack of employment. In substantially every city where the need has appeared the mayor has appointed emergency committees to lead the community's action. Municipal bonds have been sold to an unprecedented degree, to provide for construction as early as possible of needed municipal work. In this way much winter work has been provided.

Of course, I do not need to urge upon you the vital importance of having the Federal Government also do everything possible, in a sound way, to ameliorate the situation. My purpose in writing you now is to ask you to have a thorough examination made forthwith of all repair and construction plans in your department, to determine what necessary work, which otherwise would not have been undertaken until later in the year, might be advanced so as to provide employment during the months immediately ahead of us, and to suggest that so far as is possible and practicable such work should be undertaken at once.

The response of the general public to appeals for the widest possible employment has been so generous and effective that I think we should be the more concerned to have the agencies of the Federal Government do their very utmost share in this humane effort.

Very sincerely,

WARREN G. HARDING.

The PRESIDING OFFICER. Does the Senator from Iowa desire to have the addresses to which he has referred printed in the RECORD?

Mr. KENYON. I should like to have them printed in the RECORD, but they need not be read.

The PRESIDING OFFICER. In the absence of objection, it is so ordered.

The matter referred to is as follows:

[From President Harding's address of welcome to the Conference on Unemployment.]

If out of your councils there comes a remedy which all America helpfully may apply to-day, it may be helpfully employed some time again when similar conditions are encountered. * * * Fundamentally sound, financially strong, industrially unimpaired, commercially consistent, and politically unafraid, there ought to be work for everybody in the United States who chooses to work.

[From Secretary Hoover's address at the opening of the Conference on Unemployment, Sept. 26, 1921.]

There is no economic failure so terrible in its import as that of a country possessing a surplus of every necessity of life in which numbers, willing and anxious to work, are deprived of these necessities. It simply can not be if our moral and economic system is to survive. It is the duty of this conference to find definite and organized remedy

for this emergency, and I hope also that you may be able to outline for public consideration such plans as will in the long view tend to mitigate its recurrence.

It seems to me we can on this occasion well give consideration to and expression of the measures that would tend to prevent the acute reactions of economic tides in the future.

It is my belief that we shall be able to lay out a program by which in great measure these things can be accomplished.

Mr. JONES of Washington. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Washington?

Mr. KENYON. I do.

Mr. JONES of Washington. I shall have to leave the Chamber in a moment to attend a committee meeting, and I want to ask the Senator a question about some of the language in his bill.

In line 5, page 2, after the word "jurisdiction," does not the Senator think that the words "concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law" should be stricken out? Why confine the revision of the plans simply to those projects concerning which a report has been requested by Congress?

Mr. KENYON. If the Senator will read that carefully, I think he will find that it does not do what he fears, because, if the Senator will follow on, the words on line 7 "and to make the surveys and to prepare the engineering plans necessary for proposed public works" are not limited to those things for which Congress has requested a report.

Mr. JONES of Washington. The Secretary is not limited in making surveys and making plans, but he is limited in his authority to revise the necessary plans for all public works and projects within his jurisdiction to those concerning which a report has been requested by Congress. I think those words should be stricken out. Let him have authority to revise all projects under his jurisdiction, and to make surveys and prepare engineering plans. I am making that suggestion in the interest of the bill, because I am in favor of the Senator's bill.

Mr. KENYON. I want to consider that a little.

Mr. JONES of Washington. I wish the Senator would consider that language. It seems to me that it does nothing except to limit the activities of the Secretary in directions in which I think it is desirable that he should go.

Mr. KENYON. The Senator would strike out the phrase "concerning which a report has been requested by Congress or a committee thereof"?

Mr. JONES of Washington. Yes; strike that out and let it read, then, in this way:

That the head of each executive department is authorized to prepare and to periodically revise the necessary plans for all public works and projects within his jurisdiction, and to make the surveys and to prepare the engineering plans necessary for proposed public works and projects, in order that the work may be commenced immediately and properly prosecuted when an appropriation becomes available therefor.

Mr. KENYON. I really see no objection to that, if the Senator will make that motion.

Mr. JONES of Washington. If I can do so now, I will move to strike out, after the word "jurisdiction" in line 5, the words "concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law." I move to strike out those words.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 2, lines 5, 6, and 7, it is proposed to strike out the following words:

Concerning which a report has been requested by Congress or a committee thereof under the provisions of existing law.

Mr. KENYON. I think that is all right.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES of Washington. Mr. President, I want to ask the Senator about one other matter in line 14. Does the Senator think that we really ought to have these reports published monthly? Does he not think that quarterly publication would be sufficient?

Mr. KENYON. I will say to the Senator that they are publishing the reports monthly now. I hold in my hand the one for December. They are quite valuable to the business world.

Mr. JONES of Washington. They are publishing this supplement to the Current Survey of Business?

Mr. KENYON. No; not the supplement. They are publishing the Current Survey of Business.

Mr. JONES of Washington. Oh, I see—as a supplement to the Current Survey of Business.

Mr. KENYON. Yes. It would simply, perhaps, enlarge it a little. It serves a very useful purpose in the business world and to business men.

Mr. JONES of Washington. I wondered, if we did so much printing, and the department gets going along this line, if it

would not be just as advantageous to make it quarterly and save that much. Of course it is not a very large amount.

Mr. KENYON. The quarterly reports might be three times the size of the monthly reports.

Mr. JONES of Washington. That might be true.

Mr. KENYON. I will think about that, though.

Mr. JONES of Washington. All right.

Mr. KENYON. I want to put in the Record, in reply to some of the things which have been stated as to the prophecy proposition, the statement that the bill does not carry any provision for any prophecies at all. It sets forth business conditions which the business world is anxious to have, just as the present Survey of Current Business does.

I could insert in the Record, which I think may be some reply to that, a letter from a manufacturer in Massachusetts, who might not desire to have his name used, but the letter is here for anybody's perusal.

Of course the number of men employed on Federal public work is small compared with those employed in all the public works in the United States, and that is why this bill, as I said in my opening, is not going to accomplish wonders. It is simply going to assist in stimulating.

In 1914 there were about 293,000 men employed in all public works, of which only 73,000 were employed in Federal public works. In 1914 all public works employed 1.09 per cent of the labor of the country. I have given before the amounts paid in wages during those times, the point being that good will come, and the comparison should be made between the concentrated public-work employment and the fluctuations in the private employment, because there are a lot of industries which take as many men at all times of the year.

It takes as many men to bring in a poor crop as to bring in a good crop in agriculture, so that agriculture might not be affected. So with street railways, gas and telephone companies, and other public utilities; they carry the same force of men, generally, in bad times as in good times.

We are not looking so much to the direct effect of putting men into this public-work employment in times of depression as to the stimulation upon general industry. When you put men to work who are idle, it makes more business for the garment workers, the cement workers, and the builders, unskilled labor everywhere. You can not have depression in part of industry and prosperity in other parts, and what depresses a few industries depresses all.

You can not compare the depression of 1921 with any of the other depressions I have spoken of, except the one which followed the Civil War. Then for a time there was a depression in which there were as high as 33 per cent off the pay roll of those who had been on the pay roll, and it averaged 20 per cent during the first 12 months of the depression. The concentration of public work could not have stopped that. It can not stop the present situation, but it will be a basis for relief of future depressions.

In this letter to the heads of the Federal departments, which has been read, the President has asked them to expedite the execution of all public work under their control for which appropriations are available. He did not think it was a dream. That is exactly what would happen if this bill were made a law, where the plans had been made, and they could go ahead with the work. We are in a situation right now where the President of the United States wants to do these things, and there are no plans, and there is no way of carrying it out.

Mr. POINDEXTER. Mr. President, let me ask the Senator a question. I assume there are public works for which plans have been authorized and for which appropriations have been made.

Mr. KENYON. There are for public buildings, away back in the war times.

Mr. POINDEXTER. There is nothing whatever to prevent the President, if he sees fit, as the Senator pointed out he did in the case he mentioned, from directing the use of any available appropriations for prosecuting those public works under the present law?

Mr. KENYON. I am not certain.

Mr. POINDEXTER. I understand the object would be to have public works carried on during the periods of depression, and I think that is a good policy; but I am a little confused about what change in the situation this proposed legislation would make. It carries no appropriation, and it is not intended to authorize public works which have not been authorized under some other law.

The situation is illustrated by the present status of the reclamation work. There are a number of reclamation projects which have been authorized by law for which plans have been completed. The unemployment conference made some investi-

gation into the number and status of those authorized reclamation projects and found that about \$16,200,000 should be expended upon them. There is no legislation necessary to carry on that work in this period of depression except to get the money with which to do it.

Mr. KENYON. That work is ready to go ahead.

Mr. POINDEXTER. The work is ready to go ahead. Why pass this bill or any other bill to carry out the policy of going ahead with that work in this period of depression if you get the money to do it with?

Mr. KENYON. That work was the result of a specific act, was it not?

Mr. POINDEXTER. The authorization was carried in a number of different acts.

Mr. KENYON. If there had been no act authorizing that work, they might have gotten ready to do the work if this bill had been a law, when it was apparent that there was a period of depression approaching.

Mr. POINDEXTER. It is ready to go ahead.

Mr. KENYON. It is in that specific case.

Mr. POINDEXTER. Take the building of roads, for instance, I was just about to comment on the status of public-road work, in so far as the Federal Government is connected with it, as it relates to the policy advocated by the Senator from Iowa, of increasing and expediting work in periods of depression and slowing down in periods of unusual prosperity.

There was argued upon the floor of the Senate just the contrary of the policy advocated by the Senator from Iowa, I may say, by the Senator from Massachusetts, against the appropriation for Federal aid to roads, because a great number of men were out of employment; that it was a poor time to appropriate money for public work. That was the argument of some Senators. I took the same view taken by the Senator from Iowa and argued on the other side that the fact that they were out of employment was the very reason why we ought to provide means for their employment, and we appropriated \$90,000,000 for that purpose, and they are proceeding with that work. What change in the situation would be made by the passage of the bill of the Senator from Iowa?

Mr. KENYON. Of course, we are in a period of depression now, so that you can not very clearly draw the lesson from it. This is not going to help this present period of depression. Suppose that were years ahead, taking the road proposition, and the President and the heads of bureaus concluded that it was better to hold up some of that work; suppose things were not looking good and they decided they would hold up 20 per cent this year and 20 per cent the next year. That is where this bill would come in. They could hold it off and use the 40 per cent to ward off the depression two or three years ahead. They have no legal authority to do that now. They do hold up these appropriations, there is no doubt about that, but this is the logical way of doing it.

Mr. FLETCHER and Mr. POINDEXTER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa yield; and if so, to whom?

Mr. FLETCHER. I want to ask the Senator from Washington a question.

Mr. KENYON. I yield to the Senator from Florida.

Mr. FLETCHER. Under section 3 this bill would give the right to suspend work of the kind the Senator from Washington mentioned, and not only that but it seems to me that under this section the head of a department might suspend work in the Senator's State and carry it on in my State, or, vice versa, suspend it in my State and carry it on in the Senator's State.

Mr. POINDEXTER. As I understand, the Senator does not contend that after the Congress has authorized the execution of public work and appropriated money for it, we should pass a law authorizing the head of some bureau, acting through the head of the department, to stop that work and wait indefinitely for some imaginary period of depression which might come some time in the future, take the authority away from Congress and give it to the executive department. Is that the idea of the Senator?

Mr. FLETCHER. They could stop not only the whole thing but stop any part of it. They might carry on some parts of it but stop any portion of it. The language is, "all or any portion of the work." That seems to me to be the danger in section 3.

Mr. POINDEXTER. Then we would not have any public works at all unless the heads of the departments were willing that we should have them. In other words, it would give a veto power to the head of every department, so far as public work authorized by Congress was concerned.

Mr. KENYON. The Senator does not want to say that, I am sure.

Mr. POINDEXTER. Provided you authorize them to suspend it in their discretion.

Mr. KENYON. Under the advice of the President. The President can veto what Congress does now; but if the Senator will take the closing lines, lines 18, 19, 20, 21, and 22, he will see that where Congress has said that a matter shall be commenced or concluded within a particular time it can not be changed. The bureau heads only do this under the advice of the President of the United States.

Mr. POINDEXTER. I assume the President would not be able to give his personal attention to all these different projects, and if the executive branch of the Government be vested with the discretion of stopping public work on the order of the President, the President would be guided to a very large extent by the recommendations of the heads of the different departments.

Mr. KENYON. I do not see how that argument is sound, because the President of the United States can veto now an act of the Congress.

Mr. POINDEXTER. Of course, if the Senator bases the policy of vesting discretionary power in the President on the ground that he has the veto power, it would apply to all legislation. On that theory we could do away with Congress altogether.

Mr. KENYON. I am simply answering the Senator's argument. The discretion is put in the hands of the President. It is not put in the hands of bureau chiefs. I would not advocate any proposition of giving a bureau chief power to set aside what Congress may do. It must be with the advice of the President. They are authorized but only authorized upon the advice of the President.

Mr. POINDEXTER. There is another provision in the first section of the bill which gives the head of each executive department, without the advice of the President, authority to make surveys of public works. I do not quite understand that. The language is "to make the surveys and prepare the engineering plans necessary for proposed public works."

Mr. KENYON. I am going to make a statement which covers that. I have been trying to make it for some time. It epitomizes the general purpose of the bill, which does not seem to be very well understood.

Section 1 calls upon various public-works agencies of the Federal Government to be prepared in advance with engineering plans for proposed undertakings, so that when an appropriation is made in time of a depression the work can go forward immediately, rather than wait months and years until plans have been prepared and approved. At present there is no incentive for Federal departments to do so, because they have no reason to suppose that Congress desires it. Eventually I believe that this section will lead to taking a longer view of governmental construction. Instead of thinking only in terms of one year our departments will look forward over a period of a decade and plot its needs. Vast areas are certain to be reclaimed through irrigation and drainage. The territory of the United States will eventually be increased not by wars of conquest but by the pick and shovel, the dam and ditch. These great projects usually linger in Congress, because there is no immediate impetus to action. This bill would assist not only in having plans ready for such projects but in giving the final impetus at a time when general industry and employment are in need of stabilization. Many governmental projects contain intricate problems which will require years to solve. For instance, the Boulder Canyon Dam, Ariz., will develop more power than Niagara Falls. Before it can be built agreements must be had from several States not to divert the headwaters, and complex engineering problems must be determined.

Again, post offices and Federal buildings are needed in hundreds of towns. The Federal Government rents many cramped and inadequate quarters. These buildings will be built; the only question is when. This bill proposes that plans be made ready in advance, and the bulk of them executed when the local workers need employment in bad times.

Mr. WATSON of Georgia. Mr. President, may I interrupt the Senator?

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

Mr. KENYON. I yield.

Mr. WATSON of Georgia. The question I am about to propound may have been asked in my absence, as I have been temporarily from the Chamber. By what standard would the head of the department reach the conclusion that the necessary depression had arrived?

Mr. KENYON. I think he would have to be advised by the head of the department. Under the survey of current business that is to be published and is now being published and will be published under the bill, the Secretary of Commerce would be the one, I assume, to determine that question.

Mr. WATSON of Georgia. Would there be any way of revising his opinion or correcting it if we thought he made a mistake about the necessity for the extra work?

Mr. KENYON. Of course Congress could give him any instructions or advice it pleased.

Mr. WATSON of Georgia. But in the meanwhile—

Mr. KENYON. He would simply be preparing plans.

Mr. WATSON of Georgia. He could commit the Government in a legal way to an indefinite amount.

Mr. KENYON. Oh, no; not at all. He would simply have the plans drawn. He can not do a thing until there is an appropriation and act of Congress, but when the appropriation comes then he is ready to go ahead.

In the city of Washington the Government rents a considerable part of its office space, scattered inconveniently in many buildings. The main buildings of the Department of Justice and the Department of Commerce are rented. Parts of the same bureau are distributed among several buildings. Aside from the waste in paying rent at a far higher rate than the cost of borrowing the money to build, the division of a department into fragmentary groups delays public business in a way that no private corporation would permit. A 10-year city plan for Washington would be of use not only in satisfying departmental needs but also in providing for the growth and beautification of the city. Some of the more important work may well be earmarked for execution during the next depression. This policy would be economical, for a larger percentage of a 10-year program would be done at the lower prices that prevail during depressions and a smaller percentage executed when costs are increased in competition with private business during boom times. Some governmental plan of this kind would decrease the likelihood of unemployment.

Mr. President, I have explained the bill not perhaps as fully as I might. I realize there is very little interest taken in it. I yield the floor for the present.

Mr. STERLING. Mr. President, I am a member of the Committee on Education and Labor, and as such agreed that the chairman of the committee might report the bill, but at the same time I expressed some doubt as to the wisdom of such legislation at this time, indicating that I might oppose the bill.

Because of my sympathy for the unemployed, wherever they may be, I am reluctant to oppose any measure that would promise relief, but I can not reconcile my mind to the idea that this is safe and wise legislation. I can not agree with the underlying principles of the bill. There is involved in it more or less of paternalism, but that is not my sole objection.

The bill proceeds, I think, upon a wrong theory, namely, that periods of prosperity and periods of depression come in regular cycles—cycles which may be forecast by the student of business, industrial, or economic conditions. I do not believe that is true. I think we can trace some of the greatest periods of depression, the most marked and those in which there was the most of unemployment, to something aside from recurring or cyclical influences or conditions. It has been said that a thing exists as long as the condition exists, whether it be a moment or whether it be a cycle. That, Mr. President, illustrates the impossibility of foretelling these variations in business or industrial conditions that will enable us by any system to prepare against them.

The Senator from Iowa [Mr. KENYON] has well said that the amount involved so far as the Government is concerned, the expenditure that will be made by the Government in any projects or improvements carried on by the Government, is comparatively small, is a mere bagatelle to the aggregate of public improvements—State, county, and municipal—throughout the country. I agree with him in that. That is true. So far as the Government alone is concerned, comparatively little relief would be afforded the unemployed by the withholding of its building or construction program until a period of depression has arrived or is about to arrive.

Mr. President, the vice of the bill does not consist, however, in that alone. By section 2 of the bill it is provided:

That the Secretary of Commerce shall prepare and publish monthly reports as a supplement to the Current Survey of Business of the Bureau of the Census, or otherwise, concerning the trend of business conditions, the approach of periods of business strain and overextension, or of periods of business depression, in order that the President, the heads of the executive departments, the Congress, the governors of the respective States, the mayors of cities, and persons engaged in private industrial enterprises may properly prepare for and plan against such periods.

Mr. President, one objectionable feature of section 2, as it appeals to me, is one that has already been mentioned by the Senator from South Carolina [Mr. SMITH] in the colloquy between himself and the Senator from Iowa a while ago. It may be true that publications, bulletins, and so forth, are being sent out from time to time through the Department of Commerce as to the condition of business. They may be regarded as more or less authoritative. They may determine individuals or corporations to some extent in the character or conduct of their business.

But, Mr. President, if the bill becomes a law, then any statement made by the Secretary of Commerce foreshadowing a depressed condition of affairs, foreshadowing unemployment as the result of that depression, will, I am sure, tend to precipitate the very condition that we would have most wished to avoid, and perhaps would have escaped had not wrong advices come from an apparently authoritative source. We know how sensitive business and financial interests are to any question about any approaching crisis or period of depression.

But for the report, sometimes false, sometimes erroneous, it might have been tidied over and a feeling of optimism come rather than the feeling of depression from an apparently slight change in the condition of this or that particular great industry or great financial institution.

The report of the Secretary of Commerce, however, based on misinformation or a failure to understand the real conditions instead of tidying over, instead of giving a feeling and a spirit of optimism that would carry men through, would have the effect of perhaps closing the doors of great business houses or financial concerns.

Mr. President, that is not all of section 2 to which I find objection. As was stated a little while ago, the amount of the Government's business is comparatively small. The great volume of it will be in the several States, counties, and municipalities. Now, what does the bill invite? The bill will invite the importunities, not of the unemployed alone but of the industries, the great industries of the country, engaged in manufacturing, engaged in furnishing supplies, and so forth. It will encourage them to encourage the governors of States, the county commissioners of counties, the mayors and city councils of municipalities, to engage in public works when there is no need or when, on account of present conditions, they should not engage in such work but should postpone them for a period of prosperity and when, too, the resulting taxation would not bear so heavily upon the taxpayers of the community.

So, Mr. President, that is what I fear under the bill, and I am taking the bill seriously and in connection, too, I would have the Senator from Iowa understand, with my great sympathy for unemployment, wherever it may be. The demand will come in any time of depression as surely as we pass the bill, and for the purposes of the demand a period of depression will be forecast when there is really no substantial danger of it, but for the purposes of the demand for the Government, a State, a county, or a municipality entering upon a building or construction program, a period of depression to come sooner or later will be freely predicted upon them.

Mr. President, he may be never so wise a man and never so familiar with business conditions generally throughout the country, yet the Secretary of Commerce nor the head of any other department can take in the whole field and see at any given time what will really affect seriously the situation throughout the country. He may imagine because there is a decline in the prospects of a particular industry or a decline in the price of railroad stocks or in the stock of some industrial organization, that calamity is almost upon us, and advise accordingly, according to the provisions of section 2 of the bill send out his bulletins, and thus precipitate disaster when otherwise none would have existed.

I am willing, Mr. President, to go as far as anyone in trusting the President of the United States; I say that without reference to who may at any time occupy the presidential office; but section 3 of the pending bill confides more power to the President than I wish to see confided to the Chief Executive. What does it do? It provides:

SEC. 3. That the head of each executive department is authorized, upon the advice of the President, to postpone the date of the commencement or retard the prosecution of such portions of the public works and projects within his jurisdiction as may be necessary, in order to prepare for and to prevent a further rise in the cyclical wave of industrial expansion and resulting business strain and overextension and, within the appropriations therefor, to enter upon a maximum program of public works and projects as a preparation for and in order to counteract an impending period of industrial depression and unemployment.

Mr. President, it is true that upon the advice of the Secretary of Commerce this action may be taken; it is true that it may be taken upon the advice of the head of some other depart-

ment; but it, in effect, makes a prophet of the President of the United States in foretelling or predicting when there is to be a period of depression or when the period of depression is to end and when a period of general prosperity is to begin. I do not think that the President will particularly welcome such a great responsibility and the duties involved in connection therewith. He will have before his mind—I do not see how he can help but have—the fear that he may make a mistake, and by that mistake and by the advice thus given, instead of energizing he will paralyze the industries of the country.

I said a while ago, Mr. President, that it is not so much the unemployed, I think, as it is the industries themselves, the great corporations which are asking for this bill in order, not so much that they may find employment for their men in Government projects or in other public works in periods of depression, but rather that they may keep themselves going concerns and make money and pay dividends to their stockholders. I think the Senator from Iowa [Mr. KENYON] has already revealed enough to indicate that the great industries more than the unemployed themselves are working for this bill.

Mr. KENYON. I do not think that is so. The American Federation of Labor has indorsed this bill, or the principle of the bill. It is true that the officers of the United States Chamber of Commerce have also indorsed it, and many of the leading business men of the country have indorsed it, but it also has the indorsement of labor just as much, and my chief concern with it was from the labor end.

Mr. STERLING. Yes. I will say, Mr. President, I think the Senator from Iowa is right. The Federation of Labor, pro forma anyway, has indorsed the bill, but during the limited time when I was able to be present at the committee hearings—and I was there at every hearing which I could possibly attend, though sometimes I had to divide my time between another important committee and that committee, those committees holding their meetings at the same hour—the men who were there giving their testimony appeared to me to be the representatives of big business rather than of the unemployed.

Mr. KENYON. Is the reason why the Senator from South Dakota is opposed to the bill because it is a big-business measure?

Mr. STERLING. Not altogether, but I do not want undue consideration to be given the question of the unemployed. I gave my reason for believing that big business is behind the bill; I stated that big business wants to keep on going in periods of depression, and the representatives of big business are asking the Government to adopt this course, not alone for what they may get out of the Government by reason of their business but what they may get, as intimidated in the very bill itself, from the several States in their public improvements and from the counties in their improvements and from the cities in theirs.

Mr. KENYON. Mr. President, I do not want to let the statement of the Senator from South Dakota, that big business is behind this bill, go unchallenged. I do not know that there would be anything wrong about it, perhaps, if big business was in favor of the bill, but the bill has been proposed because of labor's side of the matter. It has been championed more by Mr. Otto Mallory, one of the labor leaders and thinkers of the country, than by anyone else. Because some business men may indorse the bill, because the United States Chamber of Commerce may have been for it, arouses at least some suspicion and might shake my faith in the bill a little; but, so far as I am concerned, the whole movement has been promoted because of the interest of labor and in order to help relieve the unemployment situation.

Of course, the Senator from South Dakota has the right to make the statement which he has made; but he knows, I think, that, so far as I am concerned, my activities in the matter have been along the line of trying to help a little on the unemployment proposition. I do, however, challenge the Senator's statement that big business is behind the measure.

Mr. STERLING. Mr. President, I have not said that big business alone was behind this measure. I have said that big business was supporting the measure, as I believe; but I have not said that big business exclusively was supporting it. I have said that the Federation of Labor, at least pro forma, had advocated the measure, and I am not saying now that from labor organizations has not come an expression in favor of the enactment of this measure; but I hope the Senator will not get the idea that it is labor alone or the unemployed alone who are advocating it. I have said that big business and big industries favor it, and I have stated what I believe to be the motive for their favoring it. It is in order that in a period of depression they may suffer no financial loss or the least possible loss.

I have nothing more to say except this: Allusion has been made by the Senator from Iowa to France and Switzerland and Belgium. I have not had time to go into this matter or to study the systems or conditions in other countries; but the situation in those comparatively small and compact countries, and even in France, must be different from what it is in our own country. France, if I remember correctly, owns to a great extent the French railroads. It would be comparatively easy under such conditions for the Government to regulate to some extent the extension, the repair, and the improvement of railways or other public works owned by the Government. It would be a different proposition altogether in this great country where the railroads are all privately owned.

Mr. President, one other thought occurs to me right here. Reference has been made to Government public buildings scattered throughout the country, such as post offices, and so forth. I think in the past we have been making more appropriations than were really needed for Government buildings. We have appropriated for post-office buildings in little towns of 1,500 or 2,000 inhabitants, where it would be cheaper for the Government to rent a building than to erect and maintain a distinctive post-office building. Now, what would be the effect of this bill? Nearly every community of 1,500 or 2,000 inhabitants would say, "We need a post-office building; a period of depression is upon us and to erect a building will employ so many men in this community." So demands for work of that kind and for appropriations that otherwise we would not think of making will be made upon us, and, in sympathy, we may be induced to vote for the appropriations.

As I said at the outset there is a spirit of paternalism in the bill—and I think it quite pervades the bill—which I do not like. The various communities, cities, towns, counties, and States which will expend most of the money on their public works ought themselves to have the right to determine their needs and to determine their ability, financial and otherwise, to enter upon building programs at such times and under such conditions as they see fit, without being importuned to-day to erect a building, provide waterworks or sewerage facilities, as the case may be, and to-morrow, because a period of prosperity is on, to postpone them for that indefinite time when a period of depression may come.

Mr. DIAL. Mr. President, I have such a high regard for the author of this bill that I regret very much to have to differ with him, but certainly it seems to me that the bill is absolutely uncalled for and is unsound. The great trouble now is that the public is looking too much to the Government at Washington to get help. What the country needs is for the people to go to work, and not to depend upon making a living out of the Government.

The bill is paternalistic; it is wrong in principle; and I deem it entirely out of place. We should construct buildings only when it is necessary to do so, and every community should be the judge of that necessity. To my mind, instead of giving employment to people, the bill would tend to create unemployment, for individuals would not inaugurate enterprises, perhaps, for fear that the Government would jump in and compete with them in labor and materials. It is a matter which I do not think is a proper subject for legislation, and I trust no such legislation will be put upon the statute books. What the people of this country need now is to stop looking to Washington and to be allowed to work out their own material interests in their own way. It matters not to me whether labor favors this bill, or whether big interests favor it, or anybody else; but I deem the proposition involved in the bill not governmental in its nature; it is only advisory. It has no force in it. It will encourage complaining, and I hope no such bill will pass.

POLITICAL CAMPAIGN ISSUES.

Mr. HARRISON. Mr. President, on yesterday the distinguished Senator from Illinois [Mr. McCORMICK] made a speech that doubtless will be termed, at least by his friends, the Republican textbook in the coming campaign. I heard that speech. It was very edifying, and I have no doubt it presented in the strongest possible way the achievements of the present administration. I have no doubt that the distinguished Senator burned the midnight oil and racked his brain that he might remember and place in that speech all that might possibly reflect credit upon this administration. I have no doubt that he consulted with his friends over there, and that his friends at the other end of the Avenue censored it, subtracted certain parts from it, or added certain things to it. I have no doubt that a council of war, so to speak, was held on that speech, so that nothing would be left out of it. It no doubt was the strongest possible presentation that could be made of the accomplishments of the present administration.

I would not now notice the speech if it were not for the fact that it came from such a high source in the Republican Party. The distinguished senior Senator from Illinois is the chairman of the Senate Republican campaign committee, and that speech evidently was prepared and was intended for distribution throughout the country. It was unfortunate that another distinguished leader of the Republican Party spoke on yesterday, because they apparently have gotten their wires crossed as to certain so-called achievements of the administration; and then, too, if this other leader of the Republican Party had not spoken last night in Boston no doubt the newspapers would have carried and given more space to the speech of the distinguished senior Senator from Illinois on yesterday.

I am sorry the Senator from Illinois is not now in the Chamber. I wish he were here. I am sorry the distinguished leader of the Republicans in the Senate [Mr. LODGE] is not here, because there is some conflict of statement in those speeches.

The Washington Post of this morning prints the speech of the Senator from Massachusetts [Mr. LODGE] at Boston in large type on the front page. The heading is:

No Congress in peace time achieved more for the Nation than present, says LODGE.

Under that, in large type, appears the following:

Appropriations of \$5,337,000,000 asked by departments cut to \$1,428,000,000, he points out.

So, in this campaign document, carefully prepared, heralded throughout the country as one of the two parts of the coming Republican textbook, this leader says that the appropriations of \$5,337,000,000 asked by the departments were cut to \$1,428,000,000; so that is the great achievement of this administration.

I hope that the statements of the distinguished leader of the Republicans in this Chamber touching other matters are more accurate than that statement. I can not imagine how a man so well versed and so learned and so experienced in legislative matters, and who occupies such a high place in the councils of his party, could possibly make that statement in a keynote political speech; and I am sure that no one within the sound of my voice or who knows anything at all about the expenditures of the Government will agree with that statement, that appropriations of \$5,337,000,000 were asked for the departments and they were cut to \$1,428,000,000—a saving of \$4,000,000,000.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. HARRISON. I yield for an explanation of this inaccurate statement.

Mr. CURTIS. The Senator from Kansas did not rise to make any explanation. The Senator rose just to ask the Senator from Mississippi if he knew whether or not that was the exact statement made by the Senator from Massachusetts? I judge that what the Senator from Massachusetts meant to say was that the estimates had been reduced by that amount.

Mr. HARRISON. That is the best explanation or excuse that can be offered for this inaccurate statement in the speech of the leader of the Republican Party. I read this from the Associated Press. No doubt this speech was prepared and was distributed to the representatives of the press before it was made; so I will quote from his speech to see whether the heading there is incorrect. That is the part of the speech that caught the fancy of the Washington Post. Certainly none doubts the friendliness of the Post to the administration. That is the part of the speech that caught the fancy of every Republican paper in this country. That is the part of the speech that will be read more by the people throughout the country than any other, namely, that the great achievement of this administration is to cut the appropriations from \$5,337,000,000 requested by the departments down to \$1,428,000,000. Why, if you had accomplished that you would have achieved a great deal; but the statement made in explanation and excuse for this speech by the Senator from Kansas—one of the leaders on the other side, one of the best politicians in the world, who is always watching out for his party, who smooths out the wrinkles over there, who is ever on guard to correct any mistakes made by his coworkers and coleaders—that explanation on the part of the distinguished Senator from Kansas, a member of the Appropriations Committee of the Senate, vice leader on the other side, and chairman of the Committee on Rules, will not go. The harm is done when such a statement from such a high source is published.

Here is what the Senator from Massachusetts [Mr. LODGE] said:

Since the present Congress has been in they have reduced appropriations asked for the departments of \$5,337,000,000 to \$1,428,000,000. This was the work of the present "do nothing" Congress.

That is about the only accurate statement that the Senator from Massachusetts made in that speech at Boston.

This was the work of the present "do nothing" Congress—

He says.

Mr. President, the facts about the matter are that there was some reduction in the fiscal year 1920 over the fiscal year 1919. There was a reduction for the fiscal year 1921 over 1920, and so on down the line; and you will observe that even though the distinguished Senator from Illinois [Mr. McCORMICK] yesterday counted as one of the great achievements of his party and the administration alleged large reductions for the fiscal year 1919, the estimates of the departments, then controlled by the Democratic administration, were made at a time when the war was in full blast. No one had any idea that the close of the war was in sight. They made their estimates at the beginning of the year 1918. They came to Congress, and on those estimates the Appropriations Committee worked; and then, when the war closed so suddenly and unexpectedly, such a saving was effected to the taxpayers of the country that then the big reduction from the estimates was shown in the appropriation bills.

So I submit to every fair-minded person whether it is an achievement, whether the leaders of the Republican Party have the right to claim it as an accomplishment of the present administration, simply because, through the magnificent way in which the Democratic administration—cooperated with, I might say, and helped by men in this Chamber and at the other end of the Capitol, and Republicans everywhere—brought the war to such a sudden close that it saved billions of dollars in the appropriations from the estimates.

In those estimates, running into the billions, it was estimated how much these millions of men who were to be maintained in France and Belgium would have cost for the coming year. The estimates of the Shipping Board, the estimates for aircraft, for artillery, for munitions, for the Navy, and for everything, were based upon the assumption that the war probably would run throughout the following year; and so, when it suddenly collapsed and these men were brought back home, through the efficient administration of the Government at that time and through the economies that were worked by the departments at that time these enormous sums, running into the billions of dollars, were saved to the taxpayers of the country; and yet the American people are to be buncoed, hoodwinked, and deceived by Republican spokesmen claiming that as an achievement of the present administration. Sirs, if it had not been for the magnificent messages of ex-President Wilson, and the terms he laid down upon which peace should come—messages that disheartened, discouraged, disorganized, and broke the morale of the opposing armies—these large appropriations estimated for would have been necessary and billions in addition.

Sirs, the Senator from Massachusetts, who made this remarkable speech, a keynote speech for his own campaign in Massachusetts, to be followed and copied by other Republican spellbinders, said that the appropriation of \$5,337,000,000 asked in the estimates were cut to \$1,428,000,000. The facts are that the estimates for 1922 were \$5,337,000,000, and that we appropriated over \$4,000,000,000, not \$1,428,000,000. He is just two and one-half billion dollars off, that is all. That does not amount to much, especially in this day of Republican political hypocrisy and deception.

The distinguished Senator from Illinois in making his speech yesterday did say there was a cut of just a billion dollars. He is nearer right than his leader.

Mr. SIMMONS. Mr. President, the Senator from Mississippi, as I understand him, quoted the Senator from Massachusetts as having stated in his recent speech delivered in Massachusetts that the appropriations asked for by the departments for the fiscal year 1922 of something over \$5,000,000,000 had been reduced by the present Congress to about \$1,400,000,000. As I now recall it, the estimate of the Treasury Department presented to the Committee on Finance for the fiscal year 1922 was something over \$4,000,000,000, and the committee was asked to provide money to pay these estimates, based as they were, upon the appropriations made by Congress, and Congress did so provide by the passage of a revenue bill, which it was estimated, together with customs revenues, would raise for the fiscal year 1922 the full amount of the estimates and leave a surplus in the Treasury of some fifty-odd millions of dollars.

The Senator from Massachusetts now says, as I understand the Senator from Mississippi, that these appropriations have been reduced by the present Congress to \$1,400,000,000. If the Senator from Massachusetts is correct in this statement, I wish to suggest to the Senator from Mississippi that there should be a repeal of a large part of the taxes imposed in the present

revenue bill, because otherwise we will be collecting money out of the people not needed to support the Government. I wish further to suggest, if the Senator from Massachusetts is correct, and we do not repeal a part of these taxes, we will have a surplus in the Treasury more than sufficient to pay the bonus, and the Republican Party would be relieved of imposing additional taxes for raising money for that purpose.

Mr. HARRISON. I thank the Senator. Of course, the mention of the bonus at this time creates a panic on the other side of the aisle. These offices were created to help to win the war, and these expenditures were made for various purposes, which we are gradually liquidating, and, of course, going through a readjustment period following the war, the estimates, as well as the appropriation, should naturally be reduced. We have not reached the time of "normalcy" yet. Just wait; the country will get its dose and understand its meaning before this administration gets through.

For the present year the estimate of the Budget Bureau is \$3,801,000,000. There has been reported out of the House Committee on Appropriations already bills carrying \$2,908,000,000, and all the bills have not been reported yet. To date the bills reported from the House Appropriations Committee have been reduced from the estimates of the Budget by only \$64,000,000, and there has not been an appropriation bill which has passed the House and come to the Senate which has not been increased by the Senate, first by the Senate Committee on Appropriations, and generally by the Senate through amendments on the floor.

So there is a reduction of \$64,000,000 from the amount estimated by the Budget in the bills which passed the House, and when they shall have passed the Senate and finally become laws they will carry much larger amounts than the estimates of the Budget.

Another proposition which the distinguished Senator from Illinois [Mr. McCORMICK] claimed as an achievement of the administration was the Budget system. The Budget system would be a wonderful thing if we had a Congress which would more earnestly practice economy and knew how to run this Government so that they could keep expenditures within the estimates of the Budget; but the trouble is with the lop-sided way you run things the Budget makes its estimates and the Congress increases the amounts.

Already during this Congress we have passed more deficiency appropriation bills than ever before in any other Congress. We have appropriated already in this Congress practically \$350,000,000 as deficiencies in three deficiency appropriation bills, and yet it is claimed that this Government is being run along economical lines. When you bring in the general appropriation bills within the Budget you make great claim to the country about practicing economy; then you pass some deficiency appropriation bills and undo all the work you had theretofore done.

If the Congress would stop passing deficiency bills, they might get along much better; but they do not do it. There is no cohesion on the other side of the aisle. You never know where you are going. You are just slipping and sliding, and sliding backward more than you are going forward. Halting and hesitating, and hesitating about as much as you halt. The country is thoroughly disgusted with your action, and yet your political leaders lay claims in their keynote speeches to your alleged wonderful achievements.

Mr. CURTIS. Mr. President, does the Senator remember that during the last session in which his party was in power in the House and Senate they passed five deficiency appropriation bills?

Mr. HARRISON. They did not amount to one-fourth as much as these three deficiency appropriation bills that you have already passed in this Congress.

Mr. CURTIS. Oh, yes; they did.

Mr. HARRISON. I recall that before the war there had never been a deficiency bill carrying over \$35,000,000.

The Budget Bureau estimated recently in one deficiency for \$190,000,000, and the House appropriation bill cut it down to \$105,000,000. It came over to the Senate and, of course, you extravagant Senators increased the amount over the House appropriation.

Those are the things which the Republican leaders now are claiming in their speeches as achievements of the Republican Party.

I imagine that up in Boston last night the distinguished Senator had a splendid crowd. If I read the papers correctly, a lot of persons up there have nothing now to do but go out and listen to political speeches. The textile plants are closed down, industries have ceased to operate, wages are being daily cut, and thousands of unemployed thrown upon the tender mercies of their communities. The last count I saw showed that forty or fifty thousand men were thrown out in one day and the

wages of others were reduced. So I suppose the Senator from Massachusetts had a lot of unemployed last night listening to him speak.

This morning I received a letter from away out in Utah. I wish the Senator from Utah were here, because the man who wrote this letter is a wise fellow. I am not unmindful that there is every kind of propaganda being sent out to make the people believe normalcy has come about and that we have some kind of prosperity. I do not know how much money has been spent, and I do not know from what source it comes, but there is a well-ordered propaganda now throughout the country to delude the people and create a false impression as to present conditions. They have erected prosperity signs, somewhat like the "wobble and wiggle" signs used during the campaign. They have converted that "wobble and wiggle" sign of President Harding and Candidate Coolidge into signs bearing the slogan "Prosperity is here," or "Prosperity around the corner," trying to make the people believe it.

This good fellow wrote me this letter from Salt Lake City, and he says he is a Republican. He states in the letter:

Dozens of billboards in Salt Lake City have been placarded with numerous posters telling us that prosperity is just 'round the corner.

Senators have seen them.

And some wag possessed with considerable humor composed a short poem.

This is the poem:

THE BILLBOARD ON THE STREET.

Mark Hanna gave the dinner pail
That made us feel so fine;
Theodore used the big stick
To keep us all in line;
But Harding, in his great wisdom,
Has outdone all such feats,
He's given us prosperity
On billboards on our streets.

A quick return to "normalcy"
The thing he's striving at,
And if we'll tighten up our belts,
Some time he'll make us fat,
Instead of the old dinner pail,
Full of good things to eat,
He'll serve us with prosperity
On billboards on the street.

For many years I served you
As puppet and as tool,
But this last stunt has wised me up,
No more a silly fool.
I may be a poor workingman,
My clothes are far from neat,
But you can't fool me with prosperity
On a billboard on the street.

I dedicate that poem to the present administration as the one great achievement the distinguished Senators who spoke yesterday failed to recount.

Mr. CARAWAY. Mr. President, I believe the Senator said this man was a Republican?

Mr. HARRISON. He says so.

Mr. CARAWAY. Was he bragging or confessing when he said that?

Mr. HARRISON. He was commiserating. They do not brag any more. If the distinguished Senator who spoke yesterday had gone to places up in the State of the distinguished Senator from New Hampshire [Mr. Moses], where so many men have been thrown out of employment, or had gone to any of the industrial centers throughout the country, or had visited Kansas or Iowa, where the farmers are now receiving around 25 cents a bushel for corn, and a small price for wheat, and nothing scarcely for live stock, and made a speech bragging about that 7,000,000 majority they received at the last election, he would not have lasted as long as a celluloid cat in the fiery regions of Hades.

We do not hear much of that enormous majority now. We heard them for a while bragging about it, but no more. De-luded Republicans want to forget it, and innocent, independent progressives abhor the thought. And Democrats—well, those who strayed, they are sick and melancholy.

For the distinguished Senator from Illinois to throw his slurs at the Democratic standard bearer in that campaign is unbecoming and showed him to be a poor sport. Gov. Cox made a great fight, a game fight. No crusader ever engaged in a more noble and higher cause, and no campaign in the history of this Government was ever waged in a cleaner and manlier way, with less apologies or excuses over the results. Yes; the verdict was against us, but there never was a verdict returned by a patriotic people filled with more fraud than the one rendered in November, 1920, and the only persons who have a right to say that there was a verdict in that campaign against the League of Nations are those men who were consistent from the beginning to the end against any League of Nations.

Of course Senators like the Senator from New Hampshire [Mr. MOSES], the Senator from California [Mr. JOHNSON], the Senator from Idaho [Mr. BORAH], and the Senator from Illinois [Mr. McCORMICK] were in an atmosphere which led them to believe that all the votes for the Republican ticket were against any League of Nations; but how can Senators like the distinguished Senator from Kansas [Mr. CURTIS] or the leader of the Republicans in this Chamber have the audacity to go before the people now and say the verdict was along that line? The President of the United States in his message the other day harped on that, too.

The world has been hungering for a better relationship for centuries since it obtained its larger consciousness. The conception of the League of Nations was a response to a manifest world hunger.

So said the President of the United States. He was for it. He led the people to believe that he was for it. He voted at least twice for the League of Nations with reservations. The American people had a right to believe, on the record which he made in the Senate, that he was still for a League of Nations, in one form or another.

The President went further—

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.

"The American unwillingness to become a part of it has been expressed." Distinguished Senators who now sit before me will not forget that because of their speeches against the League of Nations idea, certain elements within the Republican Party thought you were doing injury to your party, that you were driving votes of the proleaguers within the Republican Party away from Harding and Coolidge, and for a while there was a cessation of activities on the part of you orators—you who had been speaking with eloquence and force and enthusiasm against the league.

Those activities were not renewed until candidate Harding went to Des Moines and made the speech which surprised the whole country. But he got away from it the next day, and then it was that he came forth with his statement which I wish to read at this time so the RECORD will show the true facts, to show that the hypocrisy of the administration now is in keeping with the deceit which was practiced in the campaign. There has not been a single promise made by the administration as a pre-convention pledge that has been kept. I admire consistency. If the campaign had been fought out on the question of a league or no league, and your standard bearers and party had taken that position, then well and good to live up to it. But it is unbecoming in men, in high places though they may be, to win public office on certain promises and as soon as they get in to break them.

Here is what the President said following the Des Moines speech:

Let me restate my position as explicitly as my power of words permits. * * * I am in favor of a world association—call it what you will, the name is of slight consequence—that will discourage or tend to prevent war and that will encourage or tend to encourage a better understanding among the nations of the earth. The old order of things is done with, not only in America but throughout the world, and the United States, always quick with sympathy, always just and usually led by common sense, must play its part in this new order.

And thereupon an ex-President of the Republican Party, Mr. Taft, who had been one of the great advocates and champions of the league of nations idea, gave out a statement on August 9 in which he said:

I wish to have as many Republican Senators as possible stand by President Harding in the policy to which I believe the circumstances will lead him of obtaining such an amendment of the present league as will retain the great benefits which the covenant without article 10 will confer on the world.

Then the leaders of the Republican Party who had stood for a league of nations, but who were about to get away from Harding and Coolidge and the Republican Party in that campaign because of the activities against the league of the Senator from California [Mr. JOHNSON] and the Senator from Idaho [Mr. BORAH] and other Senators, came out in a written appeal to the proleague Republicans throughout the country to stand by the Republican ticket and to vote for Harding for President, that the best way to get into the League of Nations was through the election of Harding. It was signed by distinguished men of your party, men who now assist in controlling the destiny of the country. Who were they?

Hughes. He had stood for the league. He was aroused because of the activities of the Senator from California and the Senator from Idaho.

Hoover. He is now Secretary of Commerce. He was indignant, and after Candidate Harding made that speech saying he was for an association, call it what you will, league, association, or what not, Mr. Hoover traveled all the way to California and addressed some college out there, in which address he ap-

pealed to the proleague Republicans and independents to vote for the Republican ticket, saying that it would hasten our entrance into the League of Nations. Let me refresh your memory as to the signed statement of those 31 distinguished leaders within the Republican Party. They said:

The undersigned—

That is Taft, that is Root, that is Hoover, that is Hughes, and 27 others who now apparently are against any League of Nations whatsoever. Oh, I say to the Senator from California, and his colleague from New Hampshire [Mr. MOSES], and the Senator from Idaho [Mr. BORAH], and the Senator from Connecticut [Mr. BRANDEGEE], you certainly brought the leaders of the Republican Party into line. They did not believe you at first, but their wobbling and wiggling, their vacillating and halting policy and deportment has brought them to your way of thinking. That is all right. I have no fault to find with them, but I dislike to see men high in the councils of the party or the affections of the people, leaders in the country, who will win the votes of the people by promising one thing before the election and doing another thing after the election. It is as reprehensible as denying a personal obligation to which you had affixed your signature.

The undersigned—

Said this remarkable document—

The undersigned, who desire that the United States shall do her full part in association with the other civilized nations to prevent war, have earnestly considered how we may contribute most effectively to that end by our votes in the coming election.

The question between the candidates is not whether our country shall join in such an association. It is whether we shall join under an agreement containing the exact provisions negotiated by President Wilson at Paris or under an agreement which omits or modifies some of those provisions that are very objectionable to great numbers of the American people.

Mr. Harding said in his speech of August 28:

There are distinctly two types of international relationship. One is an offensive and defensive alliance of great powers. * * * The other type is a society of free nations or an association of free nations or a league of free nations, animated by considerations of right and justice instead of might and self-interest, and not merely proclaimed an agency in pursuit of peace but so organized and participated in as to make the actual attainment of peace a reasonable possibility. Such an association I favor with all my heart, and I would make no fine distinctions as to whom credit is due. One need not care what it is called. Let it be an association, a society, or a league, or what not. Our concern is solely with the substance, not the form thereof.

Mr. Harding has since repeatedly reaffirmed the declarations of this speech in the most positive terms.

The question accordingly is not between a league and no league, but is whether certain provisions in the proposed league agreement shall be accepted unchanged or shall be changed.

The contest is not about the principle of a league of nations, but it is about the method of most effectively applying that principle to preserve peace.

If the proposed changes in the Paris agreement were capacious or without substantial ground, one might question the sincerity of their advocates. This, however, is not the case.

We have reached the conclusion that the true course to bring America into an effective league to preserve peace is not by insisting with Mr. Cox upon the acceptance of such a provision as article 10, thus prolonging the unfortunate situation created by Mr. Wilson's insistence upon that article, but by frankly calling upon the other nations to agree to changes in the proposed agreement which will obviate this vital objection and other objections less the subject of dispute. The Republican Party is bound by every consideration of good faith to pursue such a course until the declared object is attained.

For this course we can look only to the Republican Party and its candidate; the Democratic Party and Mr. Cox are bound not to follow it.

The conditions of Europe make it essential that the stabilizing effect of the treaty already made between the European powers shall not be lost by them and that the necessary changes be made by changing the terms of the treaty rather than by beginning entirely anew.

That course Mr. Harding is willing to follow, for he said in his speech of August 28:

"I would take and combine all that is good and excise all that is bad from both organizations (the court and the league). This statement is broad enough to include the suggestion that, if the league which has heretofore riveted our considerations and apprehensions has been so entwined and interwoven into the peace of Europe that its good must be preserved in order to stabilize the peace of that continent, then it can be amended or revised so that we may still have a remnant of the world's aspirations in 1913 build into the world's highest conception of helpful cooperation in the ultimate realization."

We therefore believe that we can most effectively advance the cause of international cooperation to promote peace by supporting Mr. Harding for election to the Presidency.

Thus it was that the election was won, and yet the distinguished President of the United States in his message to the Senate the other day said that—

The American unwillingness to be a part of it has been expressed.

How does he know, except that he should follow what he promised the people in his campaign? Oh, they were so afraid in the disarmament conference that they would step into the track of the League of Nations. They shied away from it just as a wild mule shies along the road. They needed a blind bridle throughout the conference. That has been the attitude

of the administration from the beginning up to this good hour. That is what is damning the administration. It is because you have no settled policy, you have no program to follow. You are doing absolutely nothing. The President of the United States is so afraid, and you know it, that he might wean from him and his party some of the men within the Republican Party that he is always trying to compromise on something. If I had promised the American people that I would stand for some plan, whether an association or a league, I would go through with it. I would not be frightened because I might bring down upon my head the reproach of certain eloquent, forceful, militant, and aggressive Senators.

The distinguished Senator from Massachusetts [Mr. LODGE] yesterday talked about the disarmament conference as an achievement of the administration. He laid great stress upon it. The Senator from Illinois [Mr. McCORMICK] did the same thing. I suppose every orator who goes out to speak for the party in the coming campaign will claim that as one of the great achievements of the party. Ah, Mr. President, there was one admission in the President's message to the Senate the other day that is very true. "Modest"—that was the term of affection applied to him yesterday by the Senator from Illinois. The Senator said President Harding was modest in his claims about the disarmament conference and the part he had played in it.

Do you recall a few weeks ago when Hughes's name was being heralded far and wide, when praise was being extended to him by men in every political party, when he was receiving the plaudits of mankind throughout the world for the courageous speech he had made at the opening of the disarmament conference? There then seemed to develop a little feeling of jealousy among certain leaders in the disarmament conference and at the other end of the Avenue. Then one morning there emanated from the White House a statement, carried everywhere by the Associated Press, that the proposal which was made by Secretary Hughes at the opening of the disarmament conference was not at all the proposal of Secretary Hughes, but was conceived by President Harding while he—and I presume our friend the Senator from Illinois [Mr. McCORMICK] accompanying him on that trip—glided peacefully and serenely down the beautiful waters of the Potomac. Just as the *Mayflower* glided into some pleasant nook, the President was writing away, and he wrote this proposal with his own hand and pencil. That was the propaganda, that was the modest part that he played in this disarmament conference. So in his speech the other day he said this:

Here—

He was then talking about the Senate—

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.

So I am glad and delighted that the President, in his modest way, has told the country that "here in the Senate the movement for a limitation of armament was begun." It is well that he did so; and yet the Republican leader in his speech last night to the unemployed in Boston, as well as the Senator from Illinois on this floor, claims it as the great achievement of the administration.

Oh, will Senators forget how the distinguished Senator from Idaho [Mr. BORAH], following the introduction of his resolution for a Conference on Limitation of Armament, fought here for days and for weeks and for months to have it brought out of committee and pressed through the Senate? Will they forget how every Democratic member of the Naval Affairs Committee of the Senate voted to report his resolution favorably, as well as a like resolution of the Senator from Montana [Mr. WALSH], and how every Republican Senator in the Naval Affairs Committee voted against reporting the resolution?

The same thing happened in the House of Representatives. Word had come down the line to the majority members of the Naval Affairs Committee in that body not to report out the resolution. Such a resolution was not passed until the President sent word to the acting chairman of the committee, the Senator from Washington [Mr. POINDEXTER], and to the Senator from Maine [Mr. HALE], to allow the resolution to trickle through.

The disarmament conference was due to the sentiment which had been crystallized in this country through the magnificent fight which was waged by the distinguished Senator from Idaho, aided and abetted at every step by a solid minority of Democratic Senators. The idea was not original with the Senator from Idaho, neither was it original with the Senator from Montana. The first concrete proposition looking toward disarmament was found in article 8 of the League of Nations covenant, placed there by the man whom the Senator from Massachusetts

has criticized and maligned. However, the country is gradually waking up; it is beginning to learn the real facts. Generally when the Senator from Massachusetts gets right it is when he has reversed his former position and adopted the policy that was advocated by ex-President Wilson.

I shall not minimize the results of the disarmament conference. God knows I wish it had accomplished more than it did; but the disarmament conference in many respects brought much benefit to America; I speak primarily of the naval holiday program. I hope that will be effective, and that it will mean a great saving to the taxpayers of the country. However, Mr. President, I would suggest the thought that, not from the time the disarmament conference met to the time it closed has it failed to receive the united, whole-hearted cooperation of the Democrats both in the other House and in the Senate. There has never been a voice of criticism from this side raised against it. We have wished it well; we have tried to cooperate with Senators on the other side.

How different was the situation when the American delegation was at Paris trying to settle the great problems following the World War and to write a treaty of peace! Why, sirs, there was organized in this body a movement even to dispatch couriers with speeches made here against what that conference was about to do. Round robins were prepared, Senators' signatures were procured, ultimatums were issued in the effort to destroy the influence of the American delegation at Paris. How did the minority in this body and in the other House act while the great disarmament conference was in session here in Washington?

Mr. HARRIS. Mr. President—

Mr. HARRISON. I yield to the Senator from Georgia.

Mr. HARRIS. In connection with the reference of the Senator concerning the embarrassment caused by leaders of the majority party in the Senate during the deliberations at the Paris peace conference, I desire to say, if the Senator will allow me, that I happened to be in Paris for several weeks during that conference, and the newspapers daily quoted Republican Senators and others in prominent position in that party in criticism of the action of the American delegation to such an extent that I did not believe it; I thought it was propaganda and gave an interview to the Paris papers stating that it was not true. Not until I returned to the United States did I believe, or would I believe, that men in responsible positions had gone so far in embarrassing the President of the United States who was trying to formulate a treaty by which peace would be brought about between this country and the German Empire. I had hoped that such bitter partisanship was a thing of the past.

Mr. HARRISON. Yes, Mr. President. Throughout the conference at Paris the American delegation were hampered; they were embarrassed in every imaginable way. Senators in the majority in this Chamber defeated the treaty. Whether it will ever be an issue in America again I do not know; but I do know that the Republican majority has found themselves constantly in a very bad predicament since the 4th day of March, when they went into office, because they did not ratify the treaty when it was submitted. I know also that even though we were promised by President Harding some kind of an association or an arrangement—call it league or what not—to preserve the peace of the world, we have been waiting for almost 15 months and the plan is not yet born. The Disarmament Conference was the outgrowth of the League of Nations covenant included in the treaty of Versailles. So this administration can not claim it as an achievement.

We have heard a great deal said about foreign entanglements, and yet the Senator from Illinois [Mr. McCORMICK], who has harped more against foreign entanglements than anyone here, yesterday rose and advocated the four-power pact. The administration have been observing what has been going on across the water; they are afraid even to participate in conferences over there. They sent George Harvey over to Cannes, but the administration has not decided as yet whether or not we are going to be represented at the Genoa conference. How long it takes the head of this administration to fix upon a policy! How long it takes him to decide just what he is going to do!

The same tardiness, the same indecision, that has marked the President's course in other matters is attending it now in connection with the so-called soldiers' bonus; but he has sympathy from the majority party in Congress on that; they do not know what to do either; the Republican Party have promised so many different things about the bonus that they do not know exactly "where they are at."

Let us hope, Mr. President, that this isolated policy, this do-nothing program of the administration, will spur itself up, so that we may begin to take our part and our responsibility in

world affairs. Let it be hoped that a decision will very soon be reached that a delegation from this Government shall go to Genoa, there to help solve the great economic problems that are pressing upon the world; and if we should send a delegation there, let us hope that it will be composed of men of high caliber and not of some fellows of whom the country never heard. Let it be a delegation such as represented the American Government at the Disarmament Conference recently held in Washington.

The people are tired of observing. I never admired a spy in my life; I never trusted one at all, and history has revealed that spies are a very bad lot of fellows; yet this administration insists on sending to conferences abroad not participants to act but observers to spy on the proceedings and let us know what they are doing.

Mr. President, in the speeches delivered yesterday by the two distinguished leaders of the Republican Party when they said that Congress has passed more beneficial legislation during this Congress than during any other 20 years in the history of the Government they failed to specify what legislation was passed or what they were talking about; and so I submit that the country is not fooled at all.

It was well and good that the Senator from Massachusetts should have apologized in his speech last night for the revenue bill, because, if the majority leaders have been quoted correctly, very soon they will bring in a supplemental revenue bill. Why did not the two Senators on yesterday, in preparing this campaign textbook, tell about the failure to pass the tariff bill that you said was going to help the industries of the country?

Three years we have waited for the passage of that legislation, and still the bill sleeps in the Finance Committee of the Senate. No one knows when it will pass. No one knows what kind of a bill it will be when it comes out. There is dissension over there, a lack of policy, a dearth of program. So I am wondering, when these distinguished spokesmen of the party tell about the "achievements of the administration," why they do not specify the legislation they have in mind.

You can not fool the American people. They know that you are frittering away time here, that you are not able or competent to meet the great problems that are confronting this Congress; and yet the distinguished leader on the other side on last night at Boston said in his speech that—

The Democrats, by every artifice of delay and time wasting, have done their best to make this Congress a "do-nothing body."

Cite one instance when the Democratic minority in this body have failed to cooperate with you in any effort to expedite the passage of wholesome legislation here. Of course you do not stay in the Chamber, while this side is always crowded with its Members, and we have to help you do it; but we have never delayed you. We have never frittered away time. We have tried to help you solve these problems; and I do not know what you would have done if some of the suggestions that have come from this side had not been accepted by the other side. If you would listen to us more and follow our suggestions more often, you would get along better. The only piece of legislation that can be claimed by this Congress as one of a constructive nature is the amendment to the War Finance Corporation act, and yet that was passed not because of this administration, but in spite of the opposition of this administration.

Why, your leaders opposed it at first. Senator NORRIS in his first endeavor to arouse your interest was only rebuked by you, and in the end two Democratic Senators and one Republican composed the subcommittee that wrote the bill that passed. And if we had not fought here, day in and day out, to force it upon you, you never would have passed that piece of legislation. So I hope it never again will be said that the Democrats are trying to delay anything.

The same policy, so far as the minority is concerned, will govern its action touching legislation resulting from the Disarmament Conference. It will be discussed fully, and before it passes we will know everything that happened behind the closed doors of the Disarmament Conference; but we want to expedite the matter. We want the country to know where it is "at." We are going to assist you to write your record so that in the next campaign the very first chance the folks get at you we are sure they will condemn you.

Mr. CURTIS. Mr. President, it is not my purpose to defend the Senator from Illinois [Mr. McCORMICK]. He is perfectly able to take care of himself; nor is it my purpose to defend the Senator from Massachusetts [Mr. LODGE]. For the sake of accuracy, however, I want to state for the Record what the records of the Appropriations Committee and of Congress show in regard to appropriations and in regard to deficiencies.

I have just sent out for the statement of the Senator from Mississippi in regard to the deficiency appropriations. It has not been sent in yet; but my recollection is that the Senator

said that only a few thousand dollars had been appropriated for deficiencies during the time the Democrats were in power.

Mr. HARRISON. No; I said that the largest deficiency bill I recalled that the Democrats had passed before the war was \$35,000,000.

Mr. CURTIS. Let me call the Senator's attention to two or three.

In 1915 the deficiency bill was \$27,000,000.

In 1916 it was \$12,000,000.

Before that the deficiencies were smaller, and they kept growing during the war.

The last year before the war the deficiencies amounted to \$68,000,000.

In 1918 they jumped to \$8,000,000,000.

In 1919 they amounted to \$4,000,000,000, giving the round numbers.

Then in 1920 they dropped to \$1,141,000,000.

In 1921 they dropped to \$486,000,000.

I just want the Record to show these figures, so that the Senator may know that he has been giving figures here without any regard to what the facts show.

Mr. HARRISON. Mr. President, will the Senator yield there?

The PRESIDING OFFICER (Mr. FERNALD in the chair). Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. CURTIS. Certainly.

Mr. HARRISON. I do not think there is any difference between the Senator and myself. I stated that the deficiency appropriations were larger than ever before since the Republicans came in, and that before the war the Democrats, so far as I recall, had never in any one bill appropriated over \$35,000,000 for deficiencies. The Senator has given certain figures. According to his figures, the most that was carried in any one bill was \$16,000,000.

Mr. CURTIS. Sixty-eight million dollars.

Mr. HARRISON. Sixty-eight million dollars was the total, as I understand the Senator. I said in any one bill there was not over \$35,000,000. The Senator says it was \$68,000,000 at one Congress. That was in all of the bills. Three hundred and fifty million dollars has already been appropriated by this Congress in deficiencies.

Mr. CURTIS. Every deficiency appropriation that has been passed by this Congress and the last came about as the result of the management of the offices by the Democratic administration. Not one of them is traceable to this administration yet. This administration has been in control for only a year.

Mr. HARRISON. You have about ruined things in that time.

Mr. CURTIS. The country, under the policy adopted by the Republican Party, will be in better condition than it ever has been before.

Mr. HARRISON. Let us hope so.

Mr. CURTIS. To-day the shut-down mills, the idle workmen, can charge it all to the Democratic Party. The Simmons-Underwood tariff bill has done more to close the mills in this country than anything else that has happened in many, many years, and if it had not been for the war—

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

Mr. CURTIS. Certainly.

Mr. HARRISON. If the Underwood-Simmons bill wrought these great injuries, and the Senator's party have had control of both Houses of Congress for three years, why in the name of common sense have they not done something to remedy the situation?

Mr. CURTIS. The Senator from Mississippi knows well that until the 4th of last March a Democratic President was in office and that he would have vetoed any tariff bill sent to him. He also knows that the emergency tariff bill that was passed by the Republican Congress to help out the then emergency situation was vetoed by President Wilson. All this talk about "two years" is nonsense, and the Senator from Mississippi knows it.

Now, let us see what is the reduction in appropriations below the estimates.

For 1922 the records show that there was appropriated \$1,484,217,465 below the estimates. I judge that that is what the Senator from Massachusetts [Mr. LODGE] said; and when the Senator from Mississippi gets the corrected remarks of the Senator from Massachusetts he probably will find out that what was printed in the paper was not accurate.

As I say, I did not get up to reply to the political harangue of the Senator from Mississippi. The records will speak for themselves; and I submit that the CONGRESSIONAL RECORD shows that the Senators on the other side of the aisle have taken up much more time in useless and unnecessary discussion than has been taken up on this side of the aisle.

Mr. HEFLIN. Mr. President, my good friend the distinguished Senator from Kansas [Mr. CURTIS] speaks about "political harangues" coming from this side. This is supposed to be a Government of the people, by the people, and for the people. We determine by political discussions who shall occupy seats in this body—that is, we used to do that. We have had a sample, recently, of a precedent that money shall decide who shall sit in this body, when seats shall be bartered to the highest bidder; but by political discussions we educate the people of the country as to what the situation is with regard to the Government, and the policies that should control the Government, and the policies that do control the Government.

I am not astonished that Senators on the other side should undertake to suppress political discussions in this body. They must be weary of having their attention called to the miserable conduct of Congress under the leadership of the Republican Party. If my party had conducted the Government as it has been conducted for the last 10 months under Republican rule, I should not want to hear the opposition discuss the political issues.

Mr. President, it is plain now that this campaign is to be conducted by the other side along camouflaging lines. Smoke screens are to be thrown up, deceptive situations are to be created, in order to deceive the American people as to what is really going on here at the Nation's Capital.

Republican leaders will go out and make a speech to the effect that an estimate was made of so many billions, and they cut that down and saved a billion or two billions. It is very easy to whisper into the ear of a Republican officeholder a suggestion that it will not do any harm for him to make a large estimate, so that when they get ready to appropriate they will cut down some of that estimate, which never was intended in fact to be enacted into law, and go to the country with a flourish of trumpets and say, "Behold, we have saved a billion dollars! That is what the Republican Party has accomplished in 12 months' time!"

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

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

Mr. HEFLIN. Certainly.

Mr. McCORMICK. Let me ask the Senator if the estimates to which allusion has been made were not the estimates transmitted to Congress by Democratic Secretaries of the Treasury under the last administration?

Mr. HEFLIN. I did not so understand it. I have not seen that estimate. I did not hear the part of the speech of the Senator from Mississippi in which he referred to that; but I am speaking about what is going on now under Republican leadership and control. Estimates for expenses in war times were much larger, of course, than they should be in peace times.

Mr. McCORMICK. Mr. President, if the Senator will permit me to suggest, we have now the Budget submitted by the President, and the estimates are no longer transmitted by the Secretaries.

Mr. HEFLIN. The Senator from Utah [Mr. KING] has pointed out that by an economic administration of the affairs of this Government over \$400,000,000 could be saved other than that which you have provided for in appropriation even under the Budget system.

But I was starting out to say that it is plain to my mind, and it is plain to everyone, that the Republican Party intends to conduct the next campaign along camouflaging lines. They want to go and say: "We have done this and we have done that. Sound your trumpets; unfurl your campaign banners; on with the march. Behold the printed stories about what we say we have done." The substance of the thing will not be there. What has it done? It has done nothing. The only bill of any consequence that Congress has passed which has benefited any considerable number of people was the bill reviving the War Finance Corporation, the passage of which was brought about purely and wholly by a combination of southern Democrats and western Republicans. I suggested to a western Senator that if the western Republican Senators would join with the Democratic Senators from the South we could pass the bill reviving the War Finance Corporation.

Mr. WATSON of Georgia. Mr. President, in that connection let me remind the Senator that months ago I offered a resolution in the Senate, and had it referred to the Committee on Banking and Currency, requesting the President of the United States to remove Gov. W. P. G. Harding from the Federal Reserve Board, and the Republican Committee on Banking and Currency refuses to take any action one way or the other.

Mr. HEFLIN. That is a sample of what is going on here. Here a Senator from a great sovereign State of this Union comes and levels charges against the head of the Reserve Board, who

has been thoroughly discredited long since, the man in charge of the money supply and the credit of a hundred million people, and a committee of the Senate, which is controlled by the Republican Party, refuses even to consider a resolution to take from the leadership of that board a man whose conduct has shown him to be the subservient tool of Wall Street.

The Republicans will not get very far with this camouflaging business. We may not have the newspapers, but we will go out amongst the people and storm every stronghold in the Republic before the fall election. The people shall know the truth.

The Federal Reserve Board here in Washington with its large publicity fund gets busy whenever a Senator rises and assails its deflation policy, and it carries on a propaganda to counteract the influence of what he says when he was fighting to save his Nation from the dangers which threaten it.

The people are entitled to know these things. The press is largely in the hands of the big moneyed interests. It is a pitiable condition we have to face. Seven million people are out of employment, and the Republican Party comes in with the camouflaging statement, "We have reduced the number to 6,000,000, we have reduced it to 5,000,000." Where are they who tramp the streets of this great Republic of the West, crying out for work that they may live?

They say they have reduced the number; that they now have employment. Where are they employed? Around the corner, it is said. When you go around the corner, they are not there. They take a poor, unfortunate man who has been out of employment for weeks and weeks and give him a day's work this week and a day's work next week and say they are now giving him employment. They have done nothing of the kind. Those men are still out of employment. Six or seven millions of people who want work can not find employment.

Many factories are standing still. Labor is unemployed. Agriculture is prone upon the ground, under the blighting touch of the Republican administration. Yet they stand up here in the face of the dreadful conditions that are upon the country and boast of what they say they are doing for the American people.

Mr. President, no bill of any consequence to the masses of the people can get through this body unless it is O. K'd by Wall Street. That is the situation, and we might just as well tell the truth about it. No bill which affects the control of the money supply of this country, when the South and the West are prostrate, can get through this Chamber without the O. K. of Wall Street.

The PRESIDING OFFICER. The Senator from Alabama will suspend while the Senate receives a message from the President of the United States.

[A message from the President of the United States was transmitted to the Senate by Mr. Latta, one of his secretaries.]

Mr. HEFLIN. These messages are refreshing. It is very pleasing to receive them, but we want some proof now that something is going to be done for the benefit of the American people. We can not get a fair settlement for the soldiers who carried the flag to victory; we can not get any help for agriculture, which is the corner stone of all other industries; we can not get any money in circulation for the business needs of the land—and still we love to hear from the President. We love to have these messages. If this message had come on yesterday, I would have known it was a valentine.

Mr. BURSUM. Mr. President, I understood the Senator to say that no bill could pass unless O. K'd by Wall Street.

Mr. HEFLIN. I mean any bill in the interest of the masses.

Mr. BURSUM. I also understood the Senator to say that the War Finance Corporation bill was a good bill. I desire to ask the Senator if that bill was O. K'd by Wall Street?

Mr. HEFLIN. Not at all.

Mr. BURSUM. Then there are some exceptions.

Mr. HEFLIN. There are exceptions; because the Democrats and the western Republicans got together and forced the passage of that bill. I am talking about the Republican part of the Senate. It is impossible for a bill which affects the people of this country to pass the Republican Congress, the Republican part of it, which is not O. K'd by the big moneyed interests of this country whose headquarters are located in Wall Street.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Arkansas?

Mr. HEFLIN. I gladly yield.

Mr. CARAWAY. The Senator has called attention to the passage of the War Finance Corporation bill. I know the Senator from Alabama will remember that the leader of the majority [Mr. LODGE] moved to adjourn early in the summer, and if that motion had not been defeated by those who did not agree with him, there would have been none of this legislation which the Senator from New Mexico and others are bragging about.

Mr. HEFLIN. That is absolutely true; and we would have adjourned had it not been for the Democratic votes cast in this body, as the RECORD will show. So that Congress would have gone, the Senate would have adjourned, but for the little handful of Democrats who, Spartan like, fought the time-serving leaders of the other side to the death, and who are going to continue to do that, and who are going to drive them out of the House this fall.

Mr. BURSUM. Mr. President, do Democrats cast more than one vote each in this body?

Mr. HEFLIN. No; they do not.

Mr. BURSUM. There are only 36 Democratic Senators. Do they cast more than 36 votes?

Mr. HEFLIN. Our tribe will be increased this fall.

Mr. BURSUM. There are 96 votes in the Senate.

Mr. HEFLIN. Yes.

Mr. BURSUM. Is 36 a majority of 96?

Mr. HEFLIN. The Senator fails to tell the Senate and the country that there are always 25 or 30 Republican Senators absent. There are 25 or 30 Senators on the other side always away. They are not here now. They are drawing their salaries, but they are attending to their private business at home. Some of them are down in Florida now, fanning themselves as they stroll upon the snow-white sands on the Florida beach.

Mr. BURSUM. Perhaps there are a few of them here. The roll calls and the record votes will not bear out the statement of the Senator, however. In relation to the War Finance Corporation bill, which the Senator so heartily approved, in which I agree with him, permit me to call the attention of the Senator—

Mr. HEFLIN. I can not yield for a speech.

Mr. BURSUM. To the fact that it was upon this rostrum that President Harding appeared and requested the passage of the War Finance Corporation bill, and shortly thereafter the bill was passed and became a law. Was that brought about by the influence of the Democratic Party?

Mr. HEFLIN. I can not yield to the Senator to make a speech. I do not blame him for wanting to say something when this awful indictment is read against the bosses of his party, but I assert again that the War Finance Corporation would never have been revived but for a coalition between the southern Democrats and western Republicans.

Mr. CARAWAY. Not including the Senator from New Mexico.

Mr. HEFLIN. And I do not believe the Senator from New Mexico was a party to that arrangement.

I said a little while ago that there were always 25 or 30 Republican Senators absent. I challenge the Senator to take the roll calls for two weeks back and show me over 50 or 51 Senators answering to their names, and there are 96 Members of this body.

Mr. WATSON of Georgia. Mr. President, let me remind the Senator from Alabama that more than once when an important bill was on its passage here Senators who were absent from the other side had to be telegraphed for, and a request was made from the other side to this for us to vote as soon as possible so that they could get away again.

Mr. HEFLIN. Certainly, Mr. President. This jack-o'-my-lantern business that is being carried on down here is going to be carried to the people.

Mr. CARAWAY. Mr. President, I hope the Senator is not really complaining because the Senators on the other side are absent. I think it is in the aid of good Government for them to go to Florida.

Mr. HEFLIN. I do not fall out with my friend about that.

Mr. WATSON of Georgia. Mr. President, that would be all right if, after we release them and they go away, they stay away.

Mr. HEFLIN. We are going to fix it so that some of them can stay away after the next fall election.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. HEFLIN. I am delighted to yield, because the CONGRESSIONAL RECORD is the only paper we can talk for which goes amongst the people and in which they can read what we say.

Mr. SIMMONS. Does the Senator think of any real, constructive, beneficial piece of legislation, beneficial to the people of this country, except such as the revival of the War Finance Corporation and the Senate amendments to the present revenue act regarding surtaxes? This legislation was passed by cooperation between the Democrats and that element in the Republican Party which we characterize either as progressive or constituting what is known as the agricultural bloc.

I will ask the Senator, further, if this particular piece of legislation, which he says is doing so much good in the country now—the War Finance Corporation act—a piece of legislation which has helped toward saving the agricultural industry in this country from ruin and absolute bankruptcy, could possibly have been passed but for the votes of the Democratic Party, supplemented by the insurgent vote of the Republican Party?

Mr. HEFLIN. It would not have been possible, Mr. President.

Mr. SIMMONS. I believe the Senator has referred to the fact that we have had no legislation in the interest of the farmer, although we had been in session five or six months, although the friends of the farmers in this body were pressing for legislation, and we were about to adjourn and go home for a solid month, with the statement that when we got back the time would be barely sufficient to pass the revenue and the tariff bills which it was proposed to pass during the extraordinary session, and in that situation, if the real friends of the people of this country on both sides of the Chamber, on this side and on the other side alike, had not combined and fought against and defeated that proposition of adjournment for one month, would we have passed the legislation establishing the War Finance Corporation?

Mr. HEFLIN. I agree with the Senator entirely that we would not.

Mr. SIMMONS. The Senator knows, if he will pardon me, that the leader on the other side of the Chamber had arranged for an adjournment, the stage was set, and it was supposed that the plan was going through without any serious opposition; but right at the time when it was proposed to adjourn, Senators upon this side of the Chamber led in a fight to hold Congress in session until something had been done for agriculture, and they were joined by a sufficient number on the other side of the Chamber, who felt the same deep interest in the farmer that we felt, to keep Congress here. As the result of that action, we have this beneficial legislation.

Mr. HEFLIN. That is true, Mr. President.

Mr. CARAWAY. Mr. President—

Mr. HEFLIN. I yield to my friend from Arkansas.

Mr. CARAWAY. I merely wish to call the Senator's attention to the fact that the Senator from New Mexico [Mr. BURSUM], who so valiantly defended his party, has evidently packed his bag and gone also.

Mr. HEFLIN. Yes; and I think we will thin them out considerably this fall. Senators who go home and stay at home while the Senate is in session, unless detained by sickness, ought to be permitted to stay there permanently. They ought not to be bothered by having to come back here. I remember the other day when you had up the proposition to take away from the American Congress the right to handle the indebtedness of foreign countries owing this Government about \$11,000,000,000, principal and interest, and the Senate was trying to determine what it would do about collecting that debt, and a great many of us were insisting that we proceed to collect some of it until we could at least be just to the soldiers who saved the Nation, we saw the Republican Party, under the whip and spur of their leadership, bring in a measure to take it away from the people's Congress and turn it over to five commissioners to be named by the President, to take the whole thing over and postpone the interest down through the future years and postpone the payment of that foreign indebtedness in order that Wall Street might collect the \$5,000,000,000 due from these same countries. I saw you bring in those same Senators. They came in and seated themselves for a while and, when their names were called, voted to take this matter out of the hands of Congress and turn it over to a commission, just as Wall Street wanted it done.

And now they are gone again. Of course, you can get them here whenever a measure comes in that affects the big interests. They come and they vote as the big bosses suggest, and then they return to their native habitat. That is what we see going on here. If a measure comes up like putting a farmer on the Federal Reserve Board, you bring them in. All of the forces are marshaled then.

They caused you to strike the word "farmer" from the amendment, with the promise from the President that he would put a farmer upon the board; and yet you permitted it to state in the law that two bankers should be on the board. Why this discrimination against the farmers of America? Why not write it in the law that one shall be a farmer? Is the farmer to be an outcast, and stand like an outpost of winter, shunned and scorned by the Republican administration? This man with the hoe, upon whose back is the burden of the world; this man who produces that which feeds and clothes the world—why is he not entitled by the administration to have his name written

into the law, so that he could sit in judgment upon the matter of controlling the money supply and credits of the country when it is up for consideration?

Mr. WATSON of Georgia. Mr. President—

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

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. I beg to remind the Senator from Alabama that the man who will probably have more influence than any other in the extension of this enormous foreign debt is holding his office in violation of a law passed by the very first Congress that ever assembled. Mr. Secretary Mellon, who will act on that commission, is holding his office in violation of law, and could on any day that we saw fit be impeached, and could on any day that anybody swore out a warrant against him be arrested and sent to the penitentiary.

Mr. HEFLIN. Mr. President, I did not know that. The Secretary of the Treasury is a very, very wealthy man. I am not falling out with any man for having wealth. I like to see a man acquire a fair share of this world's goods. I like to see him enterprising and industrious, but I do not like to see the governmental machinery of my country operated to the advantage of the few and to the hurt and injury of the many.

I have seen the farmers of my country go out and work harder than ever to make the biggest crop they ever produced and then sell it for less than they got for a crop half its size. That is not encouraging industry and enterprise in the citizen. That is putting a penalty upon industry and enterprise. Yet, if a man serves special interests and gains favor with the Republican Party, the Government is used to turn money into his coffers, and the many are fleeced in order that the few may flourish.

Mr. WATSON of Georgia. Mr. President, may I interrupt the Senator again?

Mr. HEFLIN. I am glad to yield to my friend from Georgia.

Mr. WATSON of Georgia. I think the Senator from Alabama was present when I referred to the law of 1789 as it appears now in section 243 of the Revised Statutes, which declares in substance that no man shall be Secretary of the Treasury of the United States or Comptroller of the Currency who is engaged in any commerce or business. Upon that very clause President Grant withdrew the name of A. T. Stewart, whom he had appointed to the office of Secretary of the Treasury without knowing that this law was in existence. Mr. Mellon is disqualified to hold the office of Secretary of the Treasury, and he violates this penal law every day that he does hold it.

Mr. HEFLIN. We are slowly but surely disclosing the situation. I think before the fall elections come we will be able to reach the people with a good many things that they never would know from reading the big, camouflaged headlines of subsidized newspapers.

The power of the purse is a wonderful power in politics, and it has been recognized by the Republican Party recently. You have openly invited its poisonous participation in politics. It makes barter of the ballot, and yet the Republican Senate just a few days ago indorsed the sale of a seat in this body. What more do the corrupt money interests want than to have you confirm the sale of seats that they buy? They want to control this body permanently. What do they care about who controls the House if they have a majority in this body that will do their bidding? They have a majority here to-day that will do it. You have 169 majority in the House and 24 majority in the Senate, and yet the Senator from Kansas [Mr. CURTIS], or some other Senator on the other side of the aisle, stands up and talks about the Democrats killing time. If we did not call attention to what is going on here, we would be unfaithful, we would not be worthy to occupy seats in this body.

Why should I keep silent when I see forces put into operation that mean the ruin of my country? Why should I keep quiet when I see policies pursued that bring distress and disaster to business amongst the common masses? Why should I remain silent and let this machinery work on and on when I know that it means ruin to legitimate business in my country? It is my duty to talk about it. I am as much of a soldier in this body as the soldier on the firing line in France. There were great issues at stake there. There are great issues at stake here.

Eternal vigilance is the price of liberty, and it is the duty of those who have taken the oath at the altar place of this Chamber to be faithful and to point out the evils that exist, and to make suggestions as to remedies. It is our duty to do it, and as long as I am able to talk I am going to battle upon this floor for the principles of right and justice and do my duty as

I see it. I am trying to do something of value for the people whose Government this is. I do not propose to recognize the right of Wall Street to dictate the policies of Congress. I do not propose to say that Wall Street is right when she wants the Government of a hundred million people to postpone the payment of \$11,000,000,000 due to it while Wall Street collects a private debt of \$5,000,000,000. I do not propose to sanction the policy that denies to the soldiers who wore the uniform to save my country's life in the hour of its peril a fair and just settlement at the hands of the Government they love.

Mr. WATSON of Georgia. Mr. President, may I interrupt the Senator again?

Mr. HEFLIN. Certainly.

Mr. WATSON of Georgia. The law to which I have referred is one of the oldest on the statute books, one of the first ever passed by the American Congress. It was indeed the First Congress under President Washington that enacted the law. Whenever that bill is found, approved by the President, it will bear the name of President George Washington. Here is a Secretary of the Treasury who is violating the law every day of his life, thereby incurring the penalty of a fine or imprisonment, and of being forever afterwards incapacitated to hold office.

I would like to have the Senator from Alabama express himself as to what the people will think as to the way our Government is being run, when a criminal, unconvicted but disobeying the penal law, openly and notoriously committing a crime, is left in charge of the national funds and the refunding of a foreign debt of \$11,000,000,000?

Mr. HEFLIN. Oh, Mr. President, it deserves to be condemned by Congress. You have men in the Federal Reserve Board most thoroughly discredited. As I have said here repeatedly and say again, they have lost the confidence of the honest business men of the whole country, and now for a Secretary of the Treasury to be appointed on this high commission when he violates the law as plainly as has been pointed out by the Senator from Georgia is, of course, wrong. It is time that we should speak out, and Senators on the other side of the Chamber must be patient while we call attention to these things. The people may not, I repeat, get to read in the newspapers what is going on here, but those who peruse the CONGRESSIONAL RECORD will see that somebody was on guard and somebody was pointing out these evils at the time they took place.

This camouflage business that I spoke of reminds me of the story of the wall that had a large crack in it. It was a big wall 20 feet high. The people who had to pass along by it constantly said, "That wall ought to be fixed; it is going to fall down on somebody." The mayor of the little town went down there and pasted some paper over the crack. The paper had beautiful pictures on it, and when anyone looked for the crack in the wall he could not see anything but the pictures on the paper. The crack in the wall had not been fixed, but the mayor's clever tactics simply hid it from view. The painful wounds and ugly scars that your ruinous policies have inflicted upon the once robust body of American business are still there, and inspired newspaper fiction will neither hide them or heal them. We are calling attention to your efforts to deceive the American people. We are warning the people to be on the lookout for campaign fiction.

Mr. CARAWAY. And prosperity is just around the corner.

Mr. HEFLIN. Yes; prosperity is just around the corner, as my friend from Arkansas suggests.

And when you get around the corner you do not find it. You call up the local banker and ask, "Are you being supplied with funds sufficient to serve the needs of business in your locality?" and he says, "No, sir; but do not tell the Federal Reserve Board that I said that. If you do they will make it hard for me." You ask the merchant, "Are you being taken care of? Is your business prosperous?" He says, "No; I am practically broke and I am doing nothing." Well, then, how about the farmer? "How are you getting along, you to whom we looked for food for our Nation and the allied nations during the great World War? Where is the farm that you cultivated when Wilson was President and the Democrats were in power?" And he answers, "It is gone." "Where are the stock which you had around the premises when all was well with you and a happy family in the dear little home?" "Gone," he says, "we have moved away; the stock have been sold or sacrificed; the farm has gone to make a payment on a debt incurred when my debt-paying power and purchasing power was equal to the price of the things I had to buy." "Where are you who wore the uniform of the country?" And the ex-soldiers, thousands of them say, "I have not anything to do; I am out of employment and hungry." "Where are the millions of the happy and well-paid wage earners of the country when the Democrats were in

power and there were no idle men and women?" The sad answer comes, "We are out of employment; we are not permitted to earn a living for ourselves and families."

Then I ask Senators, Who is it that is having prosperity? Where is it? Let us get down to brass tacks. Who is it under your party's régime that is enjoying prosperity?

Mr. CARAWAY. Will Hays, who has gone into the movies. Mr. HEFLIN. Mr. President, the bankers of Wall Street are flourishing. They get all the money they want; they never lack for a dollar; they can get every day in the year every dollar they want for speculative purposes; they can acquire all the credit they need for any project. But the South can not get it; the West can not get it. Still Senators on the other side of the Chamber are talking about prosperity. Where is it, pray tell me?

Mr. President, I hold in my hand a little poem which has just been handed to me by my good friend from Arkansas [Mr. CARAWAY], which is entitled "We wanted a change." Mr. President, if the millions of men and women who went up to the ballot box shouting "Hurrah for Harding!" and "Hurrah for normalcy!" could withdraw those little ballots, the Republicans would have to run them all down with a search warrant and take them by force in order to ever get them back again. You never could again marshal them for the present régime.

They wanted a change. They were deceived by this camouflage stuff that you carried on, discrediting the greatest administration since the Government was established. I except none. There never was a time in the history of this Republic when labor was so fully employed, when industry was running so regularly, when the mass of the people had so much money in their pockets, and when prosperity was so general. Why, the average man and woman had a little bank account under the Democratic administration.

Nobody has a bank account now of any consequence except the big bankers of Wall Street. They have accumulated the money supply of the country; they have drawn it in; and they let it out, little by little, as they wish to do through the Federal Reserve Board's policy. That is what is going on. Let me remind you again that an old farmer out in Kansas the other day, when he was asked how he liked this Republican crowd, said, "To thunder with your Republican normalcy; I want to get back to Democratic prosperity."

Oh, Mr. President, you know there are people in this country who believe that the mass of the people constitute legitimate prey for their greed and avarice, just as a hawk views chickens and thinks that he has got a right to swoop down and pluck them and pick them and eat them whenever he chooses. These heartless and arrogant interests feel that they have a right to have the use of the Government for that purpose. They get in with the controlling power; they say "Institute this policy," and down they swoop upon the people and take their substance. That is what is being done under the reign of the Republican Party to-day.

But let me read the poem:

WE WANTED A CHANGE.

We were getting a dollar six bits for our corn,
We could sell every hide from the hoof to the horn—
We wanted a change and we got it.

Now we're getting a quarter for corn. It's so cheap
That we burn it for fuel, our toes warm to keep.
We can't sell the hides so we bury them deep—
But we wanted a change and we got it.

The skilled workman pulled down eight bucks a day,
Now he's darned glad to work for any old pay—
But he wanted a change and he got it.

There was work and a plenty for every man's son,
And warm food and shelter when that work was done;
Now millions are idle, heretofore there was none—
But we wanted a change and we got it.

Mr. Wilson spent quite a long time "over there"
For peace he was fighting, but what did we care—
We wanted a change and we got it.

Now all that we read is of golf and vacations,
Gay week ends at summer resorts and plantations;
Not what we expect from the head of a Nation—
But we wanted a change and we got it.

We were prosperous and happy, well fed, and gay,
Now millions of children go hungry each day—
We wanted a change and we got it.

Meanwhile we hear this: "It was certain to come—
Reaction from war time," and war three years done.
If we wanted a lemon we sure did pick one—
But we wanted a change and we got it.

(Omaha World-Herald.)

When the Democrats were in power we, the people, were writing poems about happy homes, about the laboring man and the strength of his mighty arm; we were describing happiness upon the farm and telling how, when the cows came home in the evening, the calves would bleat a deep-mouthed welcome; and

how we used to see the rich yellow butter upon the table and round, fine biscuit and ham sliced and swimming in red gravy and chickens galore, and all of the good things to eat. That was under the rule of the Democratic Party, but now we are writing about empty pails and unemployment and people in distress and panics and bankruptcies. They "wanted a change, and they got it." Mr. President, I have talked to hundreds and all of them that I have seen say they are ready and anxious now for a change. I heard of a prognosticator of politics who told me that a gentleman out in Ohio who occasionally polled the passengers on trains polled the passengers in a car in the fall of 1920 in which there were 25 people, 19 of whom were Republicans and the other 6 Democrats. He asked them at that time whom they favored for President, and all of them said they were going to vote for Harding. In the same territory two weeks ago there were 25 or 30 on the train, two-thirds of them being Republicans and about one-third Democrats, and he asked, "If you all had it to do over again, how many of you would vote for Harding now?" And not one hand went up. The situation has so completely changed in 11 months' time. The Republican Party has been weighed in the balance and found wanting. You may have your yachts and your week-end vacations, but the American people want a change, and they are going to have it this fall.

Mr. CARAWAY. Mr. President—

Mr. HEFLIN. I am glad to yield to my friend from Arkansas.

Mr. CARAWAY. I am wondering if President Harding will beat Mr. Taft out of a position which he occupies. It was said that more people voted to make Mr. Taft an ex-President than any other man ever commanded, but I am almost sure that Mr. Harding is fixing to beat him out of that position.

Mr. HEFLIN. Mr. President, as I have remarked here once before, somebody has said that Mr. Taft went in by a million majority and went out by unanimous consent. The present President is going to run him a mighty close race.

The President is a good grand-stand player and a gracious smiler; but the time has come for action; the American people are demanding a delivery of the goods, and they have got a right to make that demand. Whose Government is this anyhow? Does it belong to the pompous purse-proud millionaires of Wall Street or does it belong to the American people who when its life is imperiled rush to its rescue and pour out their blood in order to save it and perpetuate it? Now it is the duty of Senators to fight here in the homeland for these people in time of peace, and to see that their rights are safeguarded.

I wish to say to you, Senators, that when the money supply and credits of this country are so manipulated that they will not serve the needs of the laboring man and will not serve the needs of the farmer and will not meet the needs of the merchant and the local bankers something is radically wrong. What is money? It is the lifeblood of business, and when a few selfish and sordid people control it they control the life-giving force of the business life of the Republic. That is what is going on to-day. Yet the President sits there smiling constantly, bowing graciously, while the Federal Reserve Board right under his nose, not a hundred yards from where he sits, strikes down the legitimate business of the country.

The President can remove that board. He should remove it. If Gov. Harding had done as much for the Democratic ticket as he did for the Republican ticket, does anybody doubt that his resignation would have been asked for? Since President Harding has not taken action along those lines, what does it mean? It means that he indorses the deflation policy of that board; it means that the board has done what it was ordered to do. I charge to-day that the deflation policy that has brought ruin to the country was invited and started by the Senator from Illinois [Mr. McCORMICK] when he had passed through the Republican Senate on the 17th day of May his resolution calling on the board to know what they were doing about deflation, and so forth.

As I told you last Thursday, the Senator from Oklahoma [Mr. OWEN] saw it. He arose and told you that it meant deflation. He said it was an invitation for deflation; and Gov. Harding was enthusiastic in his reply. He wrote back to the Senate that he would employ every power at his command to carry out the suggestions contained in the deflation resolution.

What did that mean? That meant that the deflation policy was on. Who was in control? The Republicans were in control of the House and the Senate. Who introduced the resolution? A Republican Senator. Who is Gov. Harding? He supported the Republican ticket in the fall election, and he is holding his place and retaining his power under a Republican President, and the work of destruction goes on; and the President of the United States and the Republican Congress can not

escape responsibility for the ruin that was wrought under that inexcusable and indefensible deflation policy.

Mr. President, I did not intend to speak more than 5 or 10 minutes. I want to remind the Senator from New Mexico [Mr. BURSUM], the Senate, and the country that when we did revive the War Finance Corporation, as I said here in a lengthy speech last Thursday, we had section 2 in that joint resolution, and section 2 provided that the Federal Reserve Board was directed to see to it that financial aid was extended to the farmers of the country at as reasonable a rate of interest as possible in keeping with sound banking.

Mr. President, what did that mean? That was calling upon the forces in control of the currency and credits of the country to go to the aid of American farmers in dire distress. That was inviting Congress to tell the board to go and do the thing that would carry relief to the great agricultural army of the South and West. What happened to it? You refused to pass it. Wall Street did not want it. The Federal Reserve Board did not want it. A Republican Congress killed it. We got through the War Finance Corporation revival part of the resolution, but a Republican Congress killed the part which commanded that money should go to the farmers and aid them in holding their farm products off the market until the price will yield a living profit.

Who caused that resolution to be killed? I made the statement in the outset that no bill that affected the interests of the money changers could go through this Congress without the sanction of Wall Street. Who can deny it? The part of the resolution that you killed went to the very root of the evil. That suggested a remedy, to go to the rescue of farmers in distress, and a Republican Congress said, "No; we will not instruct the board to do that," and they killed that part of the joint resolution.

How are you going to escape responsibility for that? That is a plain proposition. The joint resolution said in substance, "Congress directs the Federal Reserve Board to go to the aid of the farmers with credits and currency at the lowest rate of interest possible in keeping with sound banking," and you killed that part of it. You struck it out.

How are you going to defend your position and claim that you are not responsible for that failure to lend a helping hand to millions of farmers in distress? I say again that the Senator from Illinois [Mr. McCORMACK], a Republican, offered the resolution that started deflation, and then in the fall time, when we tried to get you to pass a resolution to instruct your Federal Reserve Board to aid the farmer, you killed that part of the resolution.

What do you suppose the farmers of the West will do when they realize this fall that we presented to you a resolution calling on the Federal Reserve Board to go to their rescue and to see that credits and currency were extended to them, and you would not permit it to pass? Do you think they will vote as they voted in 1920? No, sir! Because they have seen and suffered enough since you have been in power. You have had control of the House and Senate for three years, and what have you done? You have marked time. You used to criticize us for indulging in "watchful waiting," and you have been waiting with your eyes shut. You have just been lumbering along in the dark obeying your master's voice.

Look out yonder on the South and see those people coming out of the little lanes, and see their vehicles trailing each other as they come down the public highways. You say: "What means all this?" They say: "We are coming out of the farming communities of the county." "Where are they going?" "They are going down to the cotton factories to put to work in the mills those boys and girls that ought to be in school. When the father could make a living on his farm, they were in school. They were happy out there; but those little homes are broken up now." They are going to the factories and the presence of an oversupply of labor will reduce the wages of those already there.

That is what is going on under your party's control. Nothing except the work of the gambler grafter seems to flourish under your reign. Show me one legitimate business that is flourishing under the reign of the Republican Party—one; just one! I pause for a reply from any Republican upon this floor. Name me one legitimate industry in all the confines of the country that is in a prosperous condition to-day. I get no answer. There is not one. The gambling Monte Carlo of Wall Street is flourishing. Call money revels in rank luxuriance. All the places that feed upon the substance of honest toil and legitimate business are doing well; but legitimate business dies under the withering touch of the Republican Party in power.

Mr. President, what is the Republic for? Are we going to sustain this country and make it the glorious thing that the

fathers intended that it should be—a Government established for the welfare of the citizen? That is the whole end and aim of constitutional government. What are we doing to-day? The citizen has his mood injuriously affected, his morale broken, his property swept away, his means of livelihood taken from him, and you are creating an army of bolsheviks and anarchists. You are sowing the seeds of hate in men who offered their lives for their country.

Senators, the time has come to talk plainly about this thing, because he who sees danger and has not the courage to point it out in this Chamber is himself a cringing coward.

Oh, Mr. President, I would that conditions were different. I would rejoice to see conditions improved; and no Senator in this body can charge that I ever voted against a measure here that sought the common weal. And while I believe that my party holds the right solution for all the questions that pertain to the government of man—partisan Democrat that I am—I have voted for and advocated in this body measures offered by some Republicans from the West because I thought they were good measures and would do good. I place at all times the welfare of my country above partisan success. Why should not all of us do so? Life is short at best, and we go this way but once. It is a question of the measure of service that we give while we are in this Chamber. This place was intended to be a place of faithful service to the American people.

It was intended to be filled with men who would always look to the welfare of the country, who would enact laws that would bless and benefit the mass of the people, and who would not legislate for a favored few, to the hurt and injury of the many.

I congratulate the distinguished Senator from Mississippi [Mr. HARRISON] upon the able and splendid speech that he made. He arraigned the Republican Party and pointed out its shortcomings and showed wherein it had undertaken to deceive the people. That is legitimate. If we fall short of our duty we are failing in the work that we were sent here to do, because, Mr. President, no Senator ever ought to reach the time in this body when his own comfort is of more concern to him than the welfare of his country. He never ought to reach the time when he is afraid to challenge the forces of injustice and wrong.

He ought never to reach the time when he seeks to move against the lines of least resistance. He ought to be ready at all times to fight, if need be, any unrighteous cause which puts up its head in this body. We ought to point the way to a better day, when the masses of the people in the main will enjoy the fruits of the prosperity to which this country is entitled 24 hours in every day and 52 weeks in every year of its history.

In this country, with its mighty resources, there is no excuse for anybody being out of employment. There is no excuse for any farm being deserted. There is no excuse for shutting down the industries of our land, and a country as rich and resourceful as ours is should not hoard the Nation's lifeblood, the money and credits of the country, but it should see to it that these life-giving forces should circulate and restore prosperity in every nook and corner of the country.

Mr. WATSON of Georgia. Mr. President, when the refunding bill was on its passage through the Senate I called the attention of those who had charge of that measure to the law of 1789, which declares that no man engaged in business or commerce shall be eligible to hold the office of Secretary of the Treasury.

I called their attention to the fact that this was a penal law, and any man who violated the law was subject to prosecution, and upon conviction should be punished by a fine, by imprisonment, and by incapacity thereafter to hold office.

I instanced the case of President Grant, who, not being a lawyer, was not aware of the statute of 1789, and who appointed A. T. Stewart, the merchant prince of New York, to be Secretary of the Treasury. In Mr. Blaine's Twenty Years of Congress, volume 2, page 425, we find this statement:

Alexander T. Stewart, the well-known merchant of New York, was named for Secretary of the Treasury; and Adolph E. Borie, of Philadelphia, long known in that city as a man of probity and wealth, was named for Secretary of the Navy. No new nomination was made for Secretary of War, and the hope with many was that Gen. Schofield might be continued in a place whose duties he had so faithfully and so successfully discharged.

The President was very anxious to have Mr. Stewart in his Cabinet, and was therefore surprised and chagrined to find, after he had been nominated, that under the law he was not eligible to the office of Secretary of the Treasury. In the act establishing the Treasury Department, passed at the first session of the First Congress under the Federal Government, it was provided that no person could be appointed Secretary, Assistant Secretary, comptroller, auditor, Treasurer, or register who was "directly or indirectly concerned or interested in carrying on the business of trade or commerce." It was further provided that any person violating this act should be deemed guilty of a high misdemeanor, and upon conviction fined \$3,000, removed from office, and forever thereafter rendered incapable of holding any position under the Government of the United States. Gen. Grant frankly informed the Senate that he had ascertained Mr. Stewart's disability after the

nomination and suggested that "in view of these provisions of law and the fact that Mr. Stewart has been unanimously confirmed by the Senate he be exempted, by joint resolution of the two Houses of Congress, from the operation of the law."

The Senate had actually confirmed Mr. Stewart, and President Grant requested the Senate to change that law so that Mr. Stewart could qualify and take the office. What followed? I read again from Mr. Blaine:

As soon as the President's message was read, Mr. Sherman, of Ohio, asked "unanimous consent to introduce a bill repealing so much of the act of September 2, 1789, as prohibits the Secretary of the Treasury from being concerned in carrying on the business of trade or commerce, and providing instead that in no case shall he act on any matter, claim, or account in which he is personally interested." Mr. Sumner objected to the introduction of the bill, suggesting that it ought to be "most profoundly considered before it is acted upon by the Senate." These proceedings were on Saturday, March 6. On Monday Mr. Sherman did not call up the bill, it having been ascertained in private conferences that the Senate was unwilling to pass it. On Tuesday Gen. Grant withdrew the request, Mr. Stewart resigned, and Hon. George S. Boutwell was nominated and confirmed as Secretary of the Treasury.

Mr. President, the proofs were put in the record during the debate on the refunding bill, that Mr. Mellon is engaged most extensively in trade and commerce, being one of the most colossal business men on this continent or abroad; just as ineligible to hold the office of Secretary of the Treasury as would be J. P. Morgan, or as is John D. Rockefeller, or as is a member of the firm of Sears, Roebuck & Co., if you please.

In my hand I hold the act, in the Revised Statutes, which was passed at the first session of the First Congress. It is numbered in the book as section 243, and it provides just as Mr. Blaine quotes in his book, and I therefore will not read it again; but in order that the country may have no doubt about it, I ask unanimous consent that the statute may appear as a part of my remarks.

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

SEC. 243. No person appointed to the office of Secretary of the Treasury, or First Comptroller, or First Auditor, or Treasurer, or Register, shall, directly or indirectly, be concerned or interested in carrying on the business of trade or commerce, or be owner in whole or in part of any sea vessel, or purchase by himself, or another in trust for him, any public lands or other public property, or be concerned in the purchase or disposal of any public securities of any State or of the United States, or take or apply to his own use any emolument or gain for negotiating or transacting any business in the Treasury Department, other than what shall be allowed by law; and every person who offends against any of the prohibitions of this section shall be deemed guilty of a high misdemeanor and forfeit to the United States the penalty of \$3,000, and shall, upon conviction, be removed from office and forever thereafter be incapable of holding any office under the United States; and if any other person than a public prosecutor shall give information of any such offense, upon which a prosecution and conviction shall be had, one-half the aforesaid penalty of \$3,000, when recovered, shall be for the use of the person giving such information.

Mr. WATSON of Georgia. It is a serious thing, it seems to me, when any officer of the Government, but especially the Secretary of the Treasury, charged at this time with the handling of the greatest sum of money that ever was put into the hands of one man to handle, is violating the law every day of his life, is, according to the record, an impudent criminal, whom anybody could have arrested on swearing out a warrant, and who would have to stand and confess his guilt, if his business connections be what they appear to have been at the time that proof was put in the record.

We ourselves are sworn officers. The Constitution leaves us no discretion. As honorable men we are bound to do what we can to have the law properly administered.

Admitting that neither Mr. Mellon nor President Harding knew of this law at the time the nomination was made; admitting that the attention of the Senate was not called to it at the time of the confirmation, the President knows it now, Mr. Mellon knows it now, and there is not a lawyer here who can say one word in defense of either the President or the Secretary. If so, I want him to rise and say it.

How can any man defend it? We are to go before the people in a few months to render an account of our stewardship. What will the people think of us if we have continued from day to day to let this man exercise the highest financial power in the world when he is openly, audaciously, unscrupulously violating a law that has on it the sanction of George Washington's name?

Is any man in this country above the law? Is the Chief Executive above the law? What is the law of impeachment for?

On the night of the debate on the refunding bill I asked the Republican Senators to consider this matter, especially in connection with giving Mr. Mellon discretionary powers over the refunding of \$11,000,000,000 of indebtedness due to us by European countries. No Senator said a word. They did not consider it. They will consider it when they go before the people for reelection.

Republican Members of the other House will have to answer for it. The people will say, "Is that the law?" The people

will say, "Are you violating it?" The people will say, "How dare you do that and put yourselves above the law? How dare you ask us to obey the law when you will not do it? How dare you prosecute men for trivial offenses, petty larcenies, lesser crimes, when this law is being violated every day by a member of the Cabinet?"

If Gen. Grant receded before that law and respected it, why should not President Harding show an equal respect for the statutes of his country? If Mr. Stewart had to resign, why should not Mr. Mellon resign?

Senators, this will be a millstone around your Republican necks in the future. You have been put on notice. The country knows you have been put on notice. What are you going to do about it? You had better do something about it.

I do not believe the American people will stand for an open and insolent violation of the law by a member of the Cabinet. I believe the storm of public indignation which can reach Mr. Mellon will reach those who should have reached Mr. Mellon and put him on notice. That man should resign. If he does not willingly resign, the President should demand his resignation and thus set the people an example of respect for the law.

RETIREMENT OF DISABLED ARMY OFFICERS.

Mr. BURSUM. Mr. President, I desire to give notice that as soon as the unfinished business now before the Senate has been disposed of I intend to move that the Senate proceed to the consideration of the bill (S. 1565) making eligible for retirement under the same conditions as now provided for officers of the Regular Army all officers of the United States Army during the World War who have incurred physical disability in line of duty.

EXECUTIVE SESSION.

Mr. CURTIS. 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 10 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Thursday, February 16, 1922, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate February 15, 1922.

RECEIVER OF PUBLIC MONEYS.

John W. Scott, of California, to be receiver of public moneys at El Centro, Calif., vice Burre H. Lien, whose term will expire February 17, 1922.

PROMOTION IN THE REGULAR ARMY.

VETERINARY CORPS.

To be lieutenant colonel.

Maj. William Proctor Hill, Veterinary Corps, from February 4, 1922.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

AIR SERVICE.

Capt. Garth Bly Haddock, Infantry, with rank from July 1, 1920.

Capt. Edmund Walton Hill, Infantry, with rank from July 1, 1920.

First Lieut. Benjamin Ransom McBride, Infantry, with rank from October 13, 1919.

PROMOTIONS IN THE NAVY.

Commander Walter M. Hunt to be a captain in the Navy from the 20th day of December, 1921.

Commander Zachariah H. Madison to be a captain in the Navy from the 31st day of December, 1921.

The following-named lieutenant commanders to be commanders in the Navy from the 3d day of June, 1921:

Charles H. Shaw.

Eldred B. Armstrong.

Lieut. Commander Arthur W. Sears to be a commander in the Navy from the 1st day of October, 1921.

Lieut. Commander Walter B. Decker to be a commander in the Navy from the 21st day of October, 1921.

The following-named lieutenant commanders to be commanders in the Navy from the 31st day of December, 1921:

Randolph P. Scudder.

Albert S. Rees.

James P. Olding.

William B. Howe.

Claude A. Bonvillian.

George H. Bowdew.

George A. Alexander.

The following-named lieutenant commanders to be commanders in the Navy from the 1st day of January, 1922:

Garret L. Schuyler.

Alfred W. Brown, jr.

Lieut. Edward H. Connor to be a lieutenant commander in the Navy from the 11th day of February, 1921.

The following-named lieutenants to be lieutenant commanders in the Navy from the 3d day of June, 1921:

James D. Maloney.	John H. S. Dessez.
James S. Spore.	George W. Hewlett.
Frank Slingluff, jr.	John M. Ashley.
Mervyn S. Bennion.	Herbert W. Underwood.
Frank H. Kelley, jr.	Lorain Anderson.
Miles P. Refo, jr.	Edgar M. Williams.

Lieut. Howard A. Flanigan to be a lieutenant commander in the Navy from the 25th day of June, 1921.

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

Marc A. Mitscher.	Clarkson J. Bright.
Earle W. Spencer, jr.	William D. Kilduff.
George L. Weyler.	

Lieut. Joseph F. Crowell, jr., to be a lieutenant commander in the Navy from the 1st day of September, 1921.

Lieut. Charlton E. Battle, jr., to be a lieutenant commander in the Navy from the 1st day of October, 1921.

Lieut. Herbert A. Ellis to be a lieutenant commander in the Navy from the 12th day of October, 1921.

Lieut. (Junior Grade) Adolph V. S. Pickhardt to be a lieutenant in the Navy from the 7th day of June, 1919.

Lieut. (Junior Grade) Robert D. Kirkpatrick to be a lieutenant in the Navy from the 1st day of July, 1919.

Lieut. (Junior Grade) Stanley L. Wilson to be a lieutenant in the Navy from the 6th day of June, 1920.

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

Forrest B. Royal.	Horace E. Burks.
Nelson N. Gates.	George W. McIver, jr.
William E. O'Connor.	John N. Whelan.
George O. Etheredge.	Gordon B. Woolley.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 30th day of December, 1920:

Fred M. Byers.
Stanley C. Norton.

Ensign Nelson N. Gates to be a lieutenant (junior grade) in the Navy from the 3d day of June, 1919.

Ensign George W. McIver, jr., to be a lieutenant (junior grade) in the Navy from the 30th day of March, 1920.

Ensign William E. O'Connor to be a lieutenant (junior grade) in the Navy from the 28th day of June, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 29th day of June, 1920:

John N. Whelan.
George O. Etheredge.
Gordon B. Woolley.

Ensign Stanley C. Norton to be a lieutenant (junior grade) in the Navy from the 29th day of December, 1920.

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

Thomas J. Griffin.
Morton T. Seligman.
Dorrance K. Day.

Surg. Isaac S. K. Reeves to be a medical inspector in the Navy with the rank of commander from the 10th day of November, 1921.

Surg. George L. Wickes to be a medical inspector in the Navy with the rank of commander from the 24th day of January, 1922.

Passed Asst. Surg. John J. O'Malley to be a surgeon in the Navy with the rank of lieutenant commander from the 4th day of March, 1921, to correct error in name as previously nominated and confirmed.

The following-named passed assistant surgeons to be surgeons in the Navy with the rank of lieutenant commander from the 4th day of March, 1921:

Frederick Ceres.
Walter C. Espach.
Howard A. Tribou.

Asst. Surg. Horace R. Boone to be a passed assistant surgeon in the Navy with the rank of lieutenant from the 6th day of June, 1920.

The following-named passed assistant dental surgeons to be dental surgeons in the Navy with the rank of lieutenant commander from the 4th day of March, 1921:

Anson F. McCreary.
Hugh T. Meyers.

Passed Asst. Dental Surg. Franklin L. Morey to be a dental surgeon in the Navy with the rank of lieutenant commander from the 3d day of June, 1921.

Asst. Dental Surg. James C. Lough to be a passed assistant dental surgeon in the Navy with the rank of lieutenant from the 6th day of June, 1920.

Asst. Dental Surg. Armin T. Fellows to be a passed assistant dental surgeon in the Navy with the rank of lieutenant from the 1st day of July, 1920.

Paymaster Edward T. Hoopes to be a pay inspector in the Navy with the rank of commander from the 7th day of July, 1921.

Paymaster Elijah H. Cope to be a pay inspector in the Navy with the rank of commander from the 11th day of November, 1921.

Passed Asst. Paymaster Robert W. Clark to be a paymaster in the Navy with the rank of lieutenant commander from the 4th day of March, 1921.

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

Tucker C. Gibbs.
Louis H. Huebner.
Thomas S. Wully.

Chaplain Herbert Dumstreya to be a chaplain in the Navy, with the rank of lieutenant, from the 1st day of July, 1920, to correct the date from which he takes rank as previously nominated and confirmed.

Acting Chaplain Thomas F. Regan to be a chaplain in the Navy, with the rank of lieutenant (junior grade), from the 12th day of May, 1920.

The following-named naval constructors to be naval constructors in the Navy, with the rank of captain, from the 6th day of February, 1922:

Lewis B. McBride.
Clayton M. Simmers.

The following-named naval constructors to be naval constructors in the Navy, with the rank of commander, from the 31st day of December, 1921:

Robert B. Hilliard.	Lee S. Border.
James O. Gawne.	Alva B. Court.
Allan J. Chantry, jr.	Lew M. Atkins.
Philip G. Lauman.	Ralph T. Hanson.

The following-named naval constructors to be naval constructors in the Navy, with the rank of commander, from the 6th day of February, 1922:

Ralph D. Weyerbacher.
Henry E. Rossell.

Lieut. John B. Lawrence, United States Naval Reserve Force, to be a lieutenant in the Navy, to rank from the 3d day of August, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Lieut. (Junior Grade) Cecil F. Harper, United States Naval Reserve Force, to be a lieutenant (junior grade) in the Navy, to rank from July 1, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Ensign August Rettig to be an ensign in the Navy from the 6th day of June, 1919, in accordance with a provision contained in the act of Congress approved June 4, 1920, to correct the date from which he takes rank as previously nominated and confirmed.

The following-named officers for temporary service to be ensigns in the Navy from the 6th day of June, 1919, in accordance with a provision contained in the act of Congress approved June 4, 1920:

Frederick J. Legere.
William F. Skyles.

The following-named officers of the United States Naval Reserve Force to be ensigns in the Navy from the 4th day of June, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920:

Frederick H. Ottaway.
William B. Gwin.

Passed Asst. Surg. Henry P. Merrill, for temporary service, to be a passed assistant surgeon in the Navy, with the rank of lieutenant, from the 3d day of August, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Passed Asst. Surg. William F. Crouse, of the United States Naval Reserve Force, to be a passed assistant surgeon in the Navy, with the rank of lieutenant, from the 3d day of August, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Chaplain Henry G. Gatlin, of the United States Naval Reserve Force, to be a chaplain in the Navy, with the rank of lieutenant, from the 3d day of November, 1920, in accordance with

a provision contained in the act of Congress approved June 4, 1920.

Asst. Naval Constructor William F. Twitchell, for temporary service, to be an assistant naval constructor in the Navy, with the rank of lieutenant (junior grade) from the 1st day of July, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Chief Gunner Chesley Jones, of the United States Naval Reserve Force, to be a chief gunner in the Navy, to rank with but after ensign, from the 5th day of August, 1920, in accordance with a provision contained in the act of Congress approved June 4, 1920.

Lieut. (Junior Grade) Albert S. Marley, jr., to be a lieutenant in the Navy from the 1st day of July, 1920.

Ensign Albert S. Marley, jr., to be a lieutenant (junior grade) in the Navy from the 29th day of June, 1920.

The following-named naval constructors to be naval constructors in the Navy, with the rank of commander, from the 6th day of February, 1922:

Edmund R. Norton.

Thomas B. Richey.

Commander Austin Kautz to be a captain in the Navy from the 3d day of June, 1921.

Lieut. Commander Charles F. Russell to be a commander in the Navy from the 2d day of January, 1922.

POSTMASTERS.

ALABAMA.

Walter R. Warrick to be postmaster at Marbury, Ala. Office became presidential October 1, 1920.

ARIZONA.

Charles A. Narramore to be postmaster at Buckeye, Ariz. Office became presidential April 1, 1921.

CALIFORNIA.

Harry R. Borden to be postmaster at Angels Camp, Calif., in place of R. E. Walsh. Incumbent's commission expired July 15, 1920.

John Z. Shelton to be postmaster at Oroville, Calif., in place of F. N. Paxton, resigned.

COLORADO.

Albert Neuman to be postmaster at Elbert, Colo. Office became presidential July 1, 1920.

CONNECTICUT.

James E. Usher to be postmaster at Plainville, Conn., in place of P. J. Prior. Incumbent's commission expired July 1, 1921.

FLORIDA.

Elmer J. Roux to be postmaster at Fernandina, Fla., in place of E. J. Roux. Incumbent's commission expired August 1, 1921.

GEORGIA.

Herbert I. King to be postmaster at Dexter, Ga. Office became presidential April 1, 1921.

ILLINOIS.

Charles L. Smith to be postmaster at Cutler, Ill. Office became presidential April 1, 1921.

Hamil E. Veach to be postmaster at Clayton, Ill., in place of G. L. Hough. Incumbent's commission expired August 30, 1920.

James C. Moore to be postmaster at Maple Park, Ill., in place of F. L. O'Brien, resigned.

KANSAS.

Isabel Brown to be postmaster at Lansing, Kans., in place of C. M. Swan, appointee declined.

KENTUCKY.

Charles W. Robinson, jr., to be postmaster at Pewee Valley, Ky. Office became presidential April 1, 1921.

Quay C. Quigg to be postmaster at Livermore, Ky., in place of E. F. Thomasson. Incumbent's commission expired July 21, 1921.

John S. Marksbury to be postmaster at Williamstown, Ky., in place of W. G. O'Hara. Incumbent's commission expired July 21, 1921.

MAINE.

Eugene H. Lowe to be postmaster at Gray, Me. Office became presidential January 1, 1921.

MASSACHUSETTS.

Elba M. Harrington to be postmaster at Jefferson, Mass. Office became presidential January 1, 1921.

Carl E. Brown to be postmaster at Lunenburg, Mass. Office became presidential April 1, 1921.

Otis E. Hager to be postmaster at North Dana, Mass. Office became presidential April 1, 1921.

Katherine T. Loftus to be postmaster at Thorndike, Mass. Office became presidential April 1, 1921.

Osgood L. Small to be postmaster at Sagamore, Mass., in place of O. L. Small. Incumbent's commission expired January 24, 1922.

MICHIGAN.

E. Harold Ormes to be postmaster at Marenisco, Mich. Office became presidential April 1, 1921.

MINNESOTA.

Pearl M. Hall to be postmaster at Ah-gwah-ching (late State Sanatorium), Minn., in place of P. M. Hall, name of office changed.

MISSISSIPPI.

Preston C. Lewis to be postmaster at Aberdeen, Miss., in place of M. E. Tubb. Incumbent's commission expired July 21, 1921.

Richard K. Haxton to be postmaster at Greenville, Miss., in place of J. H. Robb, deceased.

Edward A. Kernaghan to be postmaster at Hattiesburg, Miss., in place of T. M. Fuller. Incumbent's commission expired July 21, 1921.

Elizabeth Connelly to be postmaster at Lexington, Miss., in place of W. L. Walton, resigned.

MISSOURI.

Louis E. Meyer to be postmaster at Bowling Green, Mo., in place of J. H. Bueter. Incumbent's commission expired April 24, 1921.

Charles B. Genz to be postmaster at Louisiana, Mo., in place of R. H. Williams, deceased.

NEBRASKA.

Donald D. Price to be postmaster at Gothenburg, Nebr., in place of J. H. O'Kane, deceased.

NEVADA.

Theodore B. Voog to be postmaster at Ruth, Nev., in place of Sam Tidball, resigned.

NEW YORK.

John Common to be postmaster at Andover, N. Y., in place of W. F. O'Connell. Incumbent's commission expired July 21, 1921.

Charles B. Hugg to be postmaster at Cazenovia, N. Y., in place of A. E. Fitch. Incumbent's commission expired July 21, 1921.

Lewis O. Wilson to be postmaster at Long Beach, N. Y., in place of L. O. Wilson. Incumbent's commission expired March 8, 1922.

NORTH DAKOTA.

Olaf O. Bjarke to be postmaster at Abercrombie, N. Dak. Office became presidential April 1, 1921.

Irwin E. Walton to be postmaster at Bantry, N. Dak. Office became presidential July 1, 1921.

Estelle A. Kingery to be postmaster at Forbes, N. Dak., in place of W. M. Moore, resigned.

OHIO.

Myrtle M. McCreery to be postmaster at Brecksville, Ohio. Office became presidential October 1, 1921.

Benjamin S. Dillehay to be postmaster at Waterford, Ohio. Office became presidential January 1, 1921.

Helen M. Roley to be postmaster at Basil, Ohio, in place of J. C. Grube. Office became third class October 1, 1920.

Edwin E. Cook to be postmaster at Huron, Ohio, in place of Charles Warnke. Incumbent's commission expired July 21, 1921.

OREGON.

Logan E. Anderson to be postmaster at Cove, Oreg. Office became presidential January 1, 1921.

Thomas Thompson to be postmaster at Pendleton, Oreg., in place of T. J. Tweedy, deceased.

PENNSYLVANIA.

Claudia B. Aurand to be postmaster at Beaver Springs, Pa. Office became presidential April 1, 1921.

James D. Scott to be postmaster at Coatesville, Pa., in place of J. G. Downward, jr. Incumbent's commission expired August 7, 1921.

Dewey W. Sechler to be postmaster at Fairchance, Pa., in place of W. K. Ashton, resigned.

James Hewett to be postmaster at Pen Argyl, Pa., in place of S. J. Myers, removed.

Theodore E. Sweeney to be postmaster at Sewickley, Pa., in place of Clarence Reisinger, removed.

TENNESSEE.

William J. Whitsett to be postmaster at Lewisburg, Tenn., in place of R. G. Loyd, resigned.

TEXAS.

Mamie Dyer to be postmaster at Tolar, Tex. Office became presidential January 1, 1920.

Tom Hargrove to be postmaster at Woodsboro, Tex. Office became presidential January 1, 1921.

Floyd S. Worth to be postmaster at San Benito, Tex., in place of J. L. Crawford, resigned.

UTAH.

Frank M. Shafer to be postmaster at Moab, Utah, in place of F. M. Shafer. Incumbent's commission expired January 23, 1921.

VIRGINIA.

Thaddeus Y. Price to be postmaster at Green Bay, Va. Office became presidential July 1, 1921.

Samuel McCrary to be postmaster at Ivanhoe, Va. Office became presidential January 1, 1921.

Robert E. Fugate to be postmaster at Nickelsville, Va. Office became presidential April 1, 1921.

Bruce L. Showalter to be postmaster at Weyers Cave, Va. Office became presidential July 1, 1921.

Harry Fulwiler to be postmaster at Buchanan, Va., in place of R. H. Latane. Incumbent's commission expired July 21, 1921.

Byrd E. Carper to be postmaster at Newcastle, Va., in place of H. B. Ferrel. Incumbent's commission expired July 21, 1921.

WEST VIRGINIA.

Boyd McKeever to be postmaster at Wardensville, W. Va. Office became presidential January 1, 1921.

WISCONSIN.

Edward Hemphill to be postmaster at Belmont, Wis. Office became presidential January 1, 1921.

William T. Hoyt to be postmaster at Rosendale, Wis. Office became presidential January 1, 1921.

Kate C. Conrad to be postmaster at Hammond, Wis., in place of Dennis Deneen. Incumbent's commission expired September 8, 1921.

Bogue S. Burnett to be postmaster at Mosinee, Wis., in place of E. F. Butler, resigned.

WYOMING.

Frank N. Stuart to be postmaster at Parkerton, Wyo. Office became presidential January 1, 1921.

Owen T. Gebhart to be postmaster at Basin, Wyo., in place of A. W. Coons, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 15, 1922.

RECORDER OF DEEDS FOR DISTRICT OF COLUMBIA.

Arthur G. Froe to be recorder of deeds, District of Columbia.

REGISTER OF THE LAND OFFICE.

Edward P. Gorman to be register of the land office, Wausau, Wis.

POSTMASTERS.

ALABAMA.

Henry H. Farrar, Blocton.

ARIZONA.

James E. Harris, Mayer.

INDIANA.

Charles E. Combs, Bloomfield.

Elisha A. McGinnis, Clayton.

Maude E. Mitchell, Ellettsville.

Lorinda Guy, Etna Green.

Moody L. Katter, Huntingburg.

Ben H. Sink, Jasonville.

Arthur F. Saylor, New Paris.

IOWA.

Raymond W. Rhoades, Glenwood.

Harold H. Hubbard, Rockford.

Christa A. Hendrix, Silver City.

Ira S. Hogate, Tracy.

Walter H. Vance, Winterset.

KANSAS.

E. Ervin Townsden, Hugoton.

Elmer E. Haynes, Madison.

KENTUCKY.

Iley G. Nance, Slaughters.

Austin R. Edwards, Walton.

MICHIGAN.

Clyde C. Buttrick, Ada.
Herbert O'Connor, Holton.

MISSOURI.

Charles T. Wright, Stoutsville.

MONTANA.

Philip Daniels, Anaconda.

NEW HAMPSHIRE.

John A. Gleason, Dublin.

NEW MEXICO.

Charles C. Lee, Las Cruces.

NORTH CAROLINA.

William P. Lee, Benson.

SOUTH CAROLINA.

Elbert L. Marljar, Fountain Inn.

Thomas J. Bolin, Neeses.

De Witt T. Wellborn, Williamson.

Loring Terry, Yemassee.

VERMONT.

Charles F. Thurber, Fairlee.

Arthur G. Folsom, Tunbridge.

WISCONSIN.

Lester B. West, Barron.

Emma V. Clark, Black Earth.

Charles J. Anderson, Clayton.

John W. Crandall, Deerbrook.

Eugene B. Williams, Hurley.

Mabel A. Coates, Juda.

Mamie Bader, Kennan.

Frank E. Munroe, Ladysmith.

Charles H. Lake, Marshall.

Verner A. Nelson, Ogema.

Monroe V. Frazier, Readstown.

Charles A. Arnot, South Wayne.

Ole S. Torgeson, Stoughton.

David E. Lamon, Three Lakes.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, February 15, 1922.

The House met at 12 o'clock noon, and was called to order by the Speaker.

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

Our Father in heaven, Thou art ever present, truest Friend, Day unto day Thy providence uttereth speech. Thou dost throw open the doors of every morning and breathe Thy life and spread Thy light. O do Thou accept the gratitude of all our hearts. May the constancy of such divine care make urgent appeal to our moral obligation, strengthen our affections, and deepen our sympathies. Direct us how to employ all those standards of duty that inspire strength and courage and determine wise and intelligent government. Help any who may be against the sharp edges of care and affliction and at last may we have refuge in the folds of Thy arms. In the name of Jesus. Amen.

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

NO QUORUM—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. It is quite clear that there is no quorum present.

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

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

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

Anson	Brinson	Chandler, Okla.	Coughlin
Appleby	Britten	Cockran	Crowther
Barkley	Brooks, Pa.	Codd	Curry
Beedy	Burke	Cole, Ohio	Deal
Bird	Burton	Connally, Tex.	Driver
Bland, Ind.	Butler	Connolly, Pa.	Dunbar
Bond	Cannon	Cooper, Ohio	Dupré
Brennan	Cantrill	Cooper, Wis.	Dyer

Fairchild	Johnson, S. Dak.	O'Brien	Speaks
Faust	Kahn	O'Connor	Sproul
Fields	Keller	Ogden	Steenerson
Frear	Kelley, Mich.	Oliver	Stevenson
Free	Ketcham	Paige	Stiness
Freeman	Kiess	Parker, N. J.	Strong, Pa.
Frothingham	Kitchin	Parrish	Sullivan
Gallivan	Knight	Patterson, Mo.	Taylor, Ark.
Goldsbrough	Kraus	Patterson, N. J.	Taylor, Colo.
Gorman	Kreider	Porter	Tilson
Gould	Kunz	Pou	Timberlake
Graham, Pa.	Lankford	Rainey, Ala.	Tinkham
Green, Iowa	Lee, N. Y.	Ransley	Upshaw
Greene, Mass.	Lineberger	Reavis	Vare
Greene, Vt.	Linthicum	Reber	Ward, N. Y.
Griest	McKenzie	Riddick	Watson
Hadley	Madden	Riordan	Williams
Hawley	Mansfield	Robsion	Winslow
Hays	Mapes	Rodenberg	Wise
Hill	Michaelson	Rogers	Wood, Ind.
Hogan	Mills	Rose	Woods, Va.
Houghton	Moore, Va.	Ryan	Wurzbach
Hukriede	Moores, Ind.	Sabath	Yates
Ireland	Mott	Sanders, N. Y.	Young
James	Mudd	Shaw	
Jefferis, Nebr.	Newton, Mo.	Slemp	
Johnson, Ky.	Nolan	Smithwick	

The SPEAKER. Two hundred and ninety-three Members are present. A quorum is present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move to suspend further proceedings under the call.

The SPEAKER. The gentleman from Kansas moves to suspend further proceedings under the call. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The doors will be opened.

The doors were opened.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed without amendment bill of the following title:

H. R. 7077. An act to increase the force and salaries in the Patent Office, and for other purposes.

The message also announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 3076. An act to create a bureau of aeronautics in the Department of Commerce, to encourage and regulate the operation of civil aircraft in interstate and foreign commerce, and for other purposes.

The message also announced that the President pro tempore had appointed Mr. HALE and Mr. PITTMAN members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the Navy Department (headquarters, United States Marine Corps).

SENATE BILL REFERRED.

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

S. 3076. An act to create a bureau of civil aeronautics in the Department of Commerce, to encourage and regulate the operation of civil aircraft in interstate and foreign commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

CALENDAR WEDNESDAY.

The SPEAKER. To-day is Calendar Wednesday. The Clerk will call the roll of committees.

The Clerk proceeded to call the roll of committees.

Mr. FOCHT (when the Committee on the District of Columbia was called). Mr. Speaker, I call up the bill S. 2265, to regulate marine insurance in the District of Columbia, and for other purposes.

The SPEAKER. The gentleman from Pennsylvania calls up the bill S. 2265.

Mr. WALSH. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. WALSH. This being a measure of unfinished business on District of Columbia day which has already had some consideration, is it in order that the same measure can be taken up under the Calendar Wednesday rule?

The SPEAKER. The Chair is not aware that that question has ever been raised. The Chair is ready to hear any argument against it.

Mr. WALSH. Well, I raise the question as a point of order. Mr. Speaker, the rule provides that alternate Mondays—I think the second and fourth Mondays—shall be set aside for the consideration of business from the Committee on

the District of Columbia. This measure has been up and considered in Committee of the Whole House on the state of the Union and general debate for some little time has been had on it. It is therefore, I assume, the unfinished business on District day, and it would be in order upon another District day to proceed with its consideration.

Now, if it is in that condition upon District day, I can not quite see how that same committee can, when it should be reached upon Calendar Wednesday, take up the same measure under a different rule of the House, although I am aware that there is no limitation or restriction in the Calendar Wednesday rule.

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

Mr. WALSH. Yes.

Mr. SEARS. If the Speaker holds that this bill is in order, would we begin where we left off, or start in with the beginning of the bill?

Mr. WALSH. Of course, if this is in order I suppose we would begin under the Calendar Wednesday rule.

Mr. SEARS. At the beginning of the bill, and if we fail to finish it to-day, when the next District day comes we would start where we left off?

Mr. WALSH. I do not know. I suppose that would be the case.

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

Mr. WALSH. I will yield for a question.

Mr. BLANTON. On the last District day this bill was debated under general debate by the proponents of the measure for nearly their whole hour. Now, if it were taken up under the Calendar Wednesday rule the proponents of the bill would have another additional hour.

Mr. WALSH. They were not restricted to an hour on Monday under the District rule.

Mr. BLANTON. It would work to the advantage of the proponents of the bill and give them an hour's more time than those against the bill would have.

The SPEAKER. The Chair will ask the gentleman from Massachusetts, does not the Calendar Wednesday rule provide, "on a call of committees under this rule bills may be called up from either the House or the Union Calendar, excepting bills which are privileged under the rule"? The question before the House would be whether a District bill would have a preference to-day under the rule.

Mr. WALSH. Of course, Mr. Speaker, they do have a certain privilege under the rule, setting aside alternate Mondays for District business, and that committee can start a measure on the first Monday of the session on which its business is in order and can keep that measure up the entire session on alternate Mondays until it is completed, resting, of course, upon the recognition by the Speaker and the action of the chairman of the committee. The days were set aside, I assume, in order to give this committee certain preference or precedence, so that the business relating to the District should be assured consideration and action. Now, if they can do that, it seems to me we are giving them an additional privilege if we permit a single measure to have this chance upon District day and also be permitted to call it up under another rule with different limitations as to debate, particularly when there are other measures from the same committee awaiting consideration.

Mr. MANN. Mr. Speaker, take this case. We have a Unanimous Consent Calendar. A bill may be under consideration on unanimous-consent day and not finished, and that has occurred in the history of the House. Would anyone suggest that because a bill is on the Unanimous Consent Calendar it could not be considered on Calendar Wednesday? Would anyone suggest that because the consideration of a bill had been commenced on unanimous-consent day the committee would lose its right to call it up on Calendar Wednesday? I think not. The Committee on the District of Columbia does not report privileged bills. It has no greater privilege than the Committee on Claims or the Committee on War Claims or over any other bill on the Private Calendar. The rules set apart a day for the consideration of bills reported from the District of Columbia Committee, and the rules also sets apart a day for the consideration of bills on the Private Calendar. But setting apart that day does not constitute bills which go on the calendar privileged bills. Privileged bills under the uniform and invariable practice of the House are those bills which are either a high privilege of the House or bills by virtue of the rules reported on the floor of the House. That carries with it the right to call up a bill at any time. Under the uniform practice of the House where the District Committee is authorized to call up a bill on a day set apart for it, the bill is not privileged. The only restriction in the Calendar Wednesday rule against the calling up of a bill is that privileged bills shall not be called up.

Now, we commenced the consideration of this bill on District day. I do not think if we go into Committee of the Whole on the bill that the bill will have to be read again the first time. The rule in reference to debate is a mere limitation on Calendar Wednesday, and of course that would apply.

Mr. WALSH. Will the gentleman yield?

Mr. MANN. I will.

Mr. WALSH. The consideration of this measure having been begun on the day set apart for a certain committee, and having been under consideration, does not that thereby give the bill a certain privilege which other measures from the same committee do not have?

Mr. MANN. No; the committee would not be required to call up that bill on the next District day, even if it has not been disposed of. The committee exercises the right to call up such bills as it pleases. It is not required to call up unfinished business, and no Member of the House can bring it up except by direction of the committee.

Mr. WALSH. That also applies to privileged bills; the chairman of the committee is not obliged to bring it up.

Mr. MANN. Certainly not.

Mr. McARTHUR. Mr. Speaker, it seems to me that in the consideration of the rules of the House we should bear in mind that Calendar Wednesday was set aside for a particular purpose. We have a day set aside for unanimous consent, another day for the consideration of District of Columbia legislation, and another day for consideration of pension legislation. We have, under the rules, certain days for these committees to call up their bills, and practically all other legislation must await the call of its committee on Calendar Wednesday. It seems to me manifestly unjust and not within the spirit of the rules of the House to allow committees that have a right of way with their legislation to come in and usurp Calendar Wednesday, which is set aside for all legislation not privileged and not favored by special days under the rules. I submit that the other committees have a right to be heard on Calendar Wednesday and that privileged and favored committees should not come in and usurp this day when they have certain days set aside for their own legislation.

Mr. WINGO. Mr. Speaker, I think the Speaker in undertaking to decide the point of order should take into consideration the fact that when the House drafted the Calendar Wednesday rule it did it with full knowledge of the fact that a special day had been set aside for the District of Columbia for a great many years before; that the provision with relation to privileged bills refers, of course, to privileged bills reported from the floor. A District of Columbia bill would not be considered a generally privileged bill. It is privileged for that day. Why? Because the committee has the privilege of consideration that day, but not any particular bill is privileged.

Now, when they drew the Calendar Wednesday rule, the House did not see fit to say that any committee except those that had special days set aside; it said any committee. The District of Columbia Committee has the right on this call on Calendar Wednesday to call up any bill. If the committee desired to call up a bill, it makes no difference at what stage the consideration of a bill is; the question is whether this committee will call it up. If it calls up the bill, it means that we start with the consideration of the bill at the point at which we stopped when it was under consideration before.

There is a clear distinction between the rules for bringing it up and the rules for its consideration. If he calls up the bill, he calls it up in its present status; and to say that because forsooth on District day a certain bill was considered and reached a certain stage, the District of Columbia Committee is thereby robbed of its rights on Calendar Wednesday and is compelled to call up some other bill, would tend to delay legislation. Is it not in the interest of orderly legislation in the House that the District of Columbia Committee should do what it did to-day, call up that bill the consideration of which is more nearly completed? I see no view under which the Speaker ought to add by interpretation to the Calendar Wednesday rule and say that any committee may call up a bill except some committee that has a special day. I think the Speaker would not be justified in holding that. Personally I wish the Committee on the District of Columbia had waived its rights to-day, but it is clearly within its rights to claim this Calendar Wednesday, and no distinction having been made against it, it stands on the same footing with every other committee, and it may exercise its rights, and it is for it to determine which bill it will call up.

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

Mr. WINGO. Yes.

Mr. WALSH. Assuming that last Monday there had been one hour's debate upon this measure, controlled by the chair-

man of the Committee on the District of Columbia, would the gentleman say that on Calendar Wednesday there should be only one hour's debate, controlled by those opposed to the measure?

Mr. WINGO. I should not think so necessarily.

Mr. WALSH. In what situation would the bill be?

Mr. WINGO. As a general proposition I think when the bill is called up it is called up in the status that existed at the time the House ceased consideration of it. That is the general proposition. In other words, the chairman of the committee does not call up the bill necessarily as a new matter. He calls up the bill for further consideration.

Mr. WALSH. Suppose that under the five-minute rule section 12 of the bill had been reached on last Monday. Would we start in with section 13 under the five-minute debate to-day?

Mr. WINGO. I should think so. That would be my judgment.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WINGO. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I was just about to suggest in answer to the gentleman from Massachusetts that the facts in this case are that no limitation has as yet been fixed upon debate on this bill. There was no limit fixed when it was under consideration on District day.

Mr. WALSH. I appreciate that.

Mr. MANN. The Calendar Wednesday rule does not give the right of general debate. It only limits it.

Mr. WINGO. Yes; it is only a limitation, not a right, so different chairmen have decided.

Mr. FOCHT. Mr. Speaker, the whole matter seems clear enough. If the argument offered by the gentleman from Oregon [Mr. McARTHUR] should prevail, then the Committee on the District of Columbia never would have Calendar Wednesday as an opportunity for the consideration of legislation. The gentleman reasons from the standpoint of sentiment rather than from the rule as laid down. Now, the gentleman from Illinois [Mr. MANN] has set forth very clearly that this question of privilege for the District of Columbia Committee pertains to the day and not to the legislation. There is nowhere a denial of the right of the Committee on the District of Columbia to respond to the call of the committees. I would like to call the attention of the Chair to clause 8 of Rule XXIV, on page 396, which says:

The second and fourth Mondays in each month, after the disposal of such business on the Speaker's table as requires reference only, shall, when claimed by the Committee on the District of Columbia, be set apart for the consideration of such business as may be presented by said committee.

That is interpreted to mean not a privilege as to legislation but as to that day. Well, that day has gone, and has been exhausted, and its rights so far as privilege is concerned are gone.

Now, on page 393, under clause 7 of Rule XXIV:

On a call of committees under this rule bills may be called up from either the House or the Union Calendar excepting bills which are privileged under the rules.

Then what bills are privileged under the rules? We turn to page 309 and under clause 56 of Rule XI relating to committees we find an enumeration of the committees that have privilege, and the Committee on the District of Columbia is not one of them. Therefore I can only emphasize the statement made by the gentleman from Illinois [Mr. MANN] that the question is one of substance rather than a limitation of the day.

The SPEAKER. So far as the Chair knows, this is a novel question, which has not been decided before either by the Speaker or by the House. It brings up for interpretation that clause of the rule which says that any bill may be called up on Calendar Wednesday excepting bills which are privileged under the rules. To hold that the Committee on the District of Columbia can not bring up a bill would be to hold that the bills of the District of Columbia are privileged. The Chair thinks what the gentleman from Pennsylvania [Mr. Focht] has just said is true, that it would mean that all bills reported by the Committee on the District of Columbia are prohibited from consideration on Calendar Wednesday, which would mean that the District of Columbia Committee might just as well not be called on Calendar Wednesday. There is, of course, force to the statement made by the gentleman from Massachusetts [Mr. WALSH] and the gentleman from Oregon [Mr. McARTHUR] that Calendar Wednesday was meant for bills which were not privileged and therefore had no other opportunity, and that in that light District of Columbia bills having a certain day might be considered in that sense as privileged. But the words "privileged bills" have in habitual a certain meaning. They mean bills which are reported from the floor, and it seems to the Chair that he ought not to put an unusual interpretation on the words "privileged bills" by trying to imagine that the House, when the rule was adopted, meant to include something

which is not ordinarily included in the words "bills that are privileged under the rules." And while this particular bill has already been considered in the Committee of the Whole and thereby has acquired a certain status there, the Chair does not think that has made of it a privileged bill. Therefore the Chair thinks that the bills of the Committee on the District of Columbia, not being of that class which are generally considered privileged bills, can be called up on Calendar Wednesday. The Clerk will report the bill.

The Clerk read the title of the bill (S. 2265) to regulate marine insurance in the District of Columbia, and for other purposes.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union for its consideration, and the gentleman from Oregon [Mr. McARTHUR] will please take the chair.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of S. 2265, to regulate marine insurance in the District of Columbia, and for other purposes, with Mr. McARTHUR in the chair.

Mr. GARRETT of Tennessee. Mr. Chairman, I raise the question of consideration of this bill.

The CHAIRMAN. The question of consideration is raised by the gentleman from Tennessee. The question is, Will the House now consider the bill?

The question being taken, on a division, there were—ayes 89, noes 46.

Accordingly, the committee determined to consider the bill. The CHAIRMAN. There have been but 51 minutes of debate upon this bill, and no one has been recognized yet in opposition to it.

Mr. BLANTON. Mr. Chairman, as most of the hour's time has been used by the proponents of the bill, as a member of the committee I ask for recognition against the bill.

The CHAIRMAN. The gentleman from Texas is entitled to recognition as a member of the committee.

Mr. WINGO. Mr. Chairman, had some one been recognized in opposition to the bill before?

The CHAIRMAN. No one has. Mr. WINGO. The chairman of the committee has simply yielded time to different gentlemen? Is that the status?

Mr. BLANTON. That is the status. The CHAIRMAN. The gentleman from Pennsylvania consumed 51 minutes.

Mr. MANN. That does not make any difference. He gets an hour's time to-day.

Mr. WINGO. I suggest that it might be better to have that question settled now. As I understand the gentleman from Illinois, he takes the position that the 51 minutes used the other day will not be charged up against the hour to-day.

Mr. MANN. That time does not count. Mr. BLANTON. Then I insist on the bill being read.

Mr. MANN. But the bill has been read. Mr. BLANTON. Then we have had 51 minutes of general debate in favor of it, too.

Mr. MANN. Mr. Chairman, it is perfectly plain. There was no limitation of time on general debate on Monday, and the gentleman from Pennsylvania could have used his hour and the gentleman from Texas could have used his hour, and other Members could have used hours, ad libitum, if they had asked for recognition and wanted to use them. The limitation fixed by the House under the Calendar Wednesday rule is that there shall not be more than two hours of general debate on Calendar Wednesday, and that is just as though the House ordinarily, after it has used some time in general debate, which is frequently the case, then limited the time.

Mr. JONES of Texas. According to the gentleman's argument some other man might get an hour, but the gentleman from Pennsylvania could not get another hour.

Mr. MANN. I am not sure that he would be entitled to the hour.

Mr. BLANTON. On that question of order I want to state this: The rule on District day is a little more restrictive than indicated by the gentleman from Illinois. The rule is that the chairman in charge of the bill is entitled to be recognized for an hour.

Mr. MANN. That is the rule always.

Mr. BLANTON. After he has been recognized for an hour on District day the rule provides that any member of the committee who is opposed to the bill, and if there is no such, that any Member of the House who is opposed to the bill is entitled to recognition for one hour. Then the debate can go on alternating an hour for and an hour against; but there is no rule

applicable on District of Columbia day or on Calendar Wednesday or any other day that the proponents of a measure through the chairman can use 51 minutes in general debate in behalf of the bill and that can not be counted against them in debate.

Mr. FOCHT. The gentleman had full opportunity to occupy a part of his time. There was no denial. The gentleman forfeited his chance.

Mr. BLANTON. The gentleman from Pennsylvania will remember that I had risen on the floor, and that I was asking for recognition in opposition to the bill when the House adjourned.

Mr. MANN. The gentleman opposed to the bill now is entitled to recognition unless the gentleman from Pennsylvania wants to use the balance of his nine minutes, and then some Member in favor of the bill is entitled to recognition for the balance of the time in general debate.

Mr. BEGG. Mr. Chairman, will the gentleman yield? Mr. MANN. Yes.

The CHAIRMAN. The Chair is ready to rule. Mr. BEGG. I would like to ask the gentleman's opinion on the statement he just made. The rule does not say that debate shall be limited on Calendar Wednesday. It says that it shall be limited to two hours on bills called up on Calendar Wednesday. If the committee has already exhausted 51 minutes, how can we have two hours and nine minutes more of debate? The rule specifically states that on bills called up debate shall be limited to two hours. It does not say whether the debate is on Wednesday or Monday.

Mr. MANN. That is too fine haired for me to appreciate.

Mr. BEGG. I do not see anything so fine haired about it. It is plain English.

The CHAIRMAN. The Chair is ready to rule. The Chair is of opinion that this bill, having been called up under the Calendar Wednesday rule, it should be considered under that rule just as though there had been no previous debate upon the measure. The Chair, therefore, recognizes the gentleman from Pennsylvania [Mr. FOCHT] for one hour.

Mr. FOCHT. Mr. Chairman, I reserve my time. Mr. BLANTON. Mr. Chairman, I ask for recognition in opposition to the bill.

The CHAIRMAN. The gentleman from Texas is recognized for one hour in opposition to the bill, and the time of the gentleman from Pennsylvania is reserved.

Mr. BLANTON. Mr. Chairman, no other method of procedure than that thus witnessed could have been proper concerning a bill of this character, a bill of 37 pages of legal phrases and terms and clauses and definitions. The chairman has just presented it to this committee of the Whole House for passage without one single word of explanation from the chairman of the committee or any member of it. That is the status now, because the Chair has ruled that this bill is taken up as if it had never been considered before; that it is now being presented to this committee for the first time. If that is so, then we may presume that we have not had any debate upon it. When the distinguished gentleman from Pennsylvania [Mr. EDMONDS] was on the floor the other day he admitted that he was not a lawyer, that he knew nothing about law; he admitted that the chairman of the committee was a newspaper man, that he knew how to conduct a country newspaper, but he was not a lawyer, he knew nothing about law. Yet, without any explanation at all of the meaning of any of these terms and phrases and legal definitions, if you please, 37 pages of them, we are asked now to pass the bill. It is just such procedure and just such acts of Congress that makes it possible for this bulky measure I hold in my hand, House bill 12, with 1,262 pages of general laws, to be codified and passed.

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

Mr. BLANTON. In a moment. The people are tired of so many laws being passed unnecessarily. There are lots of lawyers in the United States who are having their hair turned gray trying to find out what the law of the land is, because we are forever and eternally trying to change the laws, because some pet of ours brings to us a bill which some slick lawyer has prepared for some special corporation in order to get a little inside on the business of the country.

Why, the other day just after this bill had been considered a newspaper of Washington said that when the distinguished gentleman from Pennsylvania, aided and abetted by the chairman, another gentleman from Pennsylvania, passed this measure into law there was a big insurance company of the State of Pennsylvania and another big insurance company of the State of New York ready to come in under provisions of this law and write business for the country. Who prepared this bill for you, brother EDMONDS? It is prepared by an attorney; no one other than an attorney of great ability could have prepared that bill. It shows on its face ability in the legal line. The gentleman

could not have prepared it because the gentleman said that he was not a lawyer. The gentleman introduced it in the House. Who brought it to you for introduction?

Mr. EDMONDS. Does the gentleman want an answer?

Mr. BLANTON. I would like to have one.

Mr. EDMONDS. This bill was prepared by Prof. S. S. Huebner, of the University of Pennsylvania, not an attorney, but an insurance expert employed by the Shipping Board and not interested in any insurance company in the country. [Applause in the galleries.]

The CHAIRMAN. The occupants of the galleries will refrain from applause.

Mr. BLANTON. Would the gentleman go a little bit further and tell us—perhaps Prof. Huebner is in the gallery furnishing applause for his friend from Pennsylvania who has so ably defended the author?

Mr. EDMONDS. Prof. Huebner is in Philadelphia. As the gentleman asked me a question I will answer it. This bill was submitted to the underwriters and their attorneys. It was also submitted to the steamship owners, who desired a bill of this character. It was also submitted to the people who insure, and every one of them doing business wanted this bill.

Mr. BLANTON. Would the gentleman mind going a little further and telling us what big insurance company is that in Pennsylvania to which the newspaper the other day referred that in connection with another insurance company of New York expected to come in here after the passage of this bill and write the business?

Mr. EDMONDS. I have no knowledge that any insurance company in the State of Pennsylvania will leave Pennsylvania and come to Washington. They are doing a marine business to-day. I also have an idea that there is none coming from New York. It is very evident the newspapers did not understand that there were reinsurance companies going to be formed to come to the District of Columbia under this bill.

Mr. BLANTON. Well, the gentleman's underwriters and companies in Pennsylvania may be thoroughly satisfied with it. I take it that they are or he would not be so anxious to pass it into law, but I know that the people and insurance companies doing business in the State of Texas, one district of which I have the honor to represent, do not want this law.

Mr. EDMONDS. Let me answer that.

Mr. BLANTON. And they write me they are hampered and hamstrung by too many laws already. I will yield.

Mr. EDMONDS. I agree with the gentleman that the companies in Texas are hamstrung by laws, but your companies in Texas do not do marine insurance.

Mr. LAZARO. If the gentleman will yield, would the gentleman kindly point to the committee the defects in the bill? That is what we are interested in.

Mr. BLANTON. I am going to do that, but I take it for granted that the proponents of the measure, if they expect the Congress of the United States to add this additional law to the great code of 1,262 pages of general laws, 37 pages more, that they would come here on the floor of the House and explain every provision to our entire satisfaction and convince us that every provision here is a good provision in behalf of not merely the insurance companies, but in behalf of all the people of the United States.

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

Mr. BLANTON. I will yield.

Mr. BANKHEAD. Although it has been suggested by the chairman there was no debate upon this bill, as a matter of fact I want to ask the gentleman if when this bill was called up a few days ago the author of the bill [Mr. EDMONDS] did not explain its provisions at great length upon the floor of the House?

Mr. BLANTON. As a matter of fact, this bill should have gone to the Judiciary Committee [laughter] if it had not gone to the Committee on the Merchant Marine and Fisheries, because it is full of legal terms and phrases. Whenever a bill full of law phrases comes here that is to affect the interests of all the people of the United States, not merely the District of Columbia, but the interests of the United States, it is not for this committee to control. The gentleman admitted on the floor the other day that, as in their report they say, they offered this bill to the 48 States of the Nation as a model insurance bill, hoping thereby that it will be followed in every State of this Union as a model insurance bill. Then they offered it as a bill of general interest to the whole people of this country. It changes the law with 37 pages of phrases, terms, and definitions. There ought to be a law committee to pass upon it, a committee familiar with the laws of the land.

A MEMBER. Will the gentleman yield?

Mr. BLANTON. In just a moment. I want to answer the gentleman from Alabama first. He wanted to know if we had not had debate upon it.

It was just as I said the other day; the chairman rose and made a little preliminary statement, and did not go so far as he generally does by merely stating that he presumes they do not want to debate the bill, and moves the previous question in the Committee of the Whole, as he does in many instances. But he made a little preliminary statement, not as a lawyer, not explaining the bill from the legal standpoint, and then he yielded 30 minutes to the gentleman from Pennsylvania [Mr. EDMONDS], who, so far as claims are concerned, is very well informed, and I doubt if there is any man in this House better prepared to pass upon claims of all kinds than is the gentleman from Pennsylvania [Mr. EDMONDS]. He is an expert upon them; he has had charge of them; he has had much experience with them; he has learned much about them. But he did not explain any feature of this bill to my satisfaction.

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

Mr. BLANTON. Yes.

Mr. EDMONDS. I have also had three years' experience on this. I think I know something about it.

Mr. BLANTON. I think the gentleman should have told us something about it.

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

Mr. BLANTON. Yes.

Mr. CHINDBLOM. I happen to be a member of the Committee on the Merchant Marine and Fisheries, and I want to say that there is not a man on that committee, and not a man in this House, or a man in Washington who is better equipped to discuss matters relating to the merchant marine, and particularly about marine insurance, than the gentleman from Pennsylvania [Mr. EDMONDS], so that his ability here and his effectiveness here and his efficiency here is by no means confined to his ability to talk on claims.

Mr. BLANTON. Well, I am glad the gentleman has interspersed my speech with that ray of light.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. SUMMERS of Washington. What period of time is covered by the 1,162 pages of law to which the gentleman has referred?

Mr. BLANTON. That is general law. It contains only those laws that are left. That is, Congress away back yonder would pass one law, and a subsequent Congress would come in and repeal it as a bad law, and so on for years, and it is just what is left of all the laws that have been passed, after eliminating those that have been repealed.

Mr. SUMMERS of Washington. Then this is not 1,162 pages of new law, as the country might be led to believe from the gentleman's statement?

Mr. BLANTON. It is 1,162 pages of general laws that apply to the people of the United States, passed by previous Congresses.

Mr. SUMMERS of Washington. It is the accumulation of over a century?

Mr. BLANTON. Yes; and there are about four or five times as many pages that have been repealed.

Mr. KING. Will the gentleman state his objections to this bill? [Laughter.]

Mr. BLANTON. I am going to, if the gentleman will withhold.

Now, it was intimated that this measure was for the benefit of our merchant marine. It was to protect our merchant marine. It was to give us a chance to insure our merchant marine. That was intimated, but when the gentleman from Pennsylvania [Mr. EDMONDS] was on the floor I had him to admit that, so far as our own insurance is concerned, with respect to the numerous ships which the Shipping Board now has control of, and ships which the Emergency Fleet Corporation has control of, we do not insure any of them, but carry our own insurance.

It is to the interest of the Government to carry our own insurance. We save the profits that the companies make on such a big line of insurance. But I also had him admit the other day that with respect to the ships that we sell to private corporations from time to time there had already been organized under the laws of this country Syndicate B, that writes every single dollar of liability that outsiders owe this Government for ships sold. That has all been provided for by Syndicate B.

But allow me to show you one provision here what it will permit these companies to write. It will permit them to write every kind of insurance that you can think of, except one. They

left out one. Does the gentleman from Pennsylvania know what one was left out? It covers every kind of insurance except one. Let me show you some of those kinds.

Mr. EDMONDS. The gentleman has asked me if I knew. Does the gentleman mean life insurance? It does not include life insurance, and it does not include surety insurance.

Mr. BLANTON. Let me show you what it does include.

Mr. EDMONDS. I tell you what it does not include. It does not include life insurance and it does not include surety insurance.

Mr. BLANTON. I say, let me show you what it does include. It includes, first, marine insurance—all kinds of marine insurance; second, it includes insurance on property and use and occupancy against loss or damage by fire, lightning, tempest, earthquake, hail, frost, snow, explosions—other than explosion of steam boilers or flywheels—breakage or leakage of sprinklers or other apparatus erected for extinguishing fires, and on such apparatus against incidental injury; and against liability of the insured for such loss or damage; and on automobiles against loss or damage from collision or theft, and against liability of the owner or user for injury to person or property caused by his automobile. It also insures against the following:

Third. Against bodily injury or death by accident, and against disablement resulting from sickness, and every insurance appertaining thereto, including quarantine and identification.

Fourth. Against liability of the insured for the death or disability of another.

Fifth. Against loss of or damage to property resulting from causes other than fire, marine, inland navigation hazards, and against liability of the insured for such loss or damage, and on motor vehicles against fire, marine, and inland navigation hazards, and against personal injury or death, and liability of the insured therefor, from explosions of steam boilers and engines, pipes and machinery connected therewith, and breakage of flywheels or machinery, and to make and certify inspections thereof; and against loss of use and occupancy from any cause; against loss by burglary, theft, and forgery.

Sixth. Against loss or damage from failure of debtors to pay their obligations to the insured.

Seventh. Against loss from encumbrances on or defects in titles.

Eighth. Against loss or damage by theft, injury, sickness, or death of animals, and to furnish veterinary services.

Ninth. Against any loss or liability arising from any other casualty or hazard not contrary to public policy, other than that appertaining to or connected with (1) life insurance (including the granting of endowments and annuities), and (2) fidelity and surety bonding.

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

Mr. BLANTON. Just in one moment.

The CHAIRMAN. The gentleman from Texas declines to yield.

Mr. BLANTON. I want to submit, in connection with all those various and sundry kinds of insurance and hazards that they permit under this law to be insured against, that it ought to be against the policy of this country for a company to be able to insure against so many kinds of loss.

Mr. LEHLBACH. Mr. Chairman, will the gentleman yield for a question?

Mr. BLANTON. Yes.

Mr. LEHLBACH. Well, why is it against public policy?

Mr. BLANTON. They do not permit life insurance companies to come in under this law. Is it any more different from the kind of insurance provided for in these sections of nine different classes than the classes themselves are different from each other? No. Why do you not let surety and life companies come in under it? There is no reason for it.

It is against public policy. It is against the best interests of this country to permit them to engage in so many dissimilar kinds of business.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLANTON. I yield to the gentleman from Pennsylvania.

Mr. EDMONDS. We found that owing to the condition of the code in the District of Columbia it was absolutely necessary for us to prepare these definitions of insurance. At the present time there is no law prescribing these definitions. It was at the request of the District commissioner himself that we put these definitions in this bill. In England the big modern companies that are not 50 years back in their operation are allowed to carry any kind of insurance, providing they keep the necessary reserve for it. Those companies write life insurance. They write surety bonds; they write any kind of insurance; but we did not think it advisable to permit the companies here to do that.

Mr. BLANTON. The trouble is that there is no way of providing that they shall keep the proper reserve so that they can write every kind of insurance imaginable.

Mr. EDMONDS. Will the gentleman allow me to answer that?

Mr. BLANTON. I do not want to yield all my time.

Mr. EDMONDS. I do not want to make a speech, but this bill provides for a proper reserve.

Mr. BLANTON. I want to ask the gentleman if it is not a fact that at the present time, without this law, we have good, strong insurance companies here doing business in the District of Columbia that can insure a man to-day in any or all of the lines of insurance mentioned in this bill?

Mr. EDMONDS. There are a number of different companies—

Mr. BLANTON. That are operating under the present law.

Mr. EDMONDS. Just wait a minute. Most of them are not insurance companies of the District of Columbia. They are admitted to do business here through agents under the District Code.

Mr. BLANTON. Yes; just like the insurance companies of Hartford, Conn., are admitted to do business in the States of Texas and Pennsylvania. They have come here and established themselves. They know what the insurance laws are. They have conducted their business accordingly. Their policyholders understand what the law is.

Mr. EDMONDS. The insurance companies of Hartford, Conn., notwithstanding the fact that they do business in the District of Columbia, would be tickled to death to see this bill go through.

Mr. BLANTON. Let me ask you in that connection about their being tickled to death. Is it not a fact that this bill changes the tax rate on the insurance companies?

Mr. EDMONDS. Yes.

Mr. BLANTON. To the interest of the insurance companies?

Mr. EDMONDS. No; to the interest of the policyholders and in reduction of premiums, because all the tax you put on insurance to-day is loaded onto the premium. This means that the premiums will be reduced to the insured and we will tax the net profits of the company, which is the proper way.

Mr. BLANTON. The gentleman has done all I wanted him to do. He has admitted that the tax rate is changed and that certain companies will be tickled to death. Now, let me tell you something from experience. Whenever you find the tax rate is changed concerning the business of a corporation and you find that the corporations are all tickled to death over the prospect of the passage of the law, you had better watch out.

That is a general proposition that I am going to offer from the experience of life. The gentleman said that these companies are tickled to death over the prospect of the passage of this bill. Yet he argues that it is in the interest of the insured. I want him to name one insured person who is tickled to death over it.

Mr. EDMONDS. All right. This morning I got a letter signed by Mr. Winston Marple, secretary of the American Steamship Owners' Association, asking whether they can not come down here and help to get this bill through. Of course, the gentleman [Mr. BLANTON] may talk for his insurance companies. The insurance companies in Texas may not be tickled to death, but I think the rest of them would be, and the gentleman's experience does not go any further than that.

Mr. BLANTON. Mr. Chairman, pending the explanation of the bill by the proponents of it, and pending their giving us good reasons why the law should be changed by 37 pages of legal particulars, I will reserve the remainder of my time.

Mr. FOCHT. Mr. Chairman, I yield 10 minutes to the gentleman from New Jersey [Mr. LEHLBACH].

Mr. LEHLBACH. Mr. Chairman, this bill purports to do four or five basic things with regard to marine insurance. I do not believe anyone in this House questions the necessity of the maintenance of a permanent merchant marine in this country. We can not successfully carry on foreign commerce, we can not carry on business except within our own borders unless we have the facilities to deliver the goods that we sell; and to trust to our competitors the delivery of the goods that we manufacture and of the goods that we need for our own use is not a wise policy. If you are running a retail store, you might just as well trust the delivery of your goods to your competitor and expect your business to be benefited thereby as to let the nations which are in competition with us do the carrying trade for this country. But that is not a matter of argument. That is admitted. Now, in order to develop our commerce, in order to carry it in our own ships we must supplement the merchant marine and this expanded commerce with the insurance on the ships and on the goods that are carried in the ships.

Marine insurance has very aptly been called the handmaiden of the merchant marine, because with the insurance goes a knowledge of the character of the goods, the value of the goods, their destination, to whom they are sold, and the price. That information is furnished with the application for the policy, and if you must procure that insurance from the countries of

your competitors you necessarily furnish the countries of your competitors and the agents of those competitors with this information which enables them to beat you in competition. Therefore it is essential there should be built up with the merchant marine an American marine insurance facility.

Mr. EVANS. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. EVANS. It has been stated here that both the insured and the insurance companies are in favor of this bill, these persons being largely located along the seaboard. Why, if that is the case, has no State adopted the provisions of the bill?

Mr. LEHLBACH. Some of the States have adopted some of the salient provisions of the bill; but the insured are not confined to the seaboard, either the Atlantic or the Pacific. The insured are within the four corners of the country, farmers, merchants, western manufacturers that are insured when they go into the export trade by foreign insurance companies, who obtain information and disseminate it among their foreign competitors as to the markets and the prices.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. LEHLBACH. Certainly.

Mr. MOORE of Virginia. I understand that the State authorities that deal with insurance matters have considered the bill and it meets generally with their approval.

Mr. LEHLBACH. That is a fact.

Mr. MOORE of Virginia. I took pains after studying the bill to some extent to communicate with the insurance commissioner of the State of Virginia, and he replied that he was extremely favorable to the bill and hoped that it would be adopted.

Mr. LEHLBACH. In further elaboration of my reply to the gentleman from Nebraska let me say that the principles embodied in the bill have the approval of the Chamber of Commerce of the United States through its committee on insurance matters. That committee is made up of gentlemen who come from Chicago; Helena, Ark.; Milwaukee, Wis.; Hartford, Conn.; Baltimore, Md.; Philadelphia, Pa.; Shreveport, La.; Cleveland, Ohio; and Mansfield, Ohio. Those men are not representing the interests alone of the Atlantic seaboard.

Mr. LONDON. Will the gentleman yield?

Mr. LEHLBACH. I will.

Mr. LONDON. Why is it necessary to confer the power of every form of insurance except life? It even includes disability insurance. What is the necessity for it?

Mr. LEHLBACH. This is the reason. A merchant shipping goods, either in his own ship or under charter, or shipping them through a freight contract with the ship operator, wants to insure them, and he has got to have insurance or he can not get credit. His paper is not discounted unless his venture is entirely covered by insurance. He has to go to one insurance company to get insurance on the hull. He has got to go to another company to insure his crew. He has got to go to another company to insure the goods against the perils of the sea, against nondelivery, theft, and pilferage. He has to go to another company to insure against such loss as may result from the sickness of the executive officers. He has to go to another company to insure against the hazards pertaining to the transit of the goods, either from the point of destination to the seaboard and from the seaboard to the point of the foreign destination. He has to go to some 25 or 30 different American companies in order to get an insurance that will cover his whole venture. Now, he could walk into an English company or a German company, and before the war to a Russian or Scandinavian company, and they would write one policy covering the whole risk, and there is where he went because that was where he was accommodated. He got one policy, his bill of lading, and went to the bank.

Now, he has to go to 25 or 30 different concerns if he wants to cover the whole venture by insurance in America. It is idiotic, and no other nation prohibits insurance companies doing sufficient business to cover a venture except this. This bill is necessary in order to meet the legitimate demands of exporters in marine insurance. The only reason for limiting the powers of American insurance companies was on the ground that it afforded the insured protection. Now, you can give the same protection by having the necessary reserves for each line of insurance and by keeping them separate and apply the safeguard on each separate line that you do now by having each company insure a particular line. There is no necessity of making it impossible for American insurers to obtain American marine insurance and insuring their venture in foreign markets. Now, that is one of the things eliminated in this bill.

Furthermore, another thing to be done in this bill is to facilitate the establishment in foreign countries of marine insurance companies in order that they may do business where the necessity for it arises. An American merchant purchases

a cargo in Singapore or Yokohama and wants to insure it to this country, but he can not get American insurance, because the companies are restricted so that they can not maintain insurance companies in foreign countries.

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

Mr. LEHLBACH. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEHLBACH. I want to touch briefly on the four principal points in the bill: One is the permission to do a sufficient spread of business to meet the demands of the insurance companies by American customers. Second, permission to do business where American business arises throughout the world. Third, there are tax restrictions which should be removed, such, for instance, as taxing the gross premiums received, regardless of the losses. If a company collects \$500,000 of insurance premiums and pays out \$600,000 in losses, sustaining a net loss for the year of \$100,000, it pays taxes on the \$500,000 which it has collected. If a company collects the same \$500,000 and sustains a loss of only \$400,000, netting \$100,000 of profit, that company does not pay one cent more tax than the company that sustains the loss of \$100,000. What is the result? You are checking initiative, checking American companies from going into new lines, experimenting, taking the necessary losses in order to gain experience, and to be in a position to compete with foreign companies.

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

Mr. LEHLBACH. Yes.

Mr. LONDON. The tax on net profits, however, is dangerous, because the State does not reserve the right to control the expenditures for salaries, and therefore it can not control the amount which should be reported as profit.

Mr. LEHLBACH. That question has been successfully met in the administration of the income tax law, where the profits of corporations are reviewed by the income-tax agents, and where it is intended to dissipate the profits by the payment of exorbitant salaries, regulations of the Treasury Department very soon clip the wings of that endeavor. The same thing can be done locally. It is the profits that are to be taxed, and consequently the entire assets of the company, the entire income of the company can be examined in order to see whether expenditures are in fact profits or not. The fourth thing attempted to be done by this bill is to permit reinsurance. Everyone who knows the first rudiments of insurance knows that the wider the spread, the more constancy there is between income and loss.

The more contracted the spread is, then the more one big unexpected loss may result in the pecuniary embarrassment of the underwriter. Where reinsurance is facilitated, where you have a number of companies joining in big and diversified risks, you have constancy and safety. These, as well as other things, are not primarily in the interest of the insurance company, but they are in the interest of those who want to do business with the insurance companies and that they are not at present permitted to do.

This bill is not intended to and will not give insurance companies of the District of Columbia a preference in competing locally with the local insurance companies from the States. That is neither the intention nor will it be the effect of the bill. The object is to create a condition here in the District of Columbia and to serve as a model to create conditions throughout the country generally to enable our capital successfully to compete in marine insurance with the rest of the world, in order that our merchants who have to insure their cargoes, our shipowners who have to insure their ships in which those cargoes are carried, will not have to lay down before the agents of our competitors the information that goes with the insurance.

Mr. FOCHT. In addition to facilitating the underwriting for those who wish to be insured, will the gentleman approximate the amount of cash, liquid cash, that would be retained in this country that now goes abroad for this purpose?

Mr. LEHLBACH. Oh, hundreds of millions of dollars.

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

Mr. BLANTON. Mr. Chairman, I yield the gentleman two minutes more in order to ask him a question. The gentleman spoke of German and English companies that could write all of these various classes of insurance, destroying competition in this country with our companies, and compelling lots of money to go abroad. Under this bill, excluding life insurance and surety insurance, is it not a fact that insurance companies that will do business under the bill will compete with every other

insurance company in the United States doing a similar business?

Mr. LEHLBACH. Only under the same restrictions and the same laws locally that the local companies are compelled to work under. Fire insurance is a local insurance. You can not go into a town or city and place insurance against loss by fire without complying with the local regulations that govern insurance against fire, but fire at sea and these other forms of insurance are intended to and will be used only as incidental to marine insurance, making a complete underwriting contract in foreign commerce.

Mr. BLANTON. But you can go into an office in Galveston, Tex., and get all these different classes of insurance that will apply not locally.

Mr. LEHLBACH. You can not get any marine insurance in Galveston, Tex., at all for any substantial amount. If you want to insure a ship for \$2,000,000 you can get probably \$50,000 of insurance out of the \$2,000,000 in Galveston.

Mr. BLANTON. Has the gentleman ever tried it?

Mr. LEHLBACH. I know what the conditions are. There has not been a company in the United States that has ever carried a larger line than \$200,000 on hull insurance. Even without this law we formed a syndicate to carry \$2,500,000, and it will benefit the companies in Texas.

Mr. FOCHT. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I have requested an opportunity to discuss this proposition for a limited period of time because my main purpose is to assert that as a Member of the minority upon the floor of the House and as a member of the Committee on the Merchant Marine and Fisheries, that committee has given the question of adequate marine insurance careful consideration during a period of two or three years, in fact ever since my service in this House began. We have given very careful, mature, nonpartisan consideration to the principles involved in this bill. The evidence discloses that we are confronted by a fact that is discreditable either to our legislation or to our American business genius and initiative, and that fact is this: Annually there is going abroad to foreign competitors of American marine insurance companies millions, hundreds of millions of dollars in premiums that legitimately should remain in the United States. There must be a reason for that condition of affairs, unless we are willing to concede that the British and other foreign competitors outstrip us in their business genius and in their desire to do business on reasonable terms. In looking for the reason for this discreditable condition of affairs the committee came to the conclusion that it was because of limitations put on American concerns by existing laws, particularly on account of the large difference in the operation of laws in the different States.

It was caused especially by reason of the fact that the tax which was imposed is going against the premiums exacted of the American companies instead of against their net income based upon the premiums after deducting their overhead expenses. In my judgment, without having time to discuss the various features of this bill, it is fairly drawn in the interest of the American taxpayer. It has the approval of the Shipping Board. It has the approval of the Merchant Marine and Fisheries Committee, which has given it very careful consideration. It has the approval of all of the other insurance companies of the United States, and it is hoped and believed that by the passage of this bill this restriction upon American companies under the operation of present laws requiring them to work at great disadvantage to foreign competitors will be overcome and a tremendous volume of business and money which by taxation would go to the American Treasury will be held in America. I believe the bill is a conservative piece of legislation. I believe it was presented in a spirit of nonpartisanship and philosophic research and meets the conditions that confront us, and I trust that upon final consideration this bill will pass substantially as presented by the committee. [Applause.] I will yield back any time that may remain.

Mr. FOCHT. Will the gentleman from Texas use some time?

Mr. BLANTON. I yield five minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Chairman, I ask unanimous consent that I may be permitted to speak out of order.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to speak out of order. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNES of South Carolina. Mr. Chairman, I ask this because I do not intend to refer to the provisions of this bill, but I do want to occupy five minutes in an endeavor to keep the record straight as to the appropriations of this Congress and also

to defend the administration of President Harding against a most serious indictment which was made against it by one in a most responsible position. The newspapers tell us this morning that the distinguished Senator from Massachusetts [Mr. Lodge], addressing the Republican members of the Massachusetts Legislature, last evening declared that among the other achievements of the present Congress "appropriations asked for by the departments of \$5,337,000,000 have been cut down to \$1,428,000,000." Believing that the headline was erroneous I looked at the body of the story where I found this statement:

Since the present Congress has been in, the Senator continued, they have reduced the appropriations asked for by the departments from \$5,337,000,000 to \$1,428,000,000.

Now, I know that in politics and in other things if you give a dog a bad name everybody almost will kick him around, and some people have been trying to give the administration of the executive departments a bad name and others following have been lately kicking them around. Abe Martin said "Cy Simpkins bought a pair of shoes for \$6 out of money saved over from the Wilson administration." Some other persons have said that while it took Wilson two years to raise an Army of 4,000,000 soldiers, the present administration has raised an army of unemployed of 5,000,000 in six months. These are partisan criticisms, but I could not believe the distinguished Senator from Massachusetts, the leader of the Senate Republicans, would state that more than three years after the armistice that the executive departments of this Government under Republican control had asked the present Congress for \$5,337,000,000.

Why the last fiscal year prior to the war, 1916, the appropriations only amounted to \$1,114,000,000, and the Senate leader says that now President Harding, for his executive departments, is asking for more than \$5,000,000,000 to run the Government of the United States. Why, if that was true we would have much to fear, but fortunately it is not true, and I hasten to let the people of the country know that it is not true. I was waiting here in the hope that some gentleman on the Republican side of the House would rise and defend the administration against this statement. No one has risen, therefore I rise to defend the administration against this indictment and hope in some way to carry this message to the Republican Members of the Massachusetts Legislature that the indictment by the Massachusetts Senator is at least an erroneous indictment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BYRNES of South Carolina. I will ask the gentleman to give me five minutes more.

Mr. BLANTON. I will yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from South Carolina is recognized for five minutes more.

Mr. BYRNES of South Carolina. Mr. Chairman, the truth is that the administration has asked of this Congress only \$3,801,000,000. I hold in my hand the official estimates from the Budget Bureau footing up \$3,801,000,000, so that the Massachusetts Senator has made a mistake of only one and a half billion dollars against the administration. One and one-half billion dollars is some mistake, and yet it is about as inaccurate as are most of the statements that were made by the Massachusetts Senator in his speech last evening.

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

Mr. BYRNES of South Carolina. Yes.

Mr. MOORE of Virginia. May I ask this question of the gentleman: Does he think that possibly the Senator made that statement with reservations? [Laughter.]

Mr. BYRNES of South Carolina. I hope so. But I want further to call the attention of the country to the fact that when the Senator from Massachusetts states that the estimates have been cut to \$1,428,000,000 it is difficult for anyone to explain what he did mean, because we know that up to date only six bills have been reported to the House, the total of those bills amounting to \$2,908,000,000, or just about \$1,500,000,000 more than the Senator from Massachusetts said had been appropriated. Where in the world the Senator got his figures from I do not know, but the facts are that last year we appropriated \$3,771,900,514.01, and this year this present Congress has had submitted to it estimates amounting to \$3,801,113,659.53 and supplemental estimates amounting to \$80,000,000, so that the estimates submitted amount to \$100,000,000 more than the appropriations for the current fiscal year.

The Senator said that the Republican Party when it came into control in 1919 had proceeded to reduce the appropriations of the Wilson administration by \$1,500,000,000. Of course it did. In 1918 we were still in war. If that was all we had done we could never defend the record of the Congress before the people. But, as a matter of fact, the Republican Congress re-

duced the appropriation a great deal more than that, and if they had not done it, if they had attempted to appropriate as much in time of peace as had been appropriated in 1918, when we were prosecuting the World War, there would have been no defense on earth to the charge that would justly have been made against the Congress.

The Senator said that the explanation of this reduction is that they have reduced the number of employees this year by 93,000, in that he is accurate. He got those figures from the report of the Civil Service Commission, and he is right. I am glad to know that reduction has been made. But if he had looked at the line just above, in the commission report, he would have noticed that we still have on the pay rolls of the Government 157,684 more persons than were on the pay rolls of the Government on June 30, 1916. It is good to reduce the number by 90,000 this year, but the people believe that in time of peace we should go back to prewar conditions, and Senator LODGE can not justify retaining on the pay roll 157,684 more persons than were on the pay roll in 1916, and he can not justify spending \$3,806,113,659.53, the amount of estimates submitted by President Harding, as against \$1,114,000,000, the amount appropriated in 1916, the last year prior to the war.

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. BYRNES of South Carolina. May I have two minutes more?

Mr. BLANTON. I yield to the gentleman two minutes more.

The CHAIRMAN. The gentleman from South Carolina is recognized for two minutes more.

Mr. BYRNES of South Carolina. I asked for that two minutes solely to say this, that in addition to these estimates we have already appropriated in this Congress in deficiencies \$155,833,766.64. The Committee on Appropriations to-day is considering estimates amounting to \$180,000,000, making \$335,833,766.64 deficiency appropriations you are going to make in this Congress; and the people who read of these tremendous savings want to know if you are telling the truth, and if so, then why are you talking every day about levying taxes or issuing bonds to pay the bonus to the soldiers when you claim that you are saving all the way from \$136,000,000, as asserted by the President recently, to \$3,900,000,000, as was claimed by the Massachusetts Senator last evening. The Republican leader of the Senate is claiming a saving of more than \$3,000,000,000, and yet frightening the business people of this country with the issuance of bonds and the levying of new taxes in order to secure funds to pay a bonus to the soldiers. [Applause on the Democratic side.]

The CHAIRMAN. The gentleman from Pennsylvania [Mr. FOCHT] is recognized.

Mr. FOCHT. Mr. Chairman, before assigning time to another speaker on this bill I wish to say, somewhat in response to the statement made by the gentleman from South Carolina [Mr. BYRNES], that in making his estimate of the number of employees now remaining in excess above the number that were on the pay roll in 1916, if he will just revise his figures and make an estimate deducting the number now employed by the Veterans' Bureau and by the prohibition offices, who were not on the roll in 1916, he will not find much left of his 157,000.

I now yield, Mr. Chairman, five minutes to the gentleman from New Jersey [Mr. APPLEBY].

The CHAIRMAN. The gentleman from New Jersey is recognized for five minutes.

Mr. APPLEBY. Mr. Chairman and gentlemen, I rise to support Senate bill No. 2265. As to my competency to speak on the subject, I will state for the information of the House that I have been a local fire insurance agent for 35 years. I am not now in the business, only in name.

Looking over this measure, it seems to me a very fair and equitable bill. The evolution of fire insurance in the last 25 years has been that of progress. I can remember when we started to write an ordinary fire-insurance policy; hardly was there a lightning clause attached to an insurance policy.

Later came the mortgagee clause, under which no act of the insured could invalidate a policy by keeping the mortgagee from getting his money. Then the 80 and 100 per cent coinsurance clauses made their appearance. Later these same fire insurance companies started to write automobile insurance, first as to fire, and then a combination policy covering fire, theft, burglary, and accidents. In the last few years there has been a tendency all along the line for the assured to ask for one policy covering various forms of insurance, marine as well as fire insurance. This bill allows that. It allows a company to incorporate in the District of Columbia and allows them to write several kinds of insurance. It allows the formation of reinsurance companies. These reinsurance companies at the

present time, of which there are quite a number in the United States, are located in a few cities, notably, Hartford, New York, Philadelphia, Chicago, and San Francisco.

The reinsurance proposition has become so large in the United States that millions of dollars annually have been sent abroad and the insurance placed there and the money kept there. One of the objects of this bill is to have the business done in the United States and to keep the money here and give our shippers and insurers the benefit of all kinds of insurance coming in competition with European companies. The various provisions of the bill are such that the fire, marine, and different departments under the reinsurance proposition must be kept entirely separate. A certain amount of capital, say \$100,000, is taken as a basis, and \$50,000 and \$25,000 added for the various different kinds of insurance that will be done. A great many gentlemen here may not understand what reinsurance is. I will give you a simple illustration. A customer comes in to an insurance agent's office and asks for a policy of \$100,000 on a dwelling or a vessel. The agent writes the \$100,000 in a single company. That home company scatters that risk among nine other companies, at \$10,000 each, and instead of that one company having a gross line of \$100,000 risk, it has a net line of only \$10,000.

The CHAIRMAN. The time of the gentleman has expired.

Mr. APPLEBY. I would like two minutes more.

Mr. FOCHT. I yield two minutes more to the gentleman from New Jersey.

Mr. APPLEBY. Another good feature of this bill has been mentioned by the gentleman from Pennsylvania [Mr. EDMONDS], who made a statement that the taxes levied on fire insurance companies at the present time are upon the gross premiums. This means that the customers have to pay the taxes. Under this bill it is proposed to levy the tax upon the net income of the company, and the company will pay the taxes.

In my judgment the provisions of this bill will allow a number of companies, if they wish to do so, to come to the city of Washington, invest new capital here, and be in a position to compete with the foreign companies—the District of Columbia will be benefited thereby, the American insurer will also be benefited thereby. In my judgment the bill is a fair measure. [Applause.]

Mr. FOCHT. Does the gentleman from Texas wish to use some of his time now?

Mr. BLANTON. I would like to have the gentleman use his time down to the point where the time will be nearly equal.

The CHAIRMAN. The gentleman from Texas has 19 minutes remaining, and the gentleman from Pennsylvania 35 minutes.

Mr. FOCHT. I yield 10 minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman and gentlemen of the committee, as a member of the Committee on the Merchant Marine I was present at the hearings held on this bill and listened to the reasons presented for its passage at various times for more than a year. I believe every member of the Committee on the Merchant Marine and Fisheries, regardless of party, has at least at heart the desire to promote the prosperity of the American merchant marine. There may be many differences of opinion as to the best method of doing it. For instance, with reference to discriminating duties and subsidies our minority membership would differ entirely and completely from a great many of the majority, we being opposed to both discriminating duties and subsidies and not believing that those are proper or effective means for promoting the merchant marine. But there was one subject upon which we were absolutely agreed, and that was that as a business proposition one of the incumbrances or hindrances to the prosperity of the merchant marine was our lack of an efficient and economical system of marine insurance. We listened to the presentation of the case from the standpoint of the various parties interested, the insurers, the insurance companies, the exporters, and the importers. We find that one of the burdens borne by the American shipowner in competition with the foreign shipowner is the fact that insurance is so much more burdensome to the American than it is to his foreign competitor. The great Lloyd's Insurance Co. of England can insure anything from the fall of a pin to the happening of an earthquake that would engulf the greatest vessel on the ocean. Their capacity for insurance and reinsurance is absolutely unlimited. We found that foreign nations had adopted the wisest policy of establishing marine insurance along the lines of the greatest economy, and we found that in this country marine insurance was practically wiped out by petty restrictions and tax burdens. If a man wants to carry a cargo of cotton from Galveston to Europe he does not go and get his insurance in this country for that cargo. He pays the premium to Lloyd's or some other foreign company. The

result of our investigations was that we dealt with this question of marine insurance without any partisanship at all and we sought to get information from every source to help us frame a wise law. In my judgment the Merchant Marine and Fisheries Committee ought to have had charge of this bill; but because these companies would have to be located in the city of Washington in order to give jurisdiction to Congress to authorize their chartering, it was deemed by the Speaker that the bill belonged to the Committee on the District of Columbia. Now, gentlemen, one of the big things that interfered with our marine insurance was local taxation on the insurance premiums, under which different States assess more or less burdensome rates upon the gross income from premiums.

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

Mr. HARDY of Texas. Yes.

Mr. MANN. The gentleman as I understood him stated that all the members of the Committee on the Merchant Marine and Fisheries were favorable to this bill.

Mr. HARDY of Texas. As far as I know, I think absolutely all of them.

Mr. MANN. That committee had given a good deal of attention and consideration to the general proposition.

Mr. HARDY of Texas. For weeks and months, and I might say for a year, we investigated it.

Mr. MANN. If the gentleman will permit, I think that is entitled to a great deal of weight in this House because I do not think anybody else in the House knows much about insurance, marine or otherwise.

Mr. HARDY of Texas. I will say to the gentleman that I do not profess to know much about marine insurance except what I learned in this investigation, but I do believe that the gentleman from New Jersey [Mr. LEHLBACH], the gentleman from Illinois [Mr. CHINBLOM], and the gentleman from Pennsylvania [Mr. EDMONDS] are practically familiar with the workings of marine insurance, and these gentlemen have been with our committee all the time when this investigation took place.

Now, I want to say another thing. It may offend the local interests of some of our people by providing a bill which shall require a tax on marine insurance, to be paid on the net profits of the business and not on the gross receipts of the premiums. You know one of the strong things that promoted the Union of the States was the fact that in foreign commerce the different ports of the colonies or States, after they became free and their independence recognized, had several different systems of import duties; they imposed discriminating duties on foreign tonnage coming into this country. They could not impose a uniform duty. Boston had one duty, New York had another, and Philadelphia had another, and the importers found it for their interest to go where the lowest rate of duty was assessed. Consequently there was a cutthroat competition in the great seaports of the United States, and one of the great incentives to union was the placing of rates on import duties in the hands of the Federal Government to get a uniform system of taxation. It is equally necessary that we have a uniform system of marine insurance, because that is a tax, if our insurance companies are to compete and get any of the business in competition with the systems of the Old World.

The truth is hundreds of millions of dollars have gone out of this country to pay premiums on insurance in London and Hamburg and other foreign countries. We want our merchant marine to have just as fair and economical insurance in the United States as they can get outside of the United States. Then there is another reason. It is charged—I do not know how true it is—that the foreign companies discriminated against the American bottoms and gave better terms to foreign shipping or ships of their own country and therefore aided our competitors in competition between the American and the foreign merchant marine. How much truth there is in that I do not know, but our people believe that the assistance goes that way, that the discrimination does exist.

Gentlemen, it is a question of broad statesmanship and not of local, petty conflicting interests. Every port in the United States is interested in having a uniform system of marine insurance. Every industry in the United States, and particularly the industries of the South, which has the greatest export business in proportion to their earnings in any part of the country, is interested in the economic provisions for transportation across the seas.

As it is now they go to foreign insurance companies for the reason explained by the gentleman from New Jersey [Mr. LEHLBACH]. If a man wants to ship a cargo from Galveston to New York, and he wants to insure his cargo against fire and against damage by icebergs, if he wants to get a full insurance to cover the cargo with all the risks inherent to transportation, he would have, as the gentleman from New Jersey said, to go

to 25, 30, or 50 companies. He could not reinsure in Galveston because they are not authorized to reinsure. The result is he piles it all together and takes out an insurance in some of Lloyd's companies. Gentlemen, it is a question of business and not a question of local interest or politics. I believe every man wants the merchant marine to prosper, and we never will make it prosper unless we can furnish the cheapest unit of transportation, and we can never do it unless we get marine insurance on equally advantageous terms as foreign countries and foreign competitors. [Applause.]

Mr. BLANTON. Mr. Chairman, that very argument in favor of uniform insurance is the strongest argument against this bill. Every bit of the insurance that is authorized under this bill would have to be written here in Washington with companies organized under this bill. Our merchant marine is the sacred name that is being conjured with to use in passing this bill. So far as our own bottoms are concerned all of our ships, as I have already stated, this bill does not affect them at all except cargoes carried in them. If this bill is passed, not a single ship that is owned by this Government will be insured under this law, not one. No one will deny that, because the members of the District Committee know and the members of the Merchant Marine and Fisheries Committee ought to know that every single ship now owned by the United States Government in the control of the Shipping Board and Emergency Fleet Corporation is not and will not be insured, as we are carrying our own insurance. I have already called attention to the fact, and the distinguished gentleman from Pennsylvania [Mr. EDMONDS] has admitted that with respect to all ships that we have sold, operated by other people, syndicate B now carries and will continue to carry insurance on them. It was organized for that purpose. If conditions were as have been stated, that we did not have an adequate way to insure our merchant marine, that this was the only method, then of course this would be a good bill, but I repeat this is not the case, but that the merchant marine is the conjuring name that is used to pass this measure. These two big insurance companies, one from Pennsylvania and one from New York, which the Washington newspapers, which usually find out the facts about things, have told us are to come here and do much of the business under this bill as soon as it becomes a law, will be able to do what kind of business?

They are going to insure under it, not the merchant marine, but let me call your attention to some of the things that they will be able to insure against. There is the failure of debtors to pay their obligations. For instance, a merchant in New York, or in Washington, or in Chicago has a whole lot of accounts outstanding. He is afraid that his debtors will not pay him. He sends to Washington here and these two big insurance companies issue him a policy. That is exactly what they can do under this bill. Section 6 provides that they may insure against the failure of debtors to pay their obligations.

Mr. EDMONDS. Mr. Chairman, is not that done to-day?

Mr. BLANTON. Oh, I know, it is already being done under the present law, and there is no necessity for creating this trust in behalf of these two big companies to do it all. That is what I am talking about.

Mr. LEHLBACH. What harm would it do?

Mr. BLANTON. Then they insure against loss from encumbrances or defective titles. A man in New York, or in Washington, or in Chicago, or in Philadelphia buys a piece of property and pays \$500,000 for it. He has a lurking fear that possibly there is some defect in the title and he goes to these two big trust companies here that are formed to do business under this law, instead of taking out a policy in his home town with his home company that is already doing business. He takes that business away from them and brings it here to these two companies that are doing business under special act of Congress, giving them an inside advantage over all of the other companies of the world. He has his titles insured here in Washington for real estate probably situated in Pittsburgh, Philadelphia, New York, or any other place, instead of giving the benefit to his home company already organized and doing business. They may insure against loss or damage by theft. You can insure yourself against any kind of hazard where thieves can get in and steal your property. These two big trust companies would issue that policy to the detriment of your home companies. They may insure against injury to yourself or to the members of your family or property, or against injury or sickness or death of animals. If you have a fine race horse worth \$50,000, and you are afraid that he is going to get sick on the day of the race out here on the Baltimore track, you can come in here and insure him in these two big trust companies. They will insure against the liability of the horse getting sick, or against his death, or these two big trust com-

panies will obligate themselves to furnish you veterinary treatment for your horses, your cattle, your sheep, your hogs, under this bill. Why can you not do that under present law with your home companies? What connection has that, I say, with the merchant marine, the name with which they are conjuring to pass this bill? Then you can insure against your liability for causing the death or disability of some one else. You are afraid that you might run over somebody with your automobile, and you come here and take that insurance in Washington instead of taking it out at home.

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

Mr. BLANTON. In just a moment. The gentleman from Pennsylvania has 30 minutes more, and he can yield the gentleman some time. You are afraid that something will fall off the roof of your house on somebody who is passing by at the time and cause injury or death, and you come to Washington and take out that insurance with these two big trust companies. Why do you not do it at home with your home companies? Then they will insure you against bodily injury or death by accident or against disability resulting from sickness. For instance, a person is afraid that he is going to get sick and lose six months' salary. There are insurance companies now that grant policies in your home town and State covering that. Why should you arrange it so that it will necessitate your constituents coming to Washington to get that insurance? Oh, the gentleman laughs. It will be necessitated in this way: They will have special privileges and may give it much cheaper.

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

Mr. BLANTON. That is the very thing. They will be granted special privileges under this law to write a policy on all of these matters, and they will be permitted by reason of the exigencies of Washington and the surroundings under this bill to write insurance cheaper than any other insurance company in your home town or State, and I am against any such proposition as that.

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

Mr. BLANTON. I am sorry, but I want to finish what I am saying.

Mr. EDMONDS. I just wanted to know where the trust company comes in. I have been looking for it for some time and can not find it in the bill.

Mr. BLANTON. A farmer out here in Maryland has a crop of wheat or corn and is afraid that the hail is going to ruin it. He can now go to Baltimore under present laws and take out hail insurance to protect his crop, but under the peculiar provisions of this bill and the privileges to be enjoyed by these two big trust companies coming in here, forsooth, he can get the policy a little more conveniently or more cheaply here in Washington from these trust companies, and you will find the Maryland farmers coming here to Washington to get their hail insurance. Or frost. A farmer is afraid that the frost is going to ruin his corn crop, and he will come here and insure against that with these marine insurance companies. Or snow. Where a man is afraid he is going to suffer some damage because of an unprecedented fall of snow, he will come to Washington to take out his insurance under this bill. Then he can insure against certain kinds of explosions, against loss of automobiles by theft or damage to them. These things are all covered under the privileges to be enjoyed by these two big companies. And it is designated marine insurance!

Fire, lightning, and damages on land—not on sea—concerning property on land—not concerning property on ships—are authorized to be insured against. If you will look closely at this bill, you will see about 1 per cent merchant marine and about 99 per cent trust on every kind of business, and you put into the hands of two big companies the insurance business of the United States and give them special privileges here under a Federal statute. And I am not going to vote for it. I may be the only one, but I am against it. The gentleman says that the people who carry insurance are writing him. One of the biggest shippers of cotton in the United States lives in my home town, and there is not another man in the United States in any 12 months of the year who ships more cotton than he does. He does not ask that this bill be passed. The cotton shippers of Texas do not ask that it be passed.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLANTON. The other cotton shippers of Alabama, Mississippi, and Louisiana are not asking that this bill be passed. I will yield in just a moment. I have not had a single person from the State from which I come to ask that this bill be passed, but I have had lots of them ask that it be not passed. I have had men from the State of Texas who have been in the insurance business as long as the distinguished gentleman from New Jersey has been in the local fire insurance business—35 years—not as little fire agencies but as general agents for big

companies, and they have not asked for this legislation to affect their business. It will let two big trust companies come here, in competition against all other companies of the United States. It is the shutting out of competition—the advantage given them by the special advantages provided for in this bill that gives them the inside on the other companies. Oh, the distinguished gentleman—and there is not a more astute, bright lawyer in the United States than the gentleman from New Jersey, or one who can make a better argument on a proposition—got up here and said that because Lloyd's and German companies, companies that used to do business in Russia and Scandinavia, could issue blanket policy covering every phase of insurance they had run out of business the American companies, because, by reason of convenience to keep from using 20 policies where they could get them in 1, insurers would go to the foreign company, and it hurt American business. And to get around this we ought to build up a local Lloyd's in Washington that shall wipe out all the other insurance companies of the United States and cause men not to go to Lloyd's or German or Russian companies because of convenience, but to come to Washington, to this big Pennsylvania and New York company, because it is a matter of convenience.

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

Mr. BLANTON. I could not refuse.

Mr. LEHLBACH. What is to prevent any or all of the 48 States of the Union from passing similar laws and having their own local Lloyd's?

Mr. BLANTON. What is to prevent every lawyer in the gentleman's State of New Jersey from moving to Washington if he wants to? He does not want to come here; he wants to live in New Jersey. What is to prevent the people in Pennsylvania from moving to Washington? But they want to stay in Pennsylvania and do their business there. And yet you bring in a bill here of 37 pages of legal phrases and definitions to be passed by the Congress, with about 20 or 30 Members on the floor, and the balance of them not knowing what is going on.

Mr. EDMONDS. Will the gentleman yield?

Mr. BLANTON. I will for a question.

Mr. EDMONDS. In regard to the cotton business last year, your patriotic people in Texas allowed England to put one over and placed all the insurance in English companies and required them to be shipped through English companies, and we are trying to get away from that.

Mr. BLANTON. Do you believe that? The Texas shippers of cotton know as much about their own interest as any person in Pennsylvania.

Mr. EDMONDS. They know enough where to get the cheapest insurance, and I do not blame them.

Mr. BLANTON. And the gentleman wants the Pennsylvania company to come to Washington under a special act of Congress, inside, and be able to give cheaper insurance with more convenience to the people of Texas so that they will have to go to Washington to the detriment of all the insurance companies of my State, and I am not going to agree to it.

Mr. EDMONDS. You said it was my company. I deny it. I will not have you make that statement.

Mr. BLANTON. I will not say it belongs to you, because you may not own one. But I say the Washington paper says that it is a company that comes from the gentleman's State.

Mr. EDMONDS. I am not interested in it.

Mr. BLANTON. But you did introduce the bill. Mr. Chairman, I ask that the Chair require the gentleman from Pennsylvania not to interfere with my time. He has had time.

The CHAIRMAN. The time of the gentleman from Texas has expired. The gentleman from Pennsylvania [Mr. FOCHT] is recognized for 25 minutes.

Mr. FOCHT. Mr. Chairman, I yield three minutes to the gentleman from Kansas [Mr. TINCHER].

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

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, I am somewhat puzzled over this bill. I am frank to say that I think it quite an important matter to be considered as it has been. However, the members of the committee, in whom I have great confidence, have given the bill great consideration; not the Committee on Claims or the Committee on the District of Columbia, but the Committee on the Merchant Marine and Fisheries. Basing my action upon the last argument made here against the bill, I shall support it. [Laughter.]

If this bill will reduce the price of hail insurance and the price of fire insurance and the price of tornado insurance there is no insurance company that has got such a grip on me but that I shall support this bill; and inasmuch as the gentleman who has just preceded me [Mr. BLANTON] has charge of all the time in opposition to the bill and has made all the opposition to it

that has been made, admits it will reduce these rates, I think it behooves every good, thinking Congressman to vote for the bill. [Laughter.]

Mr. FOCHT. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. CHINDBLOM].

The CHAIRMAN. The gentleman from Illinois is recognized for 10 minutes.

Mr. CHINDBLOM. Mr. Chairman, the gentleman from Texas [Mr. BLANTON], who has been the only opponent so far upon the floor of the House against this bill, is a member of the Committee on the District of Columbia, which reported this bill. That committee, I am informed, had many hearings on it. I myself am a member of the Committee on the Merchant Marine and Fisheries, and I was a member of the subcommittee that spent many afternoons and evenings far into the night in the consideration of this legislation.

I want to say, first, that the gentleman from Texas a little while ago made some reference to the insurance companies of his State. Under the direction of the Committee on the Merchant Marine and Fisheries a complete report was obtained and published with reference to the status of the marine insurance in the United States, based largely upon full returns and reports submitted under oath by the various companies engaged in the marine-insurance business in the United States. Those reports covered the year 1918. There was only one company in the State of Texas that did any marine-insurance business in the year 1918. That was the Republic Insurance Company, of Dallas. It has a total capital stock of \$200,000, and it has a limited liability upon any single hazard of \$8,000. Of course, they do not begin to do the marine-insurance business in the State of Texas. It is a fact, as was stated by the gentleman from Pennsylvania [Mr. EDMONDS], that the people of Texas and of most of the States of the Union—and Texas is no different in that regard from any other State—the people of Texas are getting their marine insurance abroad and not in the companies of the United States, and for some very good reasons.

I know that there is some opposition to this bill. I know that there is opposition to it coming from some brokers who write insurance for the foreign insurance companies, and who are largely concerned with the commissions paid by the foreign insurance companies. Their usual commission, I am informed, is 5 per cent, with 10 per cent discount for getting business—that is to say, they get a nominal commission of 5 per cent, and then they get an additional 10 per cent for placing the business—which means that they get a total of 15 per cent commission. I am told that is the usual practice.

It has already been shown that two-thirds of the marine-insurance business of this country goes abroad.

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

Mr. CHINDBLOM. Yes.

Mr. RICKETTS. Why is it that two-thirds of the marine insurance business of this country goes abroad?

Mr. CHINDBLOM. Because we have not the facilities here for handling it. We have not the insurance companies in the United States. In the year 1918 we had 80 companies in the United States which wrote marine insurance business, but not a single one of them was a marine insurance company, pure and simple. They are nearly all fire insurance companies, which write marine insurance on the side.

Mr. RICKETTS. What is the difference in the rate between the two countries?

Mr. CHINDBLOM. The foreign companies, of course, control the rates because they do the bulk of the business.

Mr. RICKETTS. They fix their rate, and the United States fix their rate. What is the difference? Is it higher or lower?

Mr. CHINDBLOM. I doubt if there is any difference. I am not prepared to speak on that feature.

The gentleman from Texas [Mr. BLANTON] has talked about what these two companies that he has dreamed about, that are coming into the District of Columbia for the purpose of consolidating or incorporating, might do by the formation of a trust. Of course that is a hackneyed argument. When you are out of all other arguments, the "trust" argument is the one to bring home to the people. Talk about two insurance companies in the United States coming here to form a trust. That is ridiculous. The insurance business of the United States is not confined to two companies, if there was any such thing intended. But this bill will not affect the fire insurance or the casualty insurance or the liability insurance, or any other insurance business in the States, unless the companies which are incorporated under this bill in the District of Columbia go to the States and obtain licenses to do business there, and when they do that, they become "home" companies, responsible to the State to the extent that they are licensed, and they must then comply with the laws of the State in which they operate.

The only business that these companies organized under this proposed law will be able to write without being subject to the laws of the States is the marine insurance business, which is not local, but which follows the ship upon the high seas all over the world, and the local business which they might write of the kinds that are enumerated in this bill. In other words, one of those corporations may be able to write insurance upon the cargoes and hulls of ships, because that is not localized property.

But whatever business may be done by these companies that may be incorporated under this law, when that business is done in the States, will be subject to the laws of those States. I repeat that because it is essential in this connection, and if your States will not legalize them, will not license them to do business in your States, they can not go there and can not take any of the business away from the local companies.

We are now striving to pass legislation for the maintenance and permanent establishment of a merchant marine for the people of the United States. This is one of the important branches of that legislation. Unless we can provide our own marine insurance, we shall lose control of many other things connected with the shipping interests. I will tell you what the foreign companies do. The foreign companies, which have been writing our marine insurance, have their own salvage companies, they have their own repair men, they have their own subsidiary companies which do all of the ship surveying and fix the amount of damages to be paid. They determine the amount of money to be paid to the owner of the ship, in order to repair a ship which has been damaged, after it has been towed into port. The evidence before the subcommittee with reference to this subject was appalling. It showed that our shipping interests are absolutely tied hand and foot by the foreign marine insurance interests. They write the insurance, they repair the ships, they fix the amount of damage to be paid upon the insurance. They raise or they lower the value of the ship. They can raise or lower the capital invested in the ship by reason of the repairs which they require to be made upon the ship.

Mr. Chairman, this is a technical bill. Some gentlemen have said that it contains a lot of legal phrases on 37 or 38 pages. Of course it does. It has been prepared by experts. It could not be prepared by a mere lawyer. It could not be prepared by the ordinary draftsman of bills. It covers a subject which is technical and specialized. It has been prepared by some of the best experts in the United States upon the subject of marine insurance.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CHINDBLOM. May I have a little more time?

Mr. FOCHT. How much time have we remaining?

The CHAIRMAN. Fourteen minutes.

Mr. FOCHT. I yield to the gentleman from Illinois five minutes additional.

Mr. CHINDBLOM. Mr. Chairman, I was saying that this bill is necessarily specialized. It is necessarily technical. I do not know that any Member could undertake to go through all the sections of the bill and make a statement with regard to all of its provisions which would be entirely satisfactory to the mind of every Member of the House.

The Committee on the Merchant Marine and Fisheries and the Shipping Board had the services of Prof. S. S. Heubner, of the University of Pennsylvania. He is one of the best-known experts on insurance in the United States. He prepared first this report which I hold in my hand of "the status of the marine insurance of the United States," based upon questionnaires that were sent out to all of the companies in the United States.

Mr. WALSH. What insurance company is he connected with?

Mr. CHINDBLOM. None, sir. He is a professor in the University of Pennsylvania. I have never heard of his having any connection with any insurance company.

Mr. LONDON. What is he a professor of?

Mr. CHINDBLOM. He is a professor on the subject of insurance. He is a gentleman who has written quite voluminously upon the subject of insurance in the past.

Mr. HARTER. Will the gentleman, in his time, state how Prof. Heubner got to be such an authority on insurance if he has never been connected with any insurance company?

Mr. CHINDBLOM. I do not believe the gentleman means that I should answer that seriously.

Mr. CARTER. I do. I certainly think it is a very important question. The gentleman says Prof. Heubner is one of the greatest authorities on insurance.

Mr. CHINDBLOM. He is one of the greatest authorities.

Mr. CARTER. What experience has he had which has given him this wonderful knowledge of insurance?

Mr. CHINDBLOM. You might as well ask me why the experts down in the Department of Agriculture have not been farmers.

Mr. CARTER. No; I know something about that and the House knows, but I do not think the House knows anything about Prof. Huebner.

Mr. EDMONDS. Will the gentleman allow me to answer that?

Mr. CHINDBLOM. I yield to the gentleman from Pennsylvania.

Mr. EDMONDS. Prof. Huebner has been a teacher of insurance for 20 years in the University of Pennsylvania. That is his special branch. He has written textbooks on all kinds of insurance—life, marine, fire, and other kinds of insurance—which books are recognized throughout the country as being authoritative. He is considered one of the best experts on the subject in the country.

Mr. CARTER. I thank the gentleman from Pennsylvania for giving me the information.

Mr. LONDON. What justification is there for conferring on these insurance companies the power to insure against loss by encumbrances and defects in title?

Mr. CHINDBLOM. I am glad the gentleman has asked that question. All of the big marine insurance companies in the world outside of the United States—and we have very few real marine insurance companies in the United States—have a large line of business. Marine insurance is very hazardous. The whole business of a marine insurance company might be lost if the company carried too big a risk on a particular ship. There are big profits to be made in the marine insurance business so long as everything goes well, but enormous losses occur when there is a catastrophe. If you give companies a wide latitude, so they can have a wide spread of business, give them the right to write multiple lines of insurance, they will be able to maintain and carry on the business of marine insurance with the rest of their business. The present experience of the insurance companies is that the larger the number of lines of insurance they can write, the better their opportunities to expand and maintain their business.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. HARDY of Texas. The gentleman was talking about reinsurance. As I understand, any company organized under this bill, if it took out insurance on a given vessel, would reinsure it in a number of companies.

Mr. CHINDBLOM. Yes; they can spread it all over the United States. The companies now writing insurance would get a portion of the risk, because it would be spread all through the country.

Mr. LONDON. Will the gentleman yield?

Mr. CHINDBLOM. I will.

Mr. LONDON. Are these companies under this bill authorized to insure title to real estate?

Mr. CHINDBLOM. That only applies to property within the District of Columbia, unless such companies should be licensed in the States.

Mr. FOCHE. Mr. Chairman, when the debate on this question opened the chairman of the committee announced that we were approaching the consideration of a measure that is highly technical, and from the debate that has ensued it is quite evident that it is. The fact of the matter is that any insurance problem is involved and complicated. I heard an insurance man, who claimed to be an expert—and they all claim to be experts—say that even John A. McCall, who was not a lawyer but a great insurance expert, the greatest insurance man the world ever knew, hardly knew himself; but he loaded the policy to such an extent that it worked out and was a success, and that was the answer. He insured the people, made a big profit for the company, until Mr. Hughes brought along his legislation and somewhat modified the profit. Therefore it could not be expected that in the discussion of a bill like this any one individual would be able to entirely clarify the atmosphere and make it a simple problem. But we have had the satisfaction to-day of seeing a straw man, set up and kicked about in this forum, called the trust companies of Pennsylvania and New York.

This introduced a new element into the discussion, something that we did not hear about last summer when the hearings were going on. We had the satisfaction of also learning that the bill, which we were told in the early part of the debate had evidently been framed by a lawyer, was not written by a lawyer but by a layman.

When the measure was before the committee there was made a most sensational statement, the most astounding revelations, by experts from New York and Boston and elsewhere, that I ever heard. I call this preeminently an American bill. Its object and effect is purely American. It is to bring the underwriting to America instead of sending Americans to foreign

countries to underwrite the insurance on our ships. It is designed to keep this money in America. In addition to that the point was made that under the present system, as stated by the gentleman from New Jersey [Mr. LEHLBACH], that in these foreign insurance companies the residents of the United States had to describe the goods, give their value and the destination, South America or elsewhere, which is a highly important thing at this time when we are appealing to America to crystallize the sentiment in favor of foreign shipping. But, more than that, in a time of war, when American battleships were on the ways, they had to be described in every detail to these foreign Governments in Europe in order to get insurance. What a pitiable plight to put America in a time of war—to have her ships before they took the water described in all of their details to foreign companies in foreign countries.

My friends, I agree that we can not know every little detail pertaining to the bill, but we do submit to the intelligence and judgment of the committee that have had hearings on this bill during these last two or three years. But if there is anything in the world that ought to appeal to an American it is to keep our money at home and to do everything possible to enact this progressive and constructive legislation. And in presenting this I appeal to the American spirit and American patriotism, and I hope it will pass. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired. The Clerk will read. The Clerk read as follows:

Be it enacted, etc.—

CHAPTER I.—DEFINITIONS.

SECTION 1. That whenever used in this act—

"Marine insurance" means insurance against any and all kinds of loss of or damage to vessels, craft, cars, aircraft, automobiles, and other vehicles, whether operated on or under water, land, or in the air, in any place or situation, and whether complete or in process of or awaiting construction; also all goods, freights, cargoes, merchandise, effects, disbursements, profits, moneys, bullion, precious stones, securities, choses in action, evidences of debt, including money loaned on bottomry or respondentia, valuable papers, and all other kinds of property and interests therein, including liabilities and liens of every description, in respect to any and all risks and perils while in course of navigation, transit, travel, or transportation on or under any seas or other waters, on land or in the air or while in preparation for or while awaiting the same or during any delays, storage, transshipment, or reshipment incident thereto, including builders' risks, war risks, and for loss of or damage to property or injury or death of any person, whether legal liability results therefrom or not, during, awaiting, or arising out of navigation, transit, travel, or transportation, or the construction or repair of vessels;

"Marine insurance company" means any persons, companies, or associations authorized by this act to write marine insurance within the District;

"Insurance company" or "company" means any insurer, incorporated or otherwise;

"Domestic company" means an insurance company organized under the laws of the District of Columbia;

"District" means the District of Columbia;

"Superintendent" means the superintendent of insurance of the District of Columbia.

Mr. WALSH. Mr. Chairman, I move to strike out the last word in order to ask the gentleman from Pennsylvania [Mr. EDMONDS] a question. Is it not expected that measure will serve as a model to the different States upon which they can base legislation along this line?

Mr. EDMONDS. It is hoped that it will serve as a model to marine States and to such other States as want to take it up. The gentleman's own State, I think, is considering the matter.

Mr. WALSH. Did not this insurance expert, Prof. Huebner, repeatedly say that that was the principal object to be served by this legislation?

Mr. EDMONDS. Unquestionably that is true; yes.

Mr. WALSH. And that it will not be restricted, of course, to the States bordering on the ocean?

Mr. EDMONDS. Oh, no; Illinois is considering it to-day.

Mr. WALSH. Then, if that is so, why do you term all these different classes of insurance "marine insurance"? Why should it not be a general insurance measure?

Mr. EDMONDS. If the gentleman had been here he would have heard my explanation of the matter.

Mr. WALSH. I heard the gentleman's explanation the other day.

Mr. EDMONDS. We found that the code in the District of Columbia did not have a definition of different kinds of insurance, and we were forced to put definitions of insurance in this paragraph. I want to go a little further, and probably this will help the gentleman come to a conclusion in the matter. Marine insurance starts where the goods are shipped from. In other words, cattle will take marine insurance from Nebraska to Liverpool. Marine insurance covers the transportation from the farm to the railroad, the transportation on the railroads, the transportation through the cities to the wharves, the loading on the ships, whatever mortality might occur in handling the cattle along the road, and it also covers the disposition of

the cattle at the other end of the line if they are to be delivered in England inland—it covers it all. It covers it while in warehouses, while in bonded warehouses. That is one reason why we had to define all kinds of insurance, although, if you take it as a matter of fact, in some cases pretty nearly all of these lines of insurance will go into some marine shipments.

Mr. WALSH. But it is not restricted to shipments by rail, which are a portion of the shipment to the destination.

Mr. EDMONDS. Oh, no. The marine policy will be taken out by a manufacturer, we will say, in Chicago, and the marine policy will cover that shipment from the time it leaves the factory in Chicago through all contingencies until it arrives possibly in a store in London.

Mr. WALSH. But it will also permit shipments from Chicago to Arkansas and go no further.

Mr. EDMONDS. In the same car, but that is not marine insurance.

Mr. WALSH. It is made marine insurance by this bill.

Mr. EDMONDS. I do not think so. I question whether a man would take that as marine insurance. That would be taken as local transportation insurance.

Mr. WALSH. The point I am making is that this definition does not restrict the insurance to shipments, a part of which are over navigable waters.

Mr. EDMONDS. Oh, no. We said in the beginning that we were in favor of multiple lines of insurance, and that this bill is for that purpose. The first sections of the bill apply to all insurance.

Then, after that you go into maritime insurance and to reinsurance, and reinsurance applies to all insurance. These definitions apply to all insurance.

Mr. WALSH. The point I am trying to get some information on is why you should legislate to define insurance that has none of the maritime aspects connected with its shipment and is purely a shipment by rail between two points inland as marine insurance.

Mr. EDMONDS. We do not. We acknowledge that that paragraph, chapter 2, applies to all insurance, and the reason we did it was because the code of the District of Columbia had no definitions of insurance, and definitions of insurance have been made by the commissioner of the District. The commissioner did not want to do that; he wanted us to describe the kinds of insurance. We have done it, and then we have said that any insurance company doing business in the District of Columbia can write multiple lines of insurance, and then we go into marine insurance, and into reinsurance.

Mr. WALSH. Builders' risk has none of the qualities of marine insurance.

Mr. EDMONDS. We acknowledge that.

Mr. WALSH. But you say it is marine insurance.

Mr. EDMONDS. Where do we say that?

Mr. WALSH. The gentleman says marine insurance includes insurance against any and all kinds of loss.

Mr. EDMONDS. But only so far as they are connected with marine shipments. We make that large enough so as to cover any possible contingency that might occur in a marine shipment. If there is no builder's risk which goes into a marine shipment, there never will be any insurance in it, but should there be some contingency arise by which a certain amount of builder's risk will be taken up in a policy of some kind in connection with a marine shipment, that would be marine insurance.

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

Mr. WALSH. Mr. Chairman, I ask for two minutes more.

The CHAIRMAN. Is there objection.

There was no objection.

Mr. WALSH. Is the gentleman of the opinion that this long sentence in chapter 1, section 1, restricts these various other classes of insurance, builder's risk, and loss of property and loss of papers, and all those other various classes of risks which are declared to be marine insurance, to marine insurance only when they are connected with a shipment of some property by water?

Mr. EDMONDS. Not a shipment by water, but what is known to-day as a marine risk.

Mr. WALSH. I have read the House and the Senate hearings, I have read the report made to the gentleman's committee, the Merchant Marine and Fisheries Committee, and I have read the language of the bill, and from the explanation given before the District of Columbia Committee and the statements made here on the floor I can not see where in this sentence that distinction is made or any limitation of that kind is put upon it.

I would like the gentleman to point out how this limits or restricts.

Mr. CHINDBLOM. May I suggest lines 11, 12, and 13, page 2—"during, awaiting, or arising out of navigation, transit, travel, or transportation, or the construction or repair of vessels"? That is the concluding phrase of the entire definition.

Mr. WALSH. Where does it say the transportation shall be transportation at sea or in a vessel or anything of that sort?

Mr. EDMONDS. First page, lines 5, 6, and 7.

Mr. WALSH. Of course it does not; and it does not hitch up; and my contention is it is not limited or restricted in that way. You are bringing in all these various classes of insurance under the provisions of this bill as marine insurance.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. EDMONDS. I think the gentleman is drawing a wrong interpretation of this sentence. Here is the situation. I read lines 6 and 7:

Marine insurance means insurance against any and all kinds of loss of or damage to vessels, craft, cars, aircraft, automobiles, and other vehicles, whether operated on or under water, land, or in the air, in any place or situation, and whether complete or in process of or awaiting construction.

Turn over and go to lines 11, 12, and 13, page 2—"whether legal liability results therefrom or not, during, awaiting, or arising out of navigation, transit, travel, or transportation, or the construction or repair of vessels." That definition, I think, has already been established by existing law. I think we copied it from some of the State laws. There may be a little change. We consider marine insurance to cover the stages from the beginning of the manufacture of the goods until the point of the delivery of the goods. That is the construction that has been made by all national authorities and by different State authorities. The marine policy will cover that.

Mr. WALSH. Of course, this question arose during the hearings and there seems to be some doubt about it, but does the gentleman think the words "whether legal liability results therefrom or not" refers back to the first part of this section?

Mr. EDMONDS. Most certainly.

Mr. WALSH. I think the gentleman is wrong. It refers to the words "and for loss of or damage to property or injury or death of any person, whether legal liability results therefrom or not."

Mr. CHINDBLOM. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. CHINDBLOM. I presume the gentleman did not mean to include the words "whether legal liability resulting therefrom or not." That refers to the damage or injury, but the other words in line 12, "during, awaiting, or arising out of navigation, travel, or transportation, and the construction or repair of vessels," which modifies, in a way, the entire sentence, ties it up.

Mr. LONDON. If the gentleman will yield, I think the entire section, which consists of one sentence, is too indefinite and lends it to the criticism of the gentleman.

Mr. EDMONDS. I am rather afraid it is.

Mr. LONDON. I think the sentence should be reconstructed. A sentence covering 25 lines is bound to be confusing.

Mr. EVANS. Will the gentleman yield?

Mr. EDMONDS. I will.

Mr. EVANS. If your definition found in section 1 is subject to the criticism just suggested by the gentleman from Massachusetts, then in fixing the tax in section 11 it becomes very much more important, does it not, because there you fix a tax on marine insurance and define that part of section 1?

Mr. EDMONDS. It would be naturally important and we would want to have this perfectly plain and understood. It was intended here that the risk connected with marine insurance should be defined as a risk as would arise out of export business from the time it started until the goods arrived.

The CHAIRMAN. The time of the gentleman has expired.

Mr. EVANS. I ask that the gentleman's time be extended for a minute.

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

Mr. EVANS. Take the last three lines "during transportation"; by taking out the intermediate words would not that make marine insurance simply transportation by rail between two points entirely inland? "During transportation or other travel."

Mr. EDMONDS. If a foreign shipment is transferred from Chicago to New York it is actually transported between the two points in this country by rail.

Mr. EVANS. But is not your language here such that it would be marine insurance under your definition though it were only during transportation between two inland points and not as part of any water transportation at all?

Mr. EDMONDS. No; I do not think so. The phrase "arising out of navigation" modifies that. As a matter of fact, that is done to-day.

Mr. EVANS. It is "arising out of navigation or transportation." You have used both terms, with the disjunctive.

Mr. EDMONDS. Consider that with the first phrase, "insurance against any and all kinds of loss or damage to vessels, craft, cars, aircraft, automobiles, and other vehicles, whether operated on or under water, land, or in the air," and so forth. I think the paragraph has been gone over very carefully, and it covers what we mean. It may not be definite enough, but it covers what we mean.

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

The Clerk read as follows:

CHAPTER II.—KINDS OF INSURANCE THAT MAY BE WRITTEN.

SEC. 3. That a marine, fire-marine, or fire insurance company may be formed, admitted, or licensed to write any or all insurance and reinsurance comprised in any one or more of the following numbered subdivisions:

First. On marine risks as described in section 1 of this act under the definition of "marine insurance."

Second. On property and rents and use and occupancy, against loss or damage by fire, lightning, tempest, earthquake, hail, frost, snow, explosion (other than explosion of steam boilers or flywheels), breakage or leakage of sprinklers or other apparatus erected for extinguishing fires, and on such apparatus against accidental injury; and against liability of the insured for such loss or damage; and on automobiles against loss or damage from collision or theft, and against liability of the owner or user for injury to person or property caused by his automobile.

Third. Against bodily injury or death by accident, and against disablement resulting from sickness, and every insurance appertaining thereto, including quarantine and identification.

Fourth. Against liability of the insured for the death or disability of another.

Fifth. Against loss of or damage to property resulting from causes other than fire, marine and inland navigation hazards, and against liability of the insured for such loss or damage, and on motor vehicles against fire, marine and inland navigation hazards, and against personal injury and death, and liability of the insured therefor, from explosions of steam boilers and engines, pipes and machinery connected therewith, and breakage of flywheels or machinery, and to make and certify inspections thereof; and against loss of use and occupancy from any cause; against loss by burglary, theft, and forgery.

Sixth. Against loss or damage from failure of debtors to pay their obligations to the insured.

Seventh. Against loss from encumbrances on or defects in titles.

Eighth. Against loss or damage by theft, injury, sickness, or death of animals, and to furnish veterinary services.

Ninth. Against any loss or liability arising from any other casualty or hazard not contrary to public policy, other than that appertaining to or connected with (1) life insurance (including the granting of endowments and annuities), and (2) fidelity and surety bonding.

An insurance company organized for the transaction of one or more of the kinds of insurance permitted under subdivisions 3 to 9, inclusive, of this section, shall also, if complying with this act, be admitted or licensed to write any or all insurance and reinsurance comprised in any one or more of the other subdivisions of this section: *Provided*, That nothing in this section shall be construed as preventing any insurance company, now formed, admitted, or licensed to transact insurance in the District, from continuing the writing of those kinds of insurance which it may have been authorized to write on the date when this act goes into effect.

Every company formed, admitted, or licensed to transact in the District any of the kinds of insurance permitted by the several numbered subdivisions of this section shall maintain separate and distinct reserves for each kind of insurance so written, and if a stock company shall not transact the business of insurance in the District unless—

(a) It has a capital stock actually paid in, in cash or invested as provided by law, of at least \$100,000 for the insurance specified in any one subdivision of this section, nor unless it has a surplus of money or other lawful assets over its authorized capital and all other liabilities of at least \$50,000.

(b) With an additional \$50,000 of capital stock and \$25,000 of surplus for the insurance authorized by any other subdivision of this section and which may be transacted by such company.

(c) That every company writing more than one class of insurance, as authorized in the several subdivisions of this section, shall keep a separate account of all receipts in respect to each class of insurance, as directed by the superintendent, and the receipts in respect to each class of insurance shall be carried to and form a separate insurance fund with an appropriate name, which fund, exclusive of the capital stock and general surplus of the company, shall be as absolutely the security of the policyholders of that class as though it belonged to a company writing no other business than the insurance business of that class, and shall not be liable for any contracts of the company for which it would not have been liable had the business of the company been only that of insurance of that class, and shall not be applied, directly or indirectly, for any purposes other than those of the class of insurance to which the fund is applicable: *Provided*, That nothing in this subsection shall require the investments of any such fund to be kept separate from the investments of any other fund: *Provided further*, That nothing in this subsection shall be construed as preventing a company, at the end of each calendar—

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

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

Mr. JONES of Texas. Mr. Chairman, I desire to ask the gentleman from Pennsylvania a question. I notice in the last subdivision on page 5 there is a pretty broad authorization for engaging in practically all kinds of insurance, which does not seem to me to be limited in any sense to marine insurance. I notice also on page 12 a provision with reference to taxes,

which prescribes the only taxes that can be levied against the company. I was wondering if these two provisions taken together will interfere with State laws which govern the operation of insurance companies within the States.

Mr. EDMONDS. No; because any insurance company formed under this act in the District of Columbia could not do business in your State without compliance with the State laws, and that would probably cover everything except the tax. In your State it would cover the ordinary tax paid by your company. If a company went into your State and undertook to do business, it would be forced to comply with the State tax laws and all other laws. Therefore the only advantage to this company would be in the District of Columbia, or in some State that had the same kind of tax.

Mr. JONES of Texas. Suppose the law of my State required certain conditions, and among them the payment of certain taxes. This bill provides that only certain specified taxes may be levied. Would that not supersede the State law?

Mr. EDMONDS. This is not a national law. This is a law to allow the incorporation of insurance companies in the District of Columbia. It operates only in the District of Columbia.

Mr. JONES of Texas. It authorizes reinsurance in the States.

Mr. EDMONDS. That is true to-day, but they do the reinsurance abroad. Now, we are trying to keep it here. Reinsurance would not affect you at all.

Mr. JONES of Texas. I know. If this were confined exclusively to marine insurance, I would not have any fears along the line of my suggestion, but it seems to me, when you take all these nine different subdivisions in conjunction, you cover all lines of insurance except these last two that are mentioned here—life insurance and fidelity and bonding insurance.

Mr. EDMONDS. While we agree that the bill allows the formation of a multiple line of insurance, yet these definitions are put in here merely to give a definite basis. We had to prepare the definitions. Unfortunately, under the District Code they have not those definitions as to the different kinds of insurance.

Mr. MANN. Is it not a fact that this bill only gives right to the District of Columbia, and if a company does business in any other State it does business precisely as any other company organized in the States? For instance, a company organized in Illinois can only do insurance business in Texas under the laws of the State of Texas. This would be identically the case with this company. This company has no greater rights outside of the District of Columbia than an insurance company of Illinois has outside of the State of Illinois.

Mr. JONES of Texas. The gentleman feels sure that this bill does not confer any rights outside of the District of Columbia?

Mr. EDMONDS. Absolutely.

Mr. MANN. There is no question about that.

Mr. JONES of Texas. Sometimes we attempt to do things that we are not authorized to do.

Mr. MANN. It is a proper inquiry to make, but it can not be done.

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

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

Mr. WALSH. Why the exception in lines 4 and 5 on page 4? It seems to be very general in its scope, and I wondered why they eliminated the exception of steam boilers and flywheels.

Mr. EDMONDS. That is not an exception. That is an inclusion.

Mr. WALSH. There is an exception, "other than explosions of steam boilers or flywheels."

Mr. EDMONDS. That is in lines 1 and 2. I thought the gentleman referred to lines 4 and 5.

Mr. WALSH. I beg the gentleman's pardon. I meant lines 1 and 2.

Mr. EDMONDS. I think that comes under another class of insurance.

Mr. WALSH. Probably the gentleman is correct about that.

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

The Clerk read as follows:

SEC. 4. That no domestic mutual company shall be organized or licensed within the District unless it has applications from at least 200 persons for each class of insurance (as enumerated under the several subdivisions of section 3) it may be authorized to write aggregating not less than \$500,000, the maximum amount of insurance applied for in any application on any risk not exceeding one-half of 1 per cent of the aggregate amount, nor 3 times the average amount of insurance applied for in the several applications. No such mutual company shall be so licensed for any of the classes of insurance as allowed under the several subdivisions of section 3 unless it has received in cash, with

respect to each such class of insurance written, at least one advanced periodical premium on each such application, aggregating at least \$10,000; but if the applications are for employers' liability or workmen's compensation insurance the premiums on such applications shall aggregate at least \$25,000, and each employer shall be considered a separate risk; nor unless it has a surplus of \$10,000 in money or other lawful investments above its liabilities, including the liability equal to the aggregate amount of premiums so advanced.

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

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

Mr. WINGO. I would like to ask the chairman of the committee or the gentleman from Pennsylvania [Mr. EDMONDS] what reserves are required under this bill?

Mr. EDMONDS. The usual reserve required of insurance companies by the best insurance practice. Under the multiple-insurance plan what would happen would be this: A company would pick out the several lines of business that it wanted to enter into, and the commissioner would require a certain reserve to be kept up under that separate line.

Mr. WINGO. That is what I wanted to get at. There is no law now fixing the reserve?

Mr. EDMONDS. No. There is no law now fixing the reserve. But it would require in each special line the necessary reserve for that line. Then the profits from that line would be turned over to the parent company. This is the English system. It would be like four separate companies under one roof. Now, if one line makes money, that money goes into the surplus fund of the central company. If one line loses money, the surplus fund in the central company makes it up. These English companies are more secure financially, very much stronger because they do that. They carry out their insurance business in that manner. They have lines on which they lose money every year, lines that if necessary for competition can afford to lose money every year, because they make it up on the other lines by the rates that they fix.

Mr. WINGO. I am not familiar with insurance reserves at all, but can the gentleman indicate in a general way what are the reserves required?

Mr. EDMONDS. I have heard Dr. Griffith, the District insurance commissioner, make a statement about that. Dr. Huebner and Dr. Griffith and Mr. Dean of the Shipping Board and myself went over that one night.

Mr. WINGO. What is the general rule which they use in determining the amount of the reserve?

Mr. EDMONDS. I really could not tell the gentleman. All I know is that Dr. Griffith told us that the reserves required in the District of Columbia were about the same as those required in the States of New York, Pennsylvania, and Massachusetts, and he went on to state what they were. There are tables of insurance practice that are published, and the companies as a general thing follow those lines, the laws of the different States requiring certain percentages of reserves, and whatever is the best practice the companies are required by the insurance commissioners to carry out.

Mr. WINGO. Then the requirements of insurance are very much like the banking law, that the fixed legal reserve is not an arbitrary one, but is predicated upon the past experience of the companies?

Mr. EDMONDS. That is it exactly.

Mr. WINGO. Based on what experience shows to be the necessary amount to carry as a reserve?

Mr. EDMONDS. That is it exactly.

Mr. WINGO. You do not now undertake to disturb the reserve provided by existing law?

Mr. EDMONDS. Absolutely not.

Mr. WINGO. And that reserve is predicated upon the experience of insurance companies?

Mr. EDMONDS. That is true. I could not give the gentleman the amount. It is different in different lines. I know that.

Mr. WINGO. I have got the information I want. You do not undertake to fix arbitrarily a reserve other than that which now exists by law?

Mr. EDMONDS. That is correct.

Mr. WINGO. And that is founded upon experience?

Mr. EDMONDS. Yes. We are not endeavoring to disturb the basic law of the District of Columbia at all. We want the insurance business carried on exactly the same as it has been in the past, with the exception that we are changing the way of doing it.

Mr. WINGO. That information is satisfactory.

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

The Clerk read as follows:

SEC. 5. That an insurance company organized under laws other than the laws of the District and desiring to transact business in the District shall satisfy the superintendent that it has, if a capital stock company, a paid-up capital and a surplus of assets, invested in accordance with the laws of the State under which it is organized, over its entire authorized capital and all other liabilities, at least equal to the capital and surplus prescribed under section 3 of this act for the writing of various kinds of insurance; and, if a company without capital stock or an interinsurance exchange, that it has a surplus of assets, invested according to the laws of the State under which it is organized, over all its liabilities, of \$100,000; or if a mutual company other than a life insurance company, that it has a surplus over liabilities amounting to \$100,000, or in lieu thereof a surplus amounting to \$10,000 and an additional contingent liability of its policyholders equal to not less than the cash premium expressed in the policies in force; or if a company organized under a foreign Government, Province, or State, that it has a surplus of assets invested according to the laws of the District or of the State in the United States where it has its deposit, held in the United States in trust for the benefit and security of all its policyholders in the United States, over all its liabilities in the United States, of at least \$150,000, and, if writing more than one class of insurance as enumerated and allowed under section 3 of this act, an additional \$75,000 for each such additional kind of insurance written; and such company so organized under the laws of a foreign Government or State shall also either deposit with the superintendent securities of the amount and value of \$150,000 (or such larger amount as may be required by this section if the company writes more than one class of insurance) and of the classes in which insurance companies are permitted by this act to make investments, or with the official of a State of the United States, authorized by the law of such State to accept such deposit, securities of the amount and value of \$150,000 (or such larger amount as may be required by this section if the company writes more than one class of insurance), of the classes in which life insurance companies of such State are permitted to make their investments, and such deposits shall be made for the benefit and security of all the policyholders of such company in the United States, and the company shall file with the superintendent the certificate of such official of any such deposit with such official of any such State.

Mr. LONDON. I move to strike out the last word, for the purpose of asking the chairman the following question: How do the requirements of foreign Governments with reference to American insurance companies compare with the requirements imposed in this bill upon foreign insurance companies? In other words, the question of mutuality often arises in these cases.

Mr. EDMONDS. I am of the opinion that it would be easier for an American company to go into most foreign countries and establish a business there than for a foreign company to conform to our requirements; but we have followed out the general rule of the different States, making the requirements about the same.

Mr. LONDON. If this bill becomes a law it will be a law passed by the General Government, and for that reason I should think the requirements should not be made more severe than those exacted by foreign Governments from American insurance companies.

Mr. EDMONDS. Of course, we did not investigate the requirements of foreign Governments as to American companies. I do know, as a matter of fact, that in the countries where the insurance laws are in a strong and healthy condition—that is, in England, Germany, and some of those countries—they do have a requirement of a deposit in order to meet losses by the company coming into their country from a foreign country and having no legal responsibility in that country, and I think they are right in that. It is virtually a reserve sum; but I believe you could probably go into China and Portugal and Spain and a number of countries and start an insurance company with very little trouble. For that reason countries like Spain and France and Portugal have not the same standing in the insurance world that England has, for instance.

Mr. LONDON. The gentleman's impression is that the conditions imposed by this bill are more exacting than those imposed by foreign Governments?

Mr. EDMONDS. A little, but not much.

Mr. LONDON. I withdraw the pro forma amendment.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

CHAPTER V.—TAXES.

SEC. 8. That with the exception of license fees, real estate and personal property taxes, and a tax on investment income derived from funds representing reserves, capital stock, and surplus as defined by this act, every insurance company organized, admitted, or licensed to transact business within the District shall, with respect to marine insurance written by it within the District, be taxed only on that proportion of the total underwriting profit of the company from marine insurance written within the United States which the net premiums of the company from marine insurance written within the District bear to the total net marine premiums of the company written within the United States. The term "underwriting profit," as used herein, shall be arrived at by deducting from the premiums earned on marine insurance contracts written within the United States during the calendar year (1) the losses incurred and (2) expenses incurred, including all taxes, in connection with such business.

Premiums earned on marine insurance contracts written during the calendar year shall be arrived at as follows:

(1) Gross premiums on marine insurance contracts written during the calendar year, less return premiums and premiums paid for reinsurance.

(2) Add unearned premiums on outstanding marine business at the end of the preceding calendar year.

(3) Deduct unearned premiums on outstanding marine business at the end of the current calendar year.

Losses incurred, as used herein, shall mean gross losses incurred during the calendar year under marine insurance contracts written within the United States, less reinsurance claims collected or collectible and salvages or recoveries collected or collectible from any source applicable to aforesaid losses.

Expenses incurred shall include—

(1) Specific expenses incurred, consisting of all agency commissions, agency expenses, taxes, licenses, fees, loss-adjustment expenses, and all other expenses incurred directly and specifically for the purpose of doing a marine insurance business.

(2) General expenses incurred, consisting of that proportion of general or overhead expenses, such as salaries of officers and employees, printing and stationery, all Federal Government taxes, and all other expenses not chargeable specifically to a particular class of insurance which the net premiums received from marine insurance bear to the total net premiums received by the company from all classes of insurance written during the current calendar year.

Mr. WINGO. Mr. Chairman, I move to strike out the last word. Just what is the rule of taxation carried in this bill? Do you not put insurance companies on a preferred basis as far as taxation is concerned?

Mr. EDMONDS. Only in so far that we tax the net profits instead of the premiums. At present most of the States tax gross premiums. In fact, I think all of the States do that. We propose to tax the net profits of the companies, and the endeavor is that in the tax we impose we shall get about the same return that we do to-day from the tax on premiums.

Mr. WINGO. Does the gentleman mean to say that the tax on investment income is the same thing as net profits?

Mr. EDMONDS. The question of investment income is a mooted question and quite conflicting. We placed the tax on investment income in the bill at the request of the District commissioner. I believe there is a controversy as to what is investment income and how it should be paid and what kind of a tax should be paid on it. But the District commissioner seems to think that it is the proper thing.

Mr. WINGO. I am not familiar with the tax laws of the District. Take any other corporation in the District. Is a tax paid on the capital investment? Do you have a tax on the corporation or an income tax or a mixed system?

Mr. EDMONDS. I did not look that up as to other corporations in the District.

Mr. WINGO. Of course, they all pay taxes on real estate, but I notice that you provide in here that with the exception of license fees, real estate taxes, personal property, investment income, capital stock surplus as defined by the act—

Mr. EDMONDS. They pay a real estate tax—

Mr. WINGO. There is no dispute about that; all pay real estate tax. If you have a stock tax in arriving at what would be assessable value of the stock, you of course would deduct the assessable value of the real estate from the total assessable value of the stock, so that you would not have double taxation. I assume there is no dispute about that; but the point I am getting at is that you except other things subject to the protection of the laws of the District, and getting the benefit of protection you provide that it can only be taxed "on that proportion of the total underwriting profits of the company from marine insurance written within the United States which the net premiums of the company from marine insurance written within the District bear to the total net marine premiums of the company written within the United States." Is not that further exemption from taxation?

Mr. MANN. Under this bill they tax all tangible property here. Then it is proposed instead of taxing all of the business of the company where it receives premium from marine insurance only to tax that portion which is earned in the District of Columbia.

Mr. WINGO. I do not think that provision does it. That may be what they intended.

Mr. MANN. This provision does it, and that is plainly the purpose of it.

Mr. WINGO. It says tax only "that proportion of the total underwriting profit of the company from marine insurance written within the United States which the net premiums of the company from marine insurance written within the District bear to the total net premiums of the company written within the United States." I think the gentleman is correct, and that is what is intended?

Mr. MANN. Yes.

Mr. WINGO. In other words, you tax the tangible property like other corporations; you do not make any change in that. Then the intangible property is taxed on the net profits grow-

ing out of premiums they received in the District of Columbia business.

Mr. MANN. Yes.

Mr. WINGO. In arriving at that you take the proportion that the District business bears to the portion of the whole business earned in the United States, and you say that arbitrarily shall be the proportion of the intangible tax that should be assessed in the District.

Mr. MANN. Yes; on the receipts of the business.

Mr. WINGO. Now as to deductions. Do you permit them to deduct all taxes they pay, including Federal taxes? The bill seems to provide for that. In other words, as expenses of the business, do you permit them to take credit for all taxes they pay, including Federal taxes?

Mr. MANN. Only on the net income of the company.

Mr. WINGO. Is the corporation permitted to charge up and deduct Federal taxes?

Mr. MANN. No; I think not.

Mr. WINGO. I fear the gentleman is in error. In this provision you specifically authorize them to deduct "specific expenses incurred, consisting of all agency commissions, agency expenses, taxes, licenses, fees," and then, under general expenses, you permit them to deduct Federal taxes. Will you name any other corporation in the District that has that privilege on intangible property? I am not sure about this matter, and am seeking information.

Mr. EDMONDS. I do not think that is intended in that way.

Mr. WINGO. That is the reason I called the gentleman's attention to it. My impression is that neither an individual nor a corporation under any of our laws is given that privilege. The gentleman is not given that privilege in his own business.

Mr. EDMONDS. No.

Mr. WINGO. And when you pay your Federal income tax you are not permitted to deduct that which you have paid theretofore.

Mr. MANN. And these people will not do it when they come to make their return for the Federal income tax.

Mr. WINGO. But they will on the income in figuring out their net profits.

Mr. MANN. Wherever any company is taxed on its net income, of course it deducts the taxes that it has paid, because that comes out of the income. That does not relate to the return for income taxes of this company or anyone else.

Mr. WINGO. It is a specific kind of income tax that we are discussing. We are not talking about Federal income tax.

Mr. MANN. But it is not what we call the income tax.

Mr. WINGO. I know, but it is a species of income tax, and it is comparable to the income tax that some States impose on corporations. Is it not comparable with the income tax paid in the State of New York?

Mr. MANN. I think in all of those cases, as it was with the Federal income tax when it was first started, where you tax the net income the taxes are deducted as a proper expense.

Mr. WINGO. Has not the State of New York followed the policy of the Federal Government and taken away the privilege of deducting the Federal tax?

Mr. EDMONDS. I do not think it was intended to do that in this bill. I do not think they had any idea of changing the situation with reference to the Federal tax on any corporation.

Mr. WINGO. It is not a question of affecting the Federal income taxes. Here you are giving them an exemption. In other words, here is an insurance company in a building down town, and when it comes to make up its taxes for the District of Columbia, for the purpose of arriving at its net income under this intangible tax, it takes credit for taxes paid the Federal Government, while right across the hall in the same building would be another business corporation that would not be permitted to charge up either as general or specific expenses for the purpose of fixing its intangible tax for the District the Federal taxes that it had paid. That would be a discrimination.

Mr. MANN. There is no tax here that I know of on a net income or profit of any corporation.

Mr. WINGO. But the question is how you fix the net income. The net income represents the income after allowance is made for all deductions, and you can deduct taxes paid both to the State and to the Federal Government. There will be corporations in the District of Columbia that in figuring the same tax and arriving at their net income will not be permitted to include Federal taxes.

Mr. MANN. They include Federal taxes in cases where you tax the net income, and the only exception, and that was made only recently, is in the Federal income tax return, where they do not allow you to deduct the Federal tax paid by you.

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

Mr. WINGO. Mr. Chairman, I ask for three minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. WINGO. Then some corporation in the District that would have to account to the Federal Government for the principal part of its tax would be denied a deduction of general expenses that this insurance company in the same building would be permitted to take?

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

Mr. WINGO. Yes.

Mr. MOORE of Virginia. Suppose the State of Arkansas undertook to organize corporations under a bill such as this. This right to deduct Federal taxes in the District of Columbia would apply here, but would it apply to the company organized in Arkansas? In other words, the revenue act under which we live now denies to the company organized in Arkansas the right to deduct the Federal tax, and we will give it to the company organized in the District of Columbia.

Mr. WINGO. I do not think there is any question about that.

Mr. MANN. But an Arkansas corporation would not pay any taxes here unless it had property here. It would pay a tax on its income.

Mr. WINGO. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WINGO: Page 14, lines 9 and 10, strike out "all Federal Government taxes."

Mr. EDMONDS. I agree to that.

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

The question was taken; and on a division (demanded by Mr. Wingo) there were—ayes 21, noes 24.

So the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 14, line 8, strike out the words "overhead expenses, such as salaries of officers and employees," and in line 10 strike out the words "Government taxes."

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that the committee has just voted on the question of the elimination of the words "all Federal Government taxes."

The CHAIRMAN. The gentleman has offered a separate amendment.

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

Mr. BLANTON. Yes.

Mr. MANN. As I understand the gentleman's amendment, he proposes to leave in the language "all Federal and other expenses"?

Mr. BLANTON. Oh, this is merely a pro forma amendment to permit me to discuss a question that is in order under that language.

In section 29, which we have not reached yet, it provides the following new officers: The superintendent of insurance is authorized to appoint, in addition to the present force, an examiner at \$3,000 per annum, a clerk-stenographer at \$1,800 per annum, and to increase the contingent expenses of the insurance department in the sum of \$800 a year. That is going to require more Government taxes in order to pay these extra officeholders. Most of it comes out of the Federal Treasury and the people have to pay it in Government taxes. That is another reason why this bill should not be passed. Nearly every time we have a committee call up a bill they can not do it without having new officeholders and new salaries to be paid and extra Government taxes to be taken out of the pockets of the people. That led me to say awhile ago that we already have plenty of laws, already have plenty of marine insurance companies, we already have plenty of other companies doing business in the United States. And that is another reason why this bill should not pass, and I think we ought to have a quorum here, and I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas makes the point of order that there is no quorum present. The Chair will count.

Mr. MANN. That is the result of the gentleman's five-minute speech; he drove everybody out.

The CHAIRMAN. [After counting.] Seventy-two gentlemen are present, not a quorum, and the Clerk will call the roll.

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

Ansdorge	Brand	Browne, Wis.	Cannon
Bird	Brennan	Burroughs	Cantrill
Blakeney	Brinson	Butler	Chandler, N. Y.
Bond	Britten	Campbell, Kans.	Chandler, Okla.

Clague	Hill	Mapes	Sabath
Clark, Fla.	Houghton	Michaelson	Scott, Mich.
Classon	Hukriede	Mills	Scott, Tenn.
Codd	Humphreys	Montague	Shaw
Cole, Ohio	Ireland	Montoya	Snell
Connolly, Pa.	James	Moore, Ill.	Speaks
Cooper, Ohio	Jefferis, Nebr.	Morin	Sprout
Copley	Johnson, Ky.	Mudd	Stevenson
Coughlin	Johnson, S. Dak.	Newton, Mo.	Stiness
Cullen	Jones, Pa.	O'Brien	Strong, Pa.
Deal	Kahn	Ogden	Sullivan
Drane	Keller	Padgett	Taylor, Colo.
Driver	Kelley, Mich.	Paige	Ten Eyck
Dunbar	Ketcham	Parker, N. Y.	Thomas
Dunn	Kiess	Farrish	Tilson
Dupré	Kinkaid	Patterson, N. J.	Tincher
Dyer	Kitchin	Patterson, Mo.	Tyson
Echols	Knight	Perkins	Upshaw
Faust	Kraus	Porter	Vare
Fish	Kreider	Rainey, Ala.	Ward, N. Y.
Freeman	Kunz	Reavis	Wheeler
Frothingham	Lampert	Reber	Williams
Gallivan	Langley	Riordan	Winslow
Garrett, Tex.	Lankford	Robertson	Wise
Goodykoontz	Lawrence	Robison	Wood, Ind.
Gorman	Lee, N. Y.	Rogers	Woods, Va.
Gould	McKenzie	Rose	Wurzbach
Graham, Pa.	McLaughlin, Nebr.	Rosenbloom	Wyant
Greene, Vt.	MacGregor	Rucker	Yates
Hays	Mansfield	Ryan	

The committee rose; and the Speaker having resumed the chair, Mr. McARTHUR, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill S. 2265, finding itself without a quorum, under the rule he caused the roll to be called, whereupon 295 Members answered to their names, a quorum, and he submitted the list for publication in the Journal.

The SPEAKER. The committee will resume its session.

The CHAIRMAN. At the time the point of no quorum was made the gentleman from Texas [Mr. BLANTON] submitted an amendment.

Mr. BLANTON. That, Mr. Chairman, was a pro forma amendment, and I desire to withdraw it.

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

There was no objection.

Mr. JONES of Texas. Mr. Chairman, I move to strike out the last word. I wish to ask the chairman a question. Is it the intention of the committee to exempt these companies from the payment of any taxes on any foreign business they may do?

Mr. EDMONDS. The gentleman means outside the District? In insurance parlance foreign business means outside the District of Columbia.

Mr. JONES of Texas. I mean business in foreign countries.

Mr. EDMONDS. That would depend entirely on the profit they would make. Their business in foreign countries would be taxed when it became part of the profits of their company.

Mr. JONES of Texas. I just wanted to call the attention of the gentleman to the fact that the limit of taxes under the section we have under consideration is for business written within the United States. It says they shall only pay taxes on that business, but in a later provision, page 28, it makes their foreign business subject to taxes provided in section 5, and as I read these two provisions in connection the company would be absolutely exempt from any of the revenue laws of this country for business done in foreign countries under the provisions of chapter 8. I do not know that is intended.

Mr. MANN. What language in the bill did the gentleman first refer to?

Mr. JONES of Texas. The language here which says at the bottom of page 12 to the effect that they shall be taxed only on that proportion of the total underwriting profit of the company from marine insurance written within the United States.

Mr. MANN. I know, but we tax the District business only in proportion to that written in the United States. It has nothing to do with the question of taxes otherwise. That is taxes with reference to marine insurance written by them within the District of Columbia.

Mr. JONES of Texas. I am rather inclined to think that is the intention of the committee, but I was afraid as it starts off if they shall be taxed only on that it might not be exactly the meaning intended.

Mr. MANN. The business in the District is taxed only in proportion to the business between that done in the District and the United States, and that is all it says.

Mr. JONES of Texas. That is all the last part of the language says, but it sets out certain exceptions here, and it says "shall be taxed only in proportion of the total underwriting profit of the company."

Mr. MANN. Marine insurance written here within the District shall be taxed only in proportion, and it says that.

Mr. JONES of Texas. It does not say that exactly. If it says that it taxes only on the business done within the District,

that would be a different expression, but it says the company shall be taxed only; in other words, there shall be no other tax.

Mr. MANN. I know; but it says, respecting marine insurance written by it in the District of Columbia, it "shall be taxed only," and so forth. It relates only to the business done in the District.

Mr. JONES of Texas. I am not sure that that is the correct construction, and especially in view of the stipulation that is put in at the end of section 21.

Mr. MANN. That is another matter.

The CHAIRMAN. The pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

Sec. 9. That every company transacting marine insurance in the District shall set forth in its annual statement to the superintendent, and in the form prescribed by him, all the items pertaining to its insurance business as enumerated and prescribed in the preceding section. To determine the basis of the tax on underwriting profit, every company which has been writing marine insurance for five years shall furnish the superintendent a statement of all of the aforementioned items, in the form prescribed by him, for each of the preceding five calendar years. A company shall furnish to the superintendent a statement of all the aforementioned items for each of the calendar years during which it has written marine insurance.

If the superintendent finds the report of the company reporting correct, he shall, if the company has transacted marine insurance for five years, (1) ascertain the total average annual underwriting profit, as defined by this act, derived by the company from its marine insurance business written within the United States during the last preceding five calendar years, (2) ascertain the proportion which the average net annual premiums of the company from marine insurance written by it in the District during the last preceding five calendar years bear to the average total net marine premiums of the company during the same five years, (3) compute an amount of 5 per cent on this proportion of the aforementioned average annual underwriting profit of the company from marine insurance, and (4) charge the amount of tax thus computed to such company as a tax upon the marine insurance written by it in the District during the current calendar year. Thereafter the superintendent shall each year compute the tax, according to the method described in this section, upon the average annual underwriting profit of such company from marine insurance during the preceding five years, including the current calendar year; namely, at the expiration of each current calendar year, the profit or loss on the marine insurance business of that year is to be added or deducted, and the profit or loss upon the marine insurance business of the first calendar year of the preceding five-year period is to be dropped, so that the computation of underwriting profit for purposes of taxation under this act will always be on a five-year average: *Provided, however*, That a company which has not been writing marine insurance in the District for five years shall, until it has transacted such business in the District for that number of years, be taxed on the basis of the annual average underwriting profit on marine insurance written within the United States during the preceding five years as averaged for all companies reporting to the superintendent for the current calendar year and which have been transacting marine insurance in the District for the past five years: *Provided further*, That, if at any time none of the companies reporting to the superintendent shall have written marine insurance in the District for five years, a company which has not been writing marine insurance in the District for five years shall be taxed on the basis of an annual average underwriting profit as averaged for all companies reporting to the superintendent for the number of years during which they have written marine insurance in the District, subject, however, to an adjustment in the tax as soon as the superintendent, in accordance with the provisions of this section, is enabled to compute the tax on the aforementioned five-year basis: *And provided further*, That in the case of mutual companies the superintendent shall not include in underwriting profit, when computing the tax prescribed by this section, the amounts refunded by such companies on account of premiums previously paid by their policyholders.

When the superintendent has computed the tax on a company's underwriting profit, he shall forthwith mail to the last known address of the principal office of such company a statement of the amount so charged against it, which amount the company shall pay to the collector of taxes within 30 days after receipt of such notice from the superintendent, and no further tax, except the taxes on investment income from funds representing reserves, capital stock, and surplus as prescribed by sections 10 and 11 of this act and the license fee prescribed by section 13, shall be imposed by the District upon such company, or the agents thereof, for the privilege of transacting the business of marine insurance in the District.

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

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

Mr. WALSH. I would like to ask the gentleman from Pennsylvania [Mr. EDMONDS], a member of the Committee on the Merchant Marine and Fisheries, who has introduced this measure in the House, a question relative to the provision at the bottom of page 14 and at the top of page 15:

A company which has not been writing marine insurance for five years shall furnish to the superintendent a statement of all the aforementioned items for each of the calendar years during which it has written marine insurance.

Is it intended that these companies shall furnish that information under the oath of one of its officers?

Mr. EDMONDS. I believe that is required under the present law. Annual statements are required to be made under oath. That is in the present insurance code here.

Mr. WALSH. Would not this supersede the present law?

Mr. EDMONDS. No; I think this is an addition to it.

Mr. WALSH. No; I do not think this is in addition to it; it is a new kind of statement under a provision requiring another kind of information to be furnished. In the next sentence it is provided, "If the superintendent finds the report of the company correct," he shall, and so forth.

Mr. EDMONDS. It says "that every company transacting marine insurance business in the District shall set forth in its annual statement to the superintendent, and in the form prescribed by him, all the items pertaining to insurance business as enumerated and prescribed in the preceding section." The code of the District requires an annual statement to be furnished under oath.

Mr. WALSH. Well, this is applying to companies that have not done marine insurance for five years.

Mr. EDMONDS. No. The idea was that if a company had only done business for three years or two years or one year, it should furnish the statement anyhow. That is to encourage the companies to go into the marine insurance business.

Mr. WALSH. If the gentleman will permit, I appreciate that I am not very clear in the statements I am making in the endeavor to get this information. This section provides that "To determine the basis of the tax on underwriting profit, every company which has been writing marine insurance for five years shall furnish the superintendent a statement of all of the aforementioned items, in the form prescribed by him, for each of the preceding five calendar years."

Mr. EDMONDS. Yes.

Mr. WALSH. Now, that is one kind of a statement to be furnished where they have been doing business for five years. Now, they also furnish a statement of all the aforementioned items if they have not been doing it for five years.

Mr. EDMONDS. Yes.

Mr. WALSH. And I am asking whether or not these statements are under oath?

Mr. EDMONDS. Unquestionably.

Mr. WALSH. Then what is the necessity of the following language: "If the superintendent finds the report of the company reporting correct, he shall, if the company has transacted marine insurance for five years, ascertain," and so forth?

Mr. EDMONDS. That is to separate out the marine insurance for taxation purposes under this bill.

Mr. WALSH. Well, what happens if he finds the report incorrect as to a company that has not been doing business for five years?

Mr. EDMONDS. That is covered, as the code undoubtedly punishes people for furnishing incorrect information.

Mr. WALSH. How long has that been the law?

Mr. EDMONDS. I think that law—the code—has been in existence since 1902, and basically since 1887. All reports are required to be furnished under oath.

Mr. WALSH. Then what is the necessity for this?

Mr. EDMONDS. Simply to arrange for new companies to go into the business, and so make their reports that we can tax them and at the same time not be unfair to them.

Mr. WALSH. Suppose they make a mistake in the report; suppose they make a statement that is not correct?

Mr. LEHLBACH. It is for the obvious purpose that the superintendent shall not be bound by a report which, in fact, upon investigation, he finds to be incorrect. He is not bound by it, and he does not have to function under this act under the basis of an incorrect report. He can correct the report, and then go ahead and function and levy the taxes.

Mr. WALSH. Well, can a company, by filing an erroneous report, delay proceedings so that they will not have to pay any taxes?

Mr. LEHLBACH. If they file an erroneous report they are susceptible to the remedy which the criminal law provides for perjury.

Mr. MANN. The superintendent has the right to have correct reports filed under the District Code.

Mr. LEHLBACH. Certainly; and if a company willfully files an incorrect report for the purpose of delaying the payment of taxes there are plenty of remedies under the code that will punish that sort of procedure so as to make it unprofitable.

Mr. WALSH. Is it the understanding of the gentleman from New Jersey that if a company has been doing business for less than five years under this law they can be required to submit a statement under oath?

Mr. LEHLBACH. I think so.

Mr. WALSH. I would like to know where the authority is. The District code provides that the report and annual statement shall be submitted under oath. This is something entirely in addition to it. It does not refer to that statement, and it does not require it to be under oath. It is a new statement.

Mr. LEHLBACH. It says that every company transacting marine insurance in this District for five years shall set forth in its annual statement to the superintendent all the items in the form and manner prescribed by him. This must be under oath. Then, the section reads:

A company that has not been doing a marine-insurance business in the District for five years shall furnish to the superintendent a statement of all the aforementioned items for each of the calendar years during which it has written marine insurance.

That language, without repeating all this verbiage that goes before it, necessarily must be construed to mean that such statement shall be made in the same form and in the same manner; that is, the statement must be under oath, and in the form that the superintendent requires. That language could all be repeated, but it is not necessary.

Mr. WALSH. Yes; but this statement does not have to be under oath.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired. Without objection, the pro forma amendment will be withdrawn. The Clerk will read.

The Clerk read as follows:

Sec. 11. That, in addition to the taxes, as prescribed under sections 8 to 10, inclusive, of this act, every company organized under the laws of the District and transacting marine insurance therein shall, with respect to marine insurance written in the District, pay a tax of 2 per cent on its investment income from funds representing capital stock and surplus as shown by the company's annual statement. Such investment income shall, for purposes of taxation under this act, be arrived at as follows: Add the gross assets at the beginning and end of the calendar year and strike an average. Add capital stock and surplus at the beginning and end of the year and strike an average. Ascertain the proportion which the average capital stock and surplus bears to average gross assets. Credit to investment income on capital stock and surplus such proportion of all income, except income taxed under section 10 of this act, derived from interest, dividends, rents, and profits on sales or redemption of assets. Charge against investment income on capital stock and surplus such proportion of all losses on sales or redemption of assets.

Should a company subject to this tax be writing other classes of insurance, and the capital stock and surplus referred to herein relate to all the classes of insurance written without being specifically allocated to the several classes of insurance written, then such proportion of the investment income from funds representing capital stock and surplus, computed according to the method prescribed in the preceding paragraph of this section, shall be applicable to marine insurance for purposes of taxation under this section as the net premiums from marine insurance during the calendar year bear to the net premiums of the company from all the classes of insurance written.

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

The CHAIRMAN. The gentleman makes the point of order that there is no quorum present. The Chair will count.

Mr. BLANTON. At the suggestion of several gentlemen around me, I withdraw the point.

The CHAIRMAN. The gentleman withdraws the point of no quorum.

Mr. WALSH. I move to strike out the last word. I notice that the section just read proposes an additional tax upon the companies authorized to do business under the provisions of this act.

Mr. EDMONDS. This is a tax on their investment income from funds representing capital stock and surplus. It is a tax that is collected by pretty nearly every State on the investment incomes of the insurance companies. It is an excise tax.

Mr. WALSH. One is on the investment income and the other is upon its average earnings on reserves for unpaid losses and unexpired premiums.

Mr. EDMONDS. Insurance companies have large sums of money which they invest as reserves. From these reserves they have a certain income. In order to tax that income, which would otherwise go into surplus, most of the States put a tax on the investment income. This tax of 2 per cent on the investment income was suggested by the commissioner of the District of Columbia.

Mr. WALSH. That is in addition to the 5 per cent on its average income on reserves?

Mr. EDMONDS. This is on the investment income. It is not a part of its underwriting profits. Investment income is entirely separate from underwriting profits. Underwriting profit is what comes out of the premiums paid.

Mr. WALSH. I am not talking about underwriting profits. Section 10 imposes a tax of 5 per cent on the average earnings on reserves for unpaid losses and unexpired premiums.

Mr. EDMONDS. Yes.

Mr. WALSH. Then in addition to that there is 2 per cent on its investment income from funds representing capital stock and surplus as shown by the company's annual statement.

Mr. EDMONDS. There is a difference in different States as to what investment income from the reserve should be considered to be. We tax it as the other States tax it, and there is no particular description here that will in any way affect what other States have done in connection with investment income.

Mr. WALSH. Does the gentleman state that there is no advantage under this scheme?

Mr. EDMONDS. No detriment and no advantage at all.

Mr. WALSH. It is just the same?

Mr. EDMONDS. Just about the same. Some States levy a tax of 1 per cent and some 3 per cent, but it is on exactly the same principle, and the amount was chosen by the insurance commissioner of the District. We asked him what amount he wanted and he said 2 per cent.

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

The Clerk read as follows:

Sec. 13. That in lieu of all other license fees every company writing marine insurance in the District shall pay a single annual fee equal to \$100 if the assets of the company aggregate \$1,000,000 or under, to \$150 if the assets aggregate over \$1,000,000, and do not exceed \$5,000,000, and to \$200 if the assets exceed \$5,000,000. The manner and time of paying this single fee and its remittance to the collector of taxes shall be the same as prescribed under section 9 for the payment of taxes on underwriting profit.

Mr. WALSH. Will the gentleman from Pennsylvania state what is the difference between the amount of license fees charged under this section and the amount paid now?

Mr. EDMONDS. It amounts to about the same thing. Heretofore it has been the custom for the companies to send to the District commissioner's office and get a number of small memoranda and papers that they paid for. They have paid a dollar for some papers and 50 cents for others. It was a source of a good deal of annoyance to the companies and to the commissioner. Now, they are to pay a license fee, and when they pay that license fee they are entitled to secure such papers as they need. The District commissioner said these figures were sufficient to cover a little more than he made out of the companies to-day. It is simply a difference in the form of collecting the same thing.

Mr. WALSH. Would this apply to companies in existence here now?

Mr. EDMONDS. It will apply only to marine companies. We hope it will apply to all of them. We would be glad to have it apply to all of them.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the pro forma amendment. If this is a bill authorizing insurance companies under this law to insure all kinds of hazards except life and surety, why does this license fee apply only to marine insurance?

Mr. EDMONDS. I have stated a number of times to-day that marine insurance includes almost every kind of insurance.

Mr. BLANTON. Marine insurance does not include every kind of insurance under the definitions of this bill. It does not embrace all the various kinds of insurance mentioned in the nine different sections.

Mr. EDMONDS. It embraces pretty nearly all of them. The gentleman knows that.

Mr. BLANTON. Because marine insurance is defined in the first section. It says, line 15, page 2, "marine insurance company means any person, company, or associations authorized by this act to write marine insurance within the District." Then in describing what kind of hazards companies formed under this law may insure against, there are nine different subdivisions or sections of definitions of those hazards. The first hazard, subdivision beginning on line 22, page 3, says first on marine risks as described in section 1 of this act under the definition of marine insurance. Second, on property and rent against loss or damage by fire, lightning, tempests, earthquakes, and so forth; third, against bodily injury or death by accident, and so forth; fourth, against liability for the death or disability of another, and so forth; fifth, against loss or damage to property resulting from causes other than fire, and so forth; sixth, against loss or damage from failure of debtors to pay their obligations to the insured; seventh, against loss from encumbrances on or defects in titles, and so forth; eighth, against loss or damage by theft, injury, sickness, or death of animals, and to furnish veterinary services, and so forth; ninth, against any loss or liability arising from any other casualty or hazards not contrary to public policy, and so forth.

If it is going to permit these companies to insure generally, why not provide a license fee generally? The license fee is made applicable only to companies carrying marine insurance. It is not a very large license fee. I know real estate dealers who pay a larger.

Mr. EDMONDS. The superintendent of insurance thought it was sufficient.

Mr. BLANTON. It seems to me to be a clause directed against companies here in the District doing marine insurance and not doing anything else.

Mr. EDMONDS. It is to transpose the local charge made from day to day to an annual license fee. To-day a man in

the insurance business pays a quarter or half a dollar for papers from time to time.

Mr. BLANTON. The companies operating under this law will insure against numerous hazards, everything except life and surety. By reason of the fact that it does marine insurance it pays a license fee. Others doing only marine insurance pay this same fee. It seems to me that this is inequitable.

Mr. EDMONDS. The commissioner thought it was perfectly proper, and he is an expert in the business. I am not.

The CHAIRMAN. The pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

Sec. 16. That none of the taxes or fees prescribed under sections 8 to 13, inclusive, shall be imposed upon business written within the District by "Syndicate B," a marine-insurance syndicate created by agreement between the United States Shipping Board and the United States Shipping Board Emergency Fleet Corporation and a number of subscribing American marine insurance companies, under date of June 28, 1920, for the purpose of insuring all American steel steamships which the United States Shipping Board and/or United States Shipping Board Emergency Fleet Corporation may hereafter sell to others, to the full extent of the unpaid purchase price thereof, and also such other American steel steamships heretofore sold by said Shipping Board and/or by said corporation as are acceptable for insurance to the Syndicate B subscribers.

Mr. WALSH. Mr. Chairman, I move to strike out the last word. I notice in this section this new-fashioned phraseology which has been sought to be put into legislation heretofore by using, in lines 20 and 24, the word "and" with an oblique line and then the word "or." Now, when the other committee of the House brought in legislation with this new-fashioned phraseology it was said it was suggested by some of the experts outside, and the committee decided that one or the other of those words and the oblique line should be eliminated. It seems to me that in this case it ought to be eliminated, and that it will not sacrifice the sense or the effectiveness of the language. We do not write statutes saying "the United States Shipping Board and or the United States Emergency Fleet Corporation." That would not in any wise make less effective the law.

Mr. EDMONDS. Would it make any difference whether it was left in or taken out?

Mr. WALSH. If you leave both of the words in it makes it doubtful what it does mean.

Mr. EDMONDS. This is the usual term in the shipping business. It is used in all policies and in all charter parties.

Mr. WALSH. But it is not used in a single law ever passed by any legislature.

Mr. EDMONDS. I do not know; I never saw it. I agree with the gentleman as far as that is concerned, but I do not think it makes any difference.

Mr. WALSH. It makes a difference in the sense.

Mr. EDMONDS. The gentleman does not mean that all the insurance policies and charter parties are invalid because it has that phraseology in it?

Mr. WALSH. I do not; but I say it does not make sense.

Mr. EDMONDS. If it is used in policies and charter parties, I can not see why it does not make sense.

Mr. WALSH. If that is so, why is it not used all the rest of the way through the bill, wherever you use the word "and" use the diagonal line and the word "or"?

Mr. EDMONDS. Because the Shipping Board admiralty lawyers wrote it in here.

Mr. WALSH. I think you will find that was in the original bill, which was referred many months ago to the Merchant Marine and Fisheries Committee.

I suggest to the gentleman that we not establish a precedent here by including both these words, and that one or the other should be eliminated. Mr. Chairman, I move to amend, in line 20, page 21, after the word "board," by striking out the word "and" and the oblique line; and also in line 24, after the word "board," by striking out the word "and" and the oblique line.

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

The Clerk read as follows:

Amendment offered by Mr. WALSH: Page 21, line 20, after the word "board," strike out the word "and" and the oblique line following it; and also in line 24, after the word "board," strike out the word "and" and the oblique line following it.

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

The amendment was agreed to.

Mr. FOCHT. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. McARTHUR, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2265 and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 7077. An act to increase the force and salaries in the Patent Office, and for other purposes.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to—
Mr. COOPER of Ohio, on account of illness.

Mr. KRAUS (at the request of Mr. PURNELL) for two days, on account of illness.

ADJOURNMENT.

Mr. FOCHT. Mr. Chairman, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Thursday, February 16, 1922, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

534. A communication from the President of the United States, transmitting a request from the Secretary of State for legislation to make appropriation for the maintenance of the International Latitude Observatory at Ukiah, Calif., to be included in the deficiency appropriation bill now under consideration by Congress (H. Doc. No. 181); to the Committee on Appropriations and ordered to be printed.

535. A communication from the President of the United States, transmitting a communication from the Secretary of the Navy submitting an estimate of appropriation in the sum of \$5,163.26 to pay claims for damages by naval vessels (H. Doc. No. 182); to the Committee on Appropriations and ordered to be printed.

536. A letter from the Secretary of the Treasury, transmitting request that the act approved July 1, 1918, be amended so as to provide that the General Accounting Office can do auditing for the Emergency Fleet Corporation; to the Committee on the Merchant Marine and Fisheries.

537. A letter from the chairman of the Federal Trade Commission, transmitting report of the commission on the Western Pine Manufacturers' Association; to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ANDREWS of Nebraska: Committee on Election of President, Vice President, and Representatives in Congress. H. J. Res. 252. A joint resolution proposing an amendment to the Constitution of the United States; without amendment (Rept. No. 706). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. ROSE: Committee on Claims. S. 1813. An act for the relief of the owner of the steamer *Mayflower*; without amendment (Rept. No. 705). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 8898) granting a pension to Horace T. Farnsworth, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. TILLMAN: A bill (H. R. 10441) authorizing and directing the Postmaster General to permit the use of a special canceling stamp at the post office at Fayetteville, Ark., bearing the words "Semicentennial, University of Arkansas, June 10-14, 1922 (50 years of service)"; to the Committee on the Post Office and Post Roads.

By Mr. TOWNER: A bill (H. R. 10442) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of

the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, as amended by an act to amend said act approved July 21, 1921; to the Committee on Insular Affairs.

By Mr. SINNOTT: A bill (H. R. 10443) to repeal section 2453 and to amend sections 2450, 2451, and 2456, Revised Statutes of the United States; to the Committee on the Public Lands.

By Mr. LOGAN: Joint resolution (H. J. Res. 269) directing the Secretary of Labor to reconvey to the city of Charleston, S. C., certain land located in said city; to the Committee on Immigration and Naturalization.

By Mr. FORDNEY: Joint resolution (H. J. Res. 270) authorizing the Secretary of the Treasury to establish a credit with the United States for the Government of Liberia; to the Committee on Ways and Means.

By Mr. JONES of Texas: Joint resolution (H. J. Res. 271) authorizing the Secretary of War to accept the proposal of Henry Ford for the completion and leasing of the dams and plants at Muscle Shoals, and for other purposes; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BEGG: A bill (H. R. 10444) granting a pension to Sophia A. Bell; to the Committee on Invalid Pensions.

By Mr. BURROUGHS: A bill (H. R. 10445) granting a pension to Abbie A. Stone; to the Committee on Invalid Pensions.

By Mr. CANTRILL: A bill (H. R. 10446) granting an increase of pension to John W. Hawkins; to the Committee on Invalid Pensions.

By Mr. DALE: A bill (H. R. 10447) granting a pension to Abbie R. Holbrook; to the Committee on Invalid Pensions.

By Mr. ELLIOTT: A bill (H. R. 10448) granting a pension to Sarah Ellen Stough; to the Committee on Invalid Pensions.

By Mr. FISH: A bill (H. R. 10449) granting an increase of pension to Elizabeth Loper; to the Committee on Pensions.

By Mr. HAWLEY: A bill (H. R. 10450) granting an increase of pension to Frances E. Drake; to the Committee on Invalid Pensions.

By Mr. KLINE of Pennsylvania: A bill (H. R. 10451) granting a pension to William A. Snyder; to the Committee on Pensions.

By Mr. PARKER of New York: A bill (H. R. 10452) granting a pension to Mary A. Ormsby; to the Committee on Invalid Pensions.

Also, a bill (H. R. 10453) granting a pension to Charles D. Robinson; to the Committee on Pensions.

Also, a bill (H. R. 10454) granting an increase of pension to William Wood; to the Committee on Pensions.

By Mr. RADCLIFFE: A bill (H. R. 10455) granting an increase of pension to William Anderson; to the Committee on Pensions.

By Mr. ROBSION: A bill (H. R. 10456) granting an increase of pension to Victoria Anderson; to the Committee on Invalid Pensions.

By Mr. SHAW: A bill (H. R. 10457) granting a pension to Helen Donaldson; to the Committee on Invalid Pensions.

By Mr. SMITH of Michigan: A bill (H. R. 10458) granting an increase of pension to Josephine Timerson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

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

4073. By the SPEAKER (by request): Copy of resolutions adopted by the city council of the city of Quincy, Ill., urging the manufacture and sale of light wines and beer; to the Committee on the Judiciary.

4074. Also (by request), resolutions adopted by the American Association for the Recognition of the Irish Republic; to the Committee on Foreign Affairs.

4075. By Mr. ANSORGE: Petition of Julius Loewith (Inc.), of New York City, protesting against proposed duty on clover, grass, and field seeds; to the Committee on Ways and Means.

4076. Also, petition of the Association of Practical Inventors of America, Timothy D. Gleeson, president, of New York City, urging the War Department to retain the nitrate plant at Muscle Shoals, Ala., for manufacture of nitrates for fertilizing purposes and for the establishment of a national instruction, training, experimenting, and testing bureau for explosive chemists, inspectors, testers, etc., in preparing chemicals used for explosive purposes; to the Committee on Military Affairs.

4077. By Mr. BENHAM: Petition of Keith Ross Post, No. 231, American Legion, of Aurora, Ind., relative to the espionage act; to the Committee on the Judiciary.

4078. By Mr. DAVIS of Tennessee: Petition of various citizens of Wartrace, Tenn., against the imposition of a stamp tax on bank checks; to the Committee on Ways and Means.

4079. By Mr. FENN: Memorial of Orford Chapter, Daughters of the American Revolution, asking legislation for relief of disabled emergency Army officers; to the Committee on Interstate and Foreign Commerce.

4080. By Mr. FULLER: Petition of Wirtz & Wirtz, R. B. Chandler, P. S. Corry & Sons, Allen Buckaloo, and W. J. Hope, secretary De Kalb Motor Club, all of De Kalb, Ill., opposing a Federal tax on automobiles and gasoline; to the Committee on Ways and Means.

4081. By Mr. GALLIVAN: Resolution adopted by Captain John Drum Camp, No. 18, Department of Massachusetts, United Spanish War Veterans, of Boston, Mass., C. C. Preble, adjutant, Thomas A. Kelley, commander, urging Congress to grant to the veterans of the Spanish-American War the same bonus that may be granted to veterans of the World War; also, that there be incorporated in the Smith-McNary bill the same privileges, exemptions, and immunities as are provided for the World War veterans to the veterans of the Spanish-American War; to the Committee on Ways and Means.

4082. Also, memorial of the House of Representatives of the Commonwealth of Massachusetts; also, petition of the Board of Aldermen of the city of Chelsea, Mass., urging the Federal Government to send the Steamship *Leviathan* to the Boston Navy Yard for reconditioning; to the Committee on Naval Affairs.

4083. By Mr. KISSEL: Petition of John Brunner of Brooklyn, N. Y., urging the modification of the eighteenth amendment, as considered by the Ways and Means Committee; to the Committee on Ways and Means.

4084. Also, petition of John Rummel and William Paul, of Brooklyn, N. Y., relative to taxation for the bonus; to the Committee on Ways and Means.

4085. Also, petition of Henry Ford, of Dearborn, Mich., relative to Muscle Shoals; to the Committee on Military Affairs.

4086. By Mr. LINTHICUM: Petition of the Welch Grape Juice Co., of Baltimore, Md., favoring House bill 9903; to the Committee on Interstate and Foreign Commerce.

4087. Also, petition of Harry Louis Baker and G. Harry Stuart, jr., of Baltimore, Md., favoring soldier bonus legislation; to the Committee on Ways and Means.

4088. Also petition of the American Legion post of Baltimore, Md., protesting against any measure which attaches the admittedly just proposal of adjusted compensation to any political measure whatsoever; also protests of McCormick & Co., Townsend, Scott & Son, Mercantile Trust & Deposit Co., Hambleton & Co., Corkran Hill & Co., Stevens Bros., Security Storage & Trust Co., C. Read & Co., and others, all of Baltimore, Md., against the taxation plan for raising the soldier bonus fund; to the Committee on Ways and Means.

4089. By Mr. SINCLAIR: Petition of the Fargo-Moorhead Automotive Trade Association, protesting against the proposed gasoline and horsepower tax on automobiles as a means of raising funds for payment of the soldiers' bonus; to the Committee on Ways and Means.

4090. By Mr. SNELL: Resolutions adopted by Potsdam Grange, No. 39, of Potsdam, N. Y., favoring the passage of the Voigt bill (H. R. 8086); to the Committee on Agriculture.

4091. By Mr. THOMPSON: Resolutions of Ottawa (Ohio) Chapter, Service Star Legion, favoring the passage of the five-point adjusted compensation bill; to the Committee on Ways and Means.

4092. By Mr. WATSON: Resolution passed by United Mine Workers of America in opposition to the Kenyon bill; to the Committee on the Judiciary.

4093. By Mr. WOODYARD: Memorial of James Wood Chapter of the Daughters of the American Revolution, of Parkersburg, W. Va., favoring the passage of the Sterling-Towner educational bill; to the Committee on Education.

4094. By Mr. YOUNG: Petition of J. M. Hellsvig, of Maddock, N. Dak., and 36 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 producing plus a reasonable profit; to the Committee on Agriculture.

4095. Also, petition of M. N. Stangeland, of Fillmore, N. Dak., and 73 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.

4096. Also, petition of John O. Tweten, of Maddock, N. Dak., and two 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 producing plus a reasonable profit; to the Committee on Agriculture.

4097. Also, petition of Fred J. Argast, of Moffit, N. Dak., and one other, 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 producing plus a reasonable profit; to the Committee on Agriculture.

4098. Also, petition of N. E. Brown, of Wolford, N. Dak., and two 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 producing plus a reasonable profit; to the Committee on Agriculture.

4099. Also, petition of B. Benson, of Maddock, N. Dak., and 26 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.

4100. Also, petition of F. J. Yellen, of Bottineau, N. Dak., and four 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.

4101. Also, petition of Herman Bjerke, of Hannaford, N. Dak., and 13 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.

4102. Also, petition of J. C. Allen and others, of Baker, N. Dak., urging the passage of the Sinclair bill, to revive the United States Grain Corporation and provide for a guaranteed price on wheat; to the Committee on Agriculture.

4103. Also, petition of the county commissioners of Bottineau County, N. Dak., requesting the passage of an act to authorize the loaning of money by the Government for the purchase of seed grain in drought areas; to the Committee on Agriculture.

4104. Also, petition of the North Dakota Farm Bureau Federation, for an appropriation of \$15,000 with which to conduct experiments for the making of paper out of flax straw; to the Committee on Appropriations.

SENATE.

THURSDAY, February 16, 1922.

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

Our Father, Thou hast granted us the privilege of seeing the light of another day. Help us in the understanding of duty, that we may realize the high conceptions of the privilege of serving our generation by Thy will. So direct our thoughts that every problem may have its solution, that every way may be blazed before us, and that we may find ourselves continually turning unto Thee for guidance and grace. Through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

PETITIONS AND MEMORIALS.

Mr. ODDIE presented the petition of C. H. Baker, president of the Lovelock Gun Club, and sundry other citizens of Lovelock, Nev., praying for the enactment of Senate bill 1452, the so-called public shooting ground and game refuge bill, which was ordered to lie on the table.

He also presented the memorial of C. H. Baker, president of the Lovelock Gun Club, and sundry other citizens of Lovelock, Nev., remonstrating against the passage of Senate bill 2670, to authorize the Secretary of the Interior to convey certain lands in the Newlands reclamation project to the Truckee-Carson irrigation district unless the bill be so amended that the rights of citizens of Nevada to hunt game on said lands is forever preserved, which was referred to the Committee on Irrigation and Reclamation.

Mr. WILLIAMS presented the memorial of John H. Dixon and sundry other students of the electrical department of United States Veterans' Bureau Vocational School No. 1, remonstrating against the proposed discontinuance of the above-named school, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution adopted by the Woman's Relief Corps, Auxiliary to the Grand Army of the Republic, Department of Kansas, of Parsons, Kans., favoring the passage

of House bill 7213, providing for increased pensions for veterans of the Civil War and their widows, which was referred to the Committee on Pensions.

Mr. LODGE presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for the passage of House bill 13, the so-called Dyer antilynching bill, which was referred to the Committee on the Judiciary.

He also presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for the passage of Senate bill 1253, regulating immigration, which was referred to the Committee on Immigration.

He also presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for the passage of House bill 6308, to exclude fraudulent devices and lottery paraphernalia from the mails, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for the passage of House bill 2193, prohibiting importation or use of opium for other than medicinal purposes, which was referred to the Committee on Finance.

He also presented a resolution adopted by the executive committee of the Massachusetts Federation of Churches, of Boston, Mass., favoring relief to the suffering peoples of Austria by deferring for 20 years payment of Austria's debt, which was referred to the Committee on Finance.

He also presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for immediate relief to the peoples of Armenia, which was referred to the Committee on Foreign Relations.

He also presented a petition of the Massachusetts Federation of Churches, of Boston, Mass., praying for the passage of House bill 8626, to regulate interstate and foreign commerce of immoral motion-picture films, which was referred to the Committee on Interstate Commerce.

Mr. LADD presented a telegram in the nature of a memorial of the Automotive Trade Association, of Fargo, N. Dak., remonstrating against the proposed gasoline and horsepower tax on automobiles in connection with the soldiers' bonus plan, etc., which was referred to the Committee on Finance.

He also presented a telegram in the nature of a petition from the Dickinson Rotary Club, of Dickinson, N. Dak., praying that an appropriation of \$5,000,000 be made for the relief of farmers in drought-stricken regions, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted by the grain growers of Alva, Okla., favoring the passage of Senate bill 2604, the so-called Ladd honest-money bill, which was referred to the Committee on Banking and Currency.

He also presented resolutions of the Parent-Teachers Association, of Courtenay; and of a mass meeting of farmers in Shepherd Township, Walsh County, both in the State of North Dakota, favoring the enactment of legislation reviving the Government Grain Corporation so as to stabilize prices of certain farm products, which were referred to the Committee on Agriculture and Forestry.

He also presented the petitions of Paul Haugen and 10 others of Amidon, Martin K. Saethou and 28 others of Steel, Sarah Hagen and 19 others of Hillsboro, and Martin Tweden and 42 others of Buxton, all in the State of North Dakota, praying for the enactment of legislation reviving the Government Grain Corporation so as to stabilize prices of certain farm products, which were referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (S. 995) for the relief of Charles G. Griffa, submitted an adverse report thereon, which was agreed to, and the bill was indefinitely postponed.

He also, from the same committee, to which was referred the bill (S. 996) for the relief of J. W. La Bare, submitted an adverse report thereon (No. 500), which was agreed to and the bill was indefinitely postponed.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 2531) to create a board of accountancy for the District of Columbia, and for other purposes, reported it with amendments and submitted a report (No. 501) thereon.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 3140) to authorize the Secretary of the Interior in his discretion to extend the time for payment of construction charges under Federal irrigation projects, and for other purposes, reported it with amendments.