HOUSE OF REPRESENTATIVES.

THURSDAY, *June 29, 1922.*

The House met at 12 o'clock noon.

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

Blessed Lord God, whilst Thou art infinite and terrible in majesty, yet the divine tenderness softens the discipline of life. May we covet the courage and the strength of Him who trod the wine press alone. Be the food for our meditation, the staff for our feet, the light for our eyes, and the wisdom for our understanding. Willingly and courage sly may we always identify ourselves with the great causes for which our Government stands. Let us never shrink from any burden that implies the good and the stability of our Republic. O hasten the hour when a loyal citizenship, knit together by faith in God and love of country, shall move forward in the light and promise of a greater future for homeland and for all humankind. Amen.

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

ADJOURNMENT OF THE HOUSE.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution which I send to the Clerk's desk.

The Clerk read as follows:

House Resolution 390.

Resolved, That the House of Representatives requests the consent of the Senate to an adjournment of the House until Tuesday, August 15, 1922.

The SPEAKER. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. MONDELL. Mr. Speaker, if the Senate agrees to this resolution the House would adjourn when a motion was made under the consent thus given. Of course that motion will be made when we have completed the essential business of the session.

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

The resolution was agreed to.

Mr. GARNER. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Would it be in order for a Member at any time to rise in his seat and move to adjourn under the resolution just passed?

The SPEAKER. He would have to get recognition from the Chair in the first place.

Mr. GARNER. I understand that; but assuming that he gets recognition?

The SPEAKER. That is quite a novel proposition which the Chair would not like to decide offhand. The Chair would be slow to recognize anybody except the gentleman from Wyoming.

Mr. GARNER. I understand that and that is the reason I asked the question. It is a little dangerous procedure to place in the hands of one man, even if it is the Speaker. The motion to adjourn is a privileged matter, and we by passing this resolution place in the hands of the Speaker and the gentleman from Wyoming the sole power as to whether we can adjourn or not.

The SPEAKER. The power of making the motion, but the adjournment is in the hands of the House.

Mr. GARNER. Suppose I should rise and the Speaker should say, "For what purpose does the gentleman rise?" I should say, "For the purpose of moving to adjourn under the resolution just passed," and the Speaker should say, "The Chair does not recognize the gentleman for that purpose," and I appealed from the ruling of the Chair.

The SPEAKER. The Chair thinks that a matter of recognition is not subject to appeal.

Mr. GARNER. That is the reason that I call attention to it. I did not object to the consideration of the resolution, but I do call attention to the fact that we are placing our necks in the hands of one man—the Speaker or the gentleman from Wyoming. I think it is a dangerous thing to do. While without doubt it will be exercised with moderation, at the same time it is there.

Mr. MONDELL. Why, Mr. Speaker, the gentleman from Texas is not as accurate as he ordinarily is. The granting of consent by the Senate to an adjournment of the House does not give the Speaker or the majority leader any special authority or power. I should not want to say, for it is a matter for the Speaker to decide, whether or not at a given time any Member could move to adjourn in accordance with the action of the Senate, but whether that is true or not, the House still controls the question as to whether it will adjourn to this date or any other date.

The SPEAKER. The Chair thinks he can relieve the mind of the gentleman from Texas. The Chair thinks that this motion would not be privileged until some rule had been adopted as to the time of adjournment.

Mr. GARNER. That is my construction of it, but I wanted the opinion of the Chair.

Mr. HAWLEY. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. HAWLEY. Under the resolution presented by the gentleman from Wyoming and just agreed to by the House, if it is agreed to by the Senate, could a minority adjourn, or would it require a majority?

The SPEAKER. A rule would have to be brought in and consent given.

Mr. ASWELL. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. ASWELL. May I inquire whether the House will have an opportunity to vote on the adjournment in accordance with the resolution?

The SPEAKER. Certainly; and it will require a quorum, also.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had concurred in the amendment of the House of Representatives to the bill (S. 3458) providing for the building of a bridge over Niagara River.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11228) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, and for other purposes, and had concurred in the amendments of the House to the amendments of the Senate numbered 13, 64, 65, 86, and 91.

The message also announced that the Senate had agreed to the amendments of the House of Representatives numbered 1, 2, and 3 to the bill (S. 881) "to amend the proviso in paragraph 10 of section 9 of the Federal reserve act amended by the act of June 21, 1917, amending the Federal reserve act," had disagreed to the amendment of the House of Representatives numbered 4 to said bill, and requested a conference with the House thereon, and had appointed Mr. MCLEAN, Mr. EDGE, and Mr. GLASS as the conferees on the part of the Senate.

EXTENSION OF REMARKS.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing two letters, one from Charles F. Wood, consulting engineer, stating why the barge service on the Warrior River has lost money. There are four pages of it, it is comparatively small, and relates only to the matter in which the Government is interested.

Mr. JOHNSON of Washington. Will it be placed in the back part of the RECORD?

Mr. OLIVER. Yes.

Mr. JOHNSON of Washington. I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

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

Mr. OLIVER. Mr. Speaker, under leave granted to extend my remarks in the RECORD in reference to the Government barge service on the Warrior River, I wish to say that the main reason why the barge service on this river continues to show loss is the fact that the waterway is not given a just and fair proportion of the joint through rates. Unquestionably an equitable division of revenue, accruing from joint rates, between the rail and barge service would establish this service at once on a profitable basis. Two informing letters received by me from Hon. Charles Francis Wood, a distinguished consulting engineer now residing at Birmingham, Ala., and who has given much study to the Warrior barge service, will prove interesting to the Members of the House, and I invite the Members to carefully read the same.

The letters are as follows:

JUNE 28, 1922.

Hon. W. B. OLIVER,
House of Representatives, Washington, D. C.

DEAR SIR: In the transportation act of 1920 Congress declared the intention of the people of these United States "to foster and preserve in full vigor both rail and water transportation."

As a part of this policy barge lines established by the Government on the Mississippi and Warrior Rivers as war emergencies were continued, public money was appropriated for their operation, and tariffs of joint rail and water rates were promulgated.

Criticism of the operation of the barge lines on these waterways has recently been voiced in Congress, both in relation to the projects themselves and the operation thereof, because the Mississippi-Warrior service has continually lost money, and the deficit has had to be made up from taxation.

This criticism is growing in volume, and an influential Senator of the United States has declared that unless the lines can be made profitable within the coming fiscal year further appropriations will be denied. The situation is critical for a development which the majority of our people believe to be vital to the future progress of our country and the prosperity of its citizens, and so an analysis of the conditions and an exposition of the reasons why the barge lines lose money is presented for your consideration.

Investigation discloses (a) that the barge lines are doing business in a large and rapidly increasing volume; (b) that they appear to be reasonably well managed; (c) that they serve a wide public; (d) that their published tariffs, averaging about 80 per cent of the all-rail rates, should be profitable; (e) that in spite of these favorable factors they lose money.

WHY?

Because the barge lines are being robbed by the railroads at their junctions as systematically and as ruthlessly as the robber bands of old held up and robbed the traffic which passed their strongholds.

These are not idle words. They are the expression of a sound conclusion inevitably forced by the official records, which show that the Railroad Administration in its last hours established a basis of division between the rail-and-water carriers of the joint rates promulgated in the tariffs and issued various rules governing these divisions which are as effective for robbery as the gun of the bandit.

One of these rules is as follows:

"If joint rates are established in connection with the water lines via junctions where divisions of the all-rail rates are effective, the rail carrier shall receive its proportion of the all-rail rates as arrived at by such divisions."

Another is:

"The rail lines shall receive beyond the nearest prorating point their established proportions of the all-rail rates."

Under these rules, as soon as the traffic began to move the railroads demanded their "local rates" as "the established proportion of the all-rail rates," thus setting at naught the published through tariffs and nullifying the mandate of Congress as expressed in the law of the land.

By this simple, shrewd, and devilish chicanery did the railroad interests cripple and hamstring the waterway traffic at its very inception, and thereby largely prevent the movement of through traffic by the barge lines, or when the barge lines get the business they are penalized and made to pay a premium for the privilege of hauling the tonnage.

Due to the fact that there were division points and more or less equitable division of rates existing at practically every crossing of the Mississippi, the application of these rules to the traffic carried by the Mississippi section has not been as blighting in its effect as on the traffic carried by the Warrior section, with the result that in spite of many handicaps the Mississippi section has built up its business to the point where it is now showing a small profit, but the Warrior section operation is hopeless unless it can secure relief from the iniquitous methods by which the railroads who are parties to its joint tariffs have eliminated even the possibility of success. There being no division points at Warrior crossings, "local rates" are demanded by the railroads on all traffic.

As an example of how completely the railroads are strangling the efforts of the people and Congress of the United States to revive a waterway commerce, the following tabulation is eloquent:

Rates on cotton in cents per 100 pounds.

Traffic—		All-rail through rate.	Rail-and-barge through rate.	Local rate to Tuscaloosa.	Loss to barge line.
Origin.	Destination.				
Ardmore, Ala.	New Orleans.	$0.925	$0.79	$1.095	$0.275
Decatur, Ala.	do.	.875	.74	1.205	.465
Flint, Ala.	do.	.875	.74	.97	.23
Cullman, Ala.	do.	.85	.715	.875	.16
Montgomery, Ala.	do.	.75	.63	.97	.34
Wetumpka, Ala.	do.	.75	.68	1.125	.445
Rock Springs, Ala.	do.	.815	.68	1.095	.415

References: Mississippi-Warrior service tariffs, I. C. C. No. A-7; Louisville & Nashville, I. C. C. A-14602, A-14573, A-14843, A-14631, A-14294.

The few examples above quoted, while taken at random from the tariffs of the Louisville & Nashville Railroad, are neither isolated nor extreme. On the contrary, the same conditions obtain in practically all tariffs of joint through rail and water rates applicable to the Warrior River section, and the same outrageous extortion is being practiced by every railroad which reaches a Warrior Barge Line terminal.

By the application of the rules of the Railroad Administration the rail carriers demand and so far are receiving on all cotton handled by the barge line a larger rate for handling the cotton a few miles to the point of interchange than they would receive if they carried the cotton all the way to its destination, while the barge line under the ruling and tariffs above not only gets nothing for hauling the cotton but pays the railroad up to $2.50 per bale for the privilege of hauling it. Is it any wonder that the barge lines are losing money? Is it any wonder that private interests hesitate to invest money in waterway transportation facilities, notwithstanding that our Government has expended millions of dollars to open our inland waterways to navigation?

And what is to be done about it? Is traffic again to be driven off our inland waterways because the Government of the United States is so impotent as to be unable to protect its own property and operations from being plundered by a gang of pirates? Are the millions which have been spent in improving the Warrior to be lost and the river revert to its abandoned condition because the rail interests have forged a modern weapon as effective for robbery as the jimmy of the burglar?

Should it be asked, Why does not the barge line get relief through the Interstate Commerce Commission, to which Congress has given power to fix rates and the division thereof, it can be answered that the petition of the barge lines has been before that tribunal for nearly two years without any indication that there is any relief in sight. On the contrary, the reports of the examiners so far rendered indicate such prorail influence as to compel the conclusion that there is a studied effort to wipe out the barge lines by foul means if inaction fails to do it.

These agencies of the Government are doomed unless the people and the Congress shall rise and demand a fair deal for the water carriers, so instead of criticizing the projects or the management thereof Congress should force a showdown and by an investigation should fix the real reason for the failure of the waterway carriers to earn a fair return and then enact drastic legislation which will insure that the water carriers shall be treated as fairly in all respects as a trunk line railroad occupying the same route would under the law have to be treated. When that is done waterway traffic will grow and prosper.

The matter is one of such wide public interest that it should command your attention and cooperation to the end that a fair deal may be had by our publicly owned water carriers, and that barge lines "of the people, for the people, and by the people" shall not perish off the water.

Yours for upbuilding,

THE WARRIOR RIVER DEVELOPMENT COMMITTEE,
By CHARLES F. WOOD, *Consulting Engineer.*

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JUNE 29, 1922.

Hon. W. B. OLIVER,
House of Representatives, Washington, D. C.

DEAR MR. OLIVER: In compliance with my promise to furnish some data relating to the division between the water and rail carriers as recommended by the examiner in the suit now pending before the Interstate Commerce Commission, I am attaching hereto a statement showing the percentages or divisions which have been recommended for promulgation by the commission.

From a study of these percentages you will note that there is no possible principle for a basis of division which can be applied to all of them, and the more they are analyzed the more clearly they show that there is neither sense nor reason in the recommendations. On the contrary, they represent the determination of this minion of the railroads to "hog" the utmost share possible for the railroads and give the barge lines just as little as they can possibly be forced to take.

If such divisions as these are promulgated in the decision of the Interstate Commerce Commission the barge lines might as well go out of business, for there is no possible hope of profitable operation if the barge lines must accept divisions which are wholly without principle and utterly disregard the law of due compensation for service performed.

The illustrations tabulated are not isolated, but seem to be typically true of virtually all the tariffs and divisions. The barge lines are the property of and operated by the United States Government, and if relief is denied by the Interstate Commerce Commission the service must be supported by public funds or the barge lines must withdraw when they should be extending their service.

I shall be glad to furnish any additional information you may desire.

Yours truly,

CHARLES F. WOOD,
Consulting Engineer.

Statement showing through rail and water rates taken at random from the joint tariffs of various railroads, and the proportional division of the haul and rate between the railroads and the United States barge lines, as recently recommended to be established by the examiner of the Interstate Commerce Commission.

Traffic.		Class or commodity.	Barge lines.		Railroads.	
Origin.	Destination.		Distance.	Rates.	Distance.	Rates.
			Perct.	*Perct.*	*Perct.*	*Perct.*
St. Louis, Mo.	Little Rock, Ark.	First class.	73	45	27	55
Do.	Forest City, Ark.	do.	87	33	13	67
New Orleans, La.	Searcy, Ark.	do.	89	54	11	46
Do.	Dardanelle, Ark.	do.	77	25	23	75
Revenden, Ark.	New Orleans, La.	Cotton.	55	13	45	87
St. Louis, Mo.	Benton, Ark.	First class.	72	25	28	75
Do.	Little Rock, Ark.	do.	75	37	25	63
Do.	Brinkley, Ark.	do.	85	37	15	63
Do.	Whitmore, Ark.	do.	87	26	13	74
New Orleans, La.	Deckerville, Ark.	Cotton.	96	34	4	66
St. Louis, Mo.	Hot Springs, Ark.	First class.	67	35	33	65
Do.	Pine Bluff, Ark.	do.	71	35	29	65
Do.	Texarkana, Ark.	do.	93	48	7	52
New Orleans, La.	Cypress, La.	do.	83	33	17	67
Do.	Bunkie, La.	do.	87.5	33	12.5	67
St. Louis, Mo.	Alexandria, La.	do.	86	51	14	49
Do.	Donaldsonville, La.	Soap.	95	26	5	74
Do.	Franklin, La.	First class.	92	62	8	38
Do.	Jennings, La.	do.	86	53	14	47
Do.	Opelousas, La.	do.	87	51	13	49
Memphis, Tenn.	Minneapolis, Minn.	Burlap bags.	(1)			75.4
Do.	Louisville, Ky.	Cotton.	46	21	54	79
New Orleans, La.	Springfield, Mo.	Sugar.	78	35	22	65
Kansas City, Mo.	New Orleans, La.	Soap.	69	43	31	57

(1) 408 miles.

Statement showing through rail and water rates taken at random from the joint tariffs of various railroads, etc.—Continued.

Traffic.		Class or commodity.	Barge lines.		Railroads.	
Origin.	Destination.		Distance.	Rates.	Distance.	Rates
			Perct.	*Perct.*	*Perct.*	*Perct.*
New Orleans, La.	Omaha, Nebr.	Coffee	61	33	39	67
Do	Mason City, Iowa	Molasses	61	37	39	63
Milwaukee, Wis.	New Orleans, La.	Canned goods.	76	55	24	45
Green Bay, Wis.	do	Paper	71	45	29	55
Sioux Falls, S. Dak.	do	Vehicles	66	39	34	61
International Falls, Minn.	do	Paper	56	34	44	66
Wadsworth, Ohio	do	Matches	68	48	32	52
Six Lakes, Mich.	do	Beans	62	35	38	65
Greenville, Mich.	do	Refrigerators	64	35	36	65
Sterling, La.	St. Paul, Minn.	Sugar	62.5	−25	37.5	125
Do	Fort Dodge, Iowa	do	(1)	−22	.....	122
Gramercy, La.	Milwaukee, Wis.	do	74	34	26	66
McCall, La.	do	do	62	3	38	97
Biloxi, Miss.	Des Moines, Iowa	Oyster shells	73	25	27	75
Do	Kansas City, Mo.	do	75	23	25	77
Do	St. Paul, Minn.	do	63	20	37	80

[1] 1,154 miles.

REINSTATEMENT OF CERTAIN LAND OFFICES.

The SPEAKER. The unfinished business is the motion of the gentleman from Oregon [Mr. SINNOTT] to lay on the table a motion to reconsider the vote whereby the bill S. 3425 was passed. The question is on laying the motion to reconsider on the table.

The question was taken, and the motion was agreed to.

ADJOURNMENT OF THE HOUSE.

Mr. MONDELL. Mr. Speaker, I move to reconsider the vote by which the adjournment resolution was agreed to, and to lay that motion on the table.

The SPEAKER. The question is on the motion of the gentleman from Wyoming to lay on the table a motion to reconsider the vote by which the adjournment resolution was agreed to.

The question was taken; and on a division (demanded by Mr. ASWELL) there were—ayes 82, noes 1.

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

Mr. LONDON. Mr. Speaker, I ask unanimous consent that the resolution be again reported.

The SPEAKER. Without objection, the Clerk will again report the resolution.

There was no objection, and the Clerk again reported the resolution.

The SPEAKER. The gentleman from Louisiana makes the point of order that there is no quorum present. It is clear that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in absentees, and the Clerk will call the roll. The question is on the motion to lay on the table a motion to reconsider the vote by which the adjournment resolution was agreed to.

The question was taken; and there were—yeas 228, nays 51, answered "present" 1, not voting 150, as follows:

YEAS—228.

Ackerman	Clarke, N. Y.	Fordney	Hickey
Anderson	Cole, Iowa	Foster	Hill
Andrews, Nebr.	Cole, Ohio	Free	Himes
Ansorge	Connolly, Pa.	Freeman	Hoch
Anthony	Cooper, Wis.	French	Hogan
Appleby	Coughlin	Frothingham	Hull
Atkeson	Crago	Fuller	Hutchinson
Barbour	Crowther	Funk	James
Begg	Cullen	Gahn	Johnson, Wash.
Benham	Curry	Gallivan	Jones, Pa.
Bird	Dale	Garner	Keller
Bixler	Dallinger	Garrett, Tenn.	Kelly, Pa.
Blakeney	Darrow	Gensman	Kendall
Bland, Ind.	Denison	Gernerd	Kennedy
Boies	Doughton	Glynn	Ketcham
Bond	Dowell	Goodykoontz	King
Bowers	Dunbar	Gorman	Kirkpatrick
Browne, Wis.	Dupré	Graham, Ill.	Kissel
Bulwinkle	Dyer	Graham, Pa.	Kline, N. Y.
Burke	Echols	Green, Iowa	Kline, Pa.
Burton	Elliott	Griest	Knight
Butler	Fairchild	Griffin	Knutson
Cable	Fairfield	Hadley	Kopp
Campbell, Pa.	Faust	Hardy, Colo.	Kraus
Cannon	Favrot	Harrison	Kreider
Carew	Fenn	Haugen	Lampert
Chalmers	Fess	Hawes	Lankford
Chandler, N. Y.	Fish	Hawley	Larsen, Ga.
Chindblom	Fitzgerald	Hays	Layton
Clague	Focht	Henry	Lea, Calif.
Lee, Ga.	Mondell	Reece	Tague
Lee, N. Y.	Moore, Ill.	Reed, W. Va.	Taylor, Colo.
Lehlbach	Moore, Ohio	Rhodes	Temple
Lineberger	Moores, Ind.	Ricketts	Timberlake
Linthicum	Morgan	Riddick	Tincher
Little	Mudd	Rodenberg	Tinkham
London	Nelson, Me.	Rogers	Towner
Luhring	Newton, Minn.	Rose	Underhill
McArthur	Newton, Mo.	Rosenbloom	Vaile
McCormick	Norton	Rossdale	Vare
McFadden	O'Brien	Ryan	Vestal
McLaughlin, Mich.	O'Connor	Sanders, N. Y.	Voigt
McLaughlin, Nebr.	Ogden	Schall	Volk
McLaughlin, Pa.	Oldfield	Scott, Mich.	Volstead
McPherson	Paige	Shaw	Walsh
MacGregor	Parker, N. J.	Shreve	Walters
Madden	Parker, N. Y.	Siegel	Watson
Magee	Patterson, N. J.	Sinnott	Weaver
Mann	Perkins	Smith, Idaho	Wheeler
Mansfield	Perlman	Smith, Mich.	White, Me.
Mapes	Petersen	Snell	Williams, Ill.
Martin	Porter	Speaks	Williamson
Mead	Purnell	Sproul	Wood, Ind.
Michaelson	Radcliffe	Stephens	Woodyard
Michener	Raker	Strong, Kans.	Wurzbach
Mills	Ramseyer	Sweet	Wyant
Millspaugh	Ransley	Swing	Zihlman

NAYS—51.

Almon	Connally, Tex.	Lanham	Sears
Aswell	Davis, Tenn.	Lazaro	Sisson
Barkley	Fisher	Lowrey	Smithwick
Bell	Goldsborough	McDuffie	Steagall
Bland, Va.	Hammer	Oliver	Thomas
Bowling	Hayden	Overstreet	Tillman
Box	Huddleston	Park, Ga.	Upshaw
Brand	Hudspeth	Pou	Vinson
Briggs	Jacoway	Quin	Williams, Tex.
Byrnes, S. C.	Jeffers, Ala.	Rankin	Wingo
Byrns, Tenn.	Johnson, Ky.	Sanders, Tex.	Woodruff
Clouse	Jones, Tex.	Sandlin	Wright
Collier	Kincheloe	Scott, Tenn.	

ANSWERED "PRESENT"—1.

Cramton

NOT VOTING—150.

Andrew, Mass.	Drewry	Leatherwood	Sanders, Ind.
Arentz	Driver	Logan	Shelton
Bacharach	Dunn	Longworth	Sinclair
Bankhead	Edmonds	Luce	Slemp
Beck	Ellis	Lyon	Snyder
Beedy	Evans	McClintic	Stafford
Black	Fields	McKenzie	Stedman
Blanton	Frear	McSwain	Steenerson
Brennan	Fulmer	Maloney	Stevenson
Britten	Garrett, Tex.	Merritt	Stiness
Brooks, Ill.	Gilbert	Miller	Stoll
Brooks, Pa.	Gould	Montague	Strong, Pa.
Brown, Tenn.	Greene, Mass.	Montoya	Sullivan
Buchanan	Greene, Vt.	Moore, Va.	Summers, Wash.
Burdick	Hardy, Tex.	Morin	Sumners, Tex.
Burroughs	Herrick	Mott	Swank
Burtness	Hersey	Murphy	Taylor, Ark.
Campbell, Kans.	Hicks	Nelson, A. P.	Taylor, N. J.
Cantrill	Hooker	Nelson, J. M.	Taylor, Tenn.
Carter	Hukriede	Nolan	Ten Eyck
Chandler, Okla.	Humphreys	Olpp	Thompson
Christopherson	Husted	Osborne	Tilson
Clark, Fla.	Ireland	Padgett	Treadway
Classon	Jefferis, Nebr.	Parks, Ark.	Tucker
Cockran	Johnson, Miss.	Patterson, Mo.	Tyson
Codd	Johnson, S. Dak.	Pringey	Ward, N. Y.
Collins	Kahn	Rainey, Ala.	Ward, N. C.
Colton	Kearns	Rainey, Ill.	Wason
Connell	Kelley, Mich.	Rayburn	Webster
Cooper, Ohio	Kiess	Reber	White, Kans.
Copley	Kindred	Reed, N. Y.	Wilson
Crisp	Kinkaid	Riordan	Winslow
Davis, Minn.	Kitchin	Roach	Wise
Deal	Klezcka	Robertson	Woods, Va.
Dempsey	Kunz	Robsion	Yates
Dickinson	Langley	Rouse	Young
Dominick	Larson, Minn.	Rucker	
Drane	Lawrence	Sabath	

So the motion to lay on the table the motion to reconsider was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. Cramton with Mr. Carter.

Mr. Treadway with Mr. Cockran.

Mr. Langley with Mr. Clark of Florida.

Mr. Stiness with Mr. McClintic.

Mr. Sanders of Indiana with Mr. Driver.

Mr. Hicks with Mr. Hooker.

Mr. Kahn with Mr. Cantrill.

Mr. White of Kansas with Mr. Bankhead.

Mr. Codd with Mr. Woods of Virginia.

Mr. Wason with Mr. Logan.

Mr. Cooper of Ohio with Mr. Deal.

Mr. Arentz with Mr. Rayburn.

Mr. Luce with Mr. Gilbert.

Mr. Osborne with Mr. Sumners of Texas.

Mr. Sinclair with Mr. Kindred.

Mr. Leatherwood with Mr. Tyson.

Mr. Robsion with Mr. Kunz.

Mr. Larson of Minnesota with Mr. Wilson.
Mr. Dempsey with Mr. Dominick.
Mr. Christopherson with Mr. Riordan.
Mr. Olpp with Mr. Montague.
Mr. Taylor of New Jersey with Mr. Rainey of Illinois.
Mr. Beedy with Mr. Black.
Mr. Campbell of Kansas with Mr. Ten Eyck.
Mr. Winslow with Mr. Tucker.
Mr. Ellis with Mr. Ward of North Carolina.
Mr. Evans with Mr. Lyon.
Mr. Johnson of South Dakota with Mr. McSwain.
Mr. Brooks of Pennsylvania with Mr. Drewry.
Mr. Colton with Mr. Crisp.
Mr. A. P. Nelson with Mr. Blanton.
Mr. Morin with Mr. Wise.
Mr. Brennan with Mr. Fields.
Mr. Summers of Washington with Mr. Stevenson.
Mr. Murphy with Mr. Humphreys.
Mr. Frear with Mr. Kitchin.
Mr. Brooks of Illinois with Mr. Sabath.
Mr. Kearns with Mr. Rucker.
Mr. Davis of Minnesota with Mr. Drane.
Mr. Reed of New York with Mr. Padgett.
Mr. Webster with Mr. Collins.
Mr. Nolan with Mr. Moore of Virginia.
Mr. Kiess with Mr. Buchanan.
Mr. Steenerson with Mr. Fulmer.
Mr. Taylor of Tennessee with Mr. Garrett of Texas.
Mr. Burtness with Mr. Johnson of Mississippi.
Mr. Yates with Mr. Sullivan.
Mr. Dickinson with Mr. Parks of Arkansas.
Mr. Hukriede with Mr. Stoll.
Mr. Strong of Pennsylvania with Mr. Hardy of Texas.
Mr. McKenzie with Mr. Swank.
Mr. Greene of Massachusetts with Mr. Taylor of Arkansas.
Mr. Beck with Mr. Rainey of Alabama.
Mr. Maloney with Mr. Stedman.

Mr. CRAMTON. Mr. Speaker, on this vote I voted "aye." I have a general pair with the gentleman from Oklahoma [Mr. CARTER], and I desire to withdraw my vote and answer "present."

The name of Mr. CRAMTON was called, and he answered "present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, the Doorkeeper will open the doors.

MOVING PICTURES, COLORADO RIVER.

Mr. SWING. Mr. Speaker, I ask unanimous consent to address the House for one minute to make an announcement.

The SPEAKER. The gentleman from California asks unanimous consent to address the House for one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. SWING. Members of the House, I would like to make an announcement that to-night at 8 o'clock in the caucus room of the House Office Building there will be a showing of moving pictures on the Colorado River and the recent floods there, and a showing of the development of the Imperial Valley along the line of presenting facts with respect to the recommendation of the Secretary of the Interior which is pending now before the Committee on Irrigation of Arid Lands regarding the plan of developing the Lower Colorado River. The picture is entitled "Putting the collar on the Colorado River." [Applause.]

CONFERENCE REPORT ON H. R. 9527.

Mr. McFADDEN. Mr. Speaker, I call up the conference report on the bill (H. R. 9527) which proposes to amend section 5136 of the Revised Statutes of the United States relating to corporate powers of associations, and so forth.

The SPEAKER. The gentleman from Pennsylvania calls up the conference report, which the Clerk will report.

The conference report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9527) entitled "An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations," having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, and 6, and the amendment of the title so as to read: "An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of ninety-nine years or until dissolved, and to apply said section as so amended to all national banking associations," and agree to the same.

L. T. MCFADDEN,
PORTER H. DALE,
Managers on the part of the House.
WILLIAM M. CALDER,
CARTER GLASS,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 9527) to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof until dissolved, and to apply said section as so amended to all national banking associations, submit the following written statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

On amendment No. 1: This amendment strikes out the word "perpetual"; and the House recedes.

On amendment No. 2: This amendment inserts the words "ninety-nine years from July 1, 1922, or from the date of its organization if organized after July 1, 1922, unless"; and the House recedes.

On amendment No. 3: This amendment inserts the word "sooner"; and the House recedes.

On amendment No. 4: This amendment inserts the word "or"; and the House recedes.

On amendment No. 5: This amendment strikes out the words "the provision of"; and the House recedes.

On amendment No. 6: This amendment strikes out the word "hereinafter" and inserts the word "hereafter."

Also the title is amended to read: "An act to amend section 5136, Revised Statutes of the United States, relating to corporate powers of associations, so as to provide succession thereof for a period of 99 years or until dissolved, and to apply said section as so amended to all national banking associations"; and the House recedes.

LOUIS T. MCFADDEN,
PORTER H. DALE,
Managers on the part of the House.

Mr. McFADDEN. Mr. Speaker, on May 23 the House considered this bill and provided by amendment that the charters of national banks should be in perpetuity. The bill went back to the Senate, and the Senate placed a limitation in the bill of 99 years, providing that when the third extension of charter expired that the charters which are renewed in the future shall be renewed for a period of 99 years. The conference Members of the House considered this matter very carefully and realizing the predicament they were in, the parliamentary situation being such in the Senate that we were forced to yield. I do not know that I care to discuss the bill further unless some Member of the House wants to ask some questions. That is practically the only proposition involved in this conference report, as the other amendments are slight and purely technical.

Mr. GARNER. As I understand, the House receded from its disagreement to all the Senate amendments?

Mr. McFADDEN. They were all minor perfecting amendments except the one in reference to the 99-year clause or perpetual charters.

Mr. GARNER. In other words, the House had no business disagreeing to the Senate amendments in the first place?

Mr. McFADDEN. Well——

Mr. GARNER. They receded from all, so I suppose there was no use disagreeing in the first place. You made a mistake, and the Senate pointed it out, and you receded.

Mr. McFADDEN. I think the House was perfectly right in what it did. The situation in the Senate was such that in order to get action on this bill now we have receded. Some charters of national banks begin to expire soon after July 1 next and unless this legislation is passed in some form these banks will have to liquidate.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. SMITH of Michigan. Does it affect those banks which renewed their charter three times or more?

Mr. McFADDEN. No; none have, but at the next maturity they can renew for a period of 99 years.

Mr. MacGREGOR. In other words, the Senate has taken the virtue out of the bill?

Mr. McFADDEN. The present charter term is 20 years. There have been two renewals since the law was enacted in 1860. In my own judgment it would be much better to have had it in perpetuity—yes the real virtue is out of the bill.

Mr. WALSH. The Senate has put a little virtue into the measure.

Mr. McFADDEN. I presume the gentleman from Massachusetts might consider it in that manner.

Mr. WALSH. Does this bill in any way affect the rights of the minority stockholders of banks which in the future desire to have their charters renewed under the provisions of this law? In other words, if these extensions were made the same as under previous extensions, the situation with reference to minority stockholders of banks seeking a renewal of charters will be the same only as to length of the term. Is that correct?

Mr. McFADDEN. That is the idea. There is a clause in the national bank act which provides for the protection of minority stockholders and the protection of all their rights.

Mr. WALSH. This does not in any way affect that other clause in the national bank act which protects the rights of the minority stockholders in the case of an extension of charter or renewal?

Mr. McFADDEN. No; it does not.

Mr. GARNER. It certainly does not because there is no such thing as extending a charter to perpetuity. There is no such thing as renewal of charter——

Mr. McFADDEN. I beg the gentleman's pardon. This is a limitation which we are accepting on this bill. The House passed a bill providing for a charter in perpetuity and the Senate put on a limitation of 99 years. This proposition is to accept the limitation which the Senate proposes of 99 years.

Mr. GARNER. I understand at the end of the 99 years if the gentleman from Massachusetts owned 34 per cent of a national bank and they desired a renewal they would have to get his consent.

Mr. McFADDEN. It does not work that way, because he is the minority and the majority rule. He has the right of the protection of the law for 99 years.

Mr. GARNER. Suppose, however, that the gentleman from Massachusetts was president of the bank at the end of the 99 years and undertook to renew the charter, and he owns 34 per cent of the stock, they can not renew that charter without his permission.

Mr. McFADDEN. No; they can not; the law requires the consent of two-thirds of the amount of stock to renew.

Mr. WALSH. Mr. Speaker, the gentleman's solicitude is very gratifying, but he need never fear that any such situation will arise, as far as this gentleman from Massachusetts is concerned.

Mr. HIMES. Will the gentleman yield?

Mr. McFADDEN. I will.

Mr. HIMES. As a matter of interest, will the gentleman give the idea of the Senate conferees in limiting this to 99 years and not making it in perpetuity? What was their argument?

Mr. McFADDEN. My understanding from the debate was that the Senate was loath to give a perpetual charter to any institution. In other words, they felt that they should continue to hold those rights and not give any rights away in perpetuity.

I yield one minute to the gentleman from Pennsylvania [Mr. CONNOLLY].

Mr. CONNOLLY of Pennsylvania. Mr. Speaker, I desire to speak to the House out of order in reference to having an article of my colleague from New York [Mr. RYAN] read into the RECORD.

The SPEAKER. The gentleman asks unanimous consent to address the House for one minute. Is there objection?

Mr. CONNOLLY of Pennsylvania. Mr. Speaker, I desire to have read into the RECORD an article by my colleague, the Hon. THOMAS J. RYAN, of New York, and have it printed in 8-point type.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks by printing in 8-point type an article, which the Clerk will report by title.

Mr. WINGO. Reserving the right to object, what is it about?

Mr. CONNOLLY of Pennsylvania. Mr. RYAN has introduced a bill in reference to the Ku-Klux Klan, and has written an article in reference to that subject.

Mr. WINGO. What is it on?

Mr. CONNOLLY of Pennsylvania. On the Ku-Klux Klan.

Mr. WINGO. What is the gentleman's idea to include—the gentleman's own remarks?

Mr. CONNOLLY of Pennsylvania. It is an article written by my colleague from New York [Mr. RYAN].

Mr. WINGO. Mr. Speaker, we know that if we will permit the insertion of such articles the RECORD would be flooded from both sides. I feel I ought to object, even if gentlemen on the other side do not.

The SPEAKER. The gentleman from Arkansas objects.

Mr. McFADDEN. Mr. Speaker, does the gentleman from Arkansas desire some time?

Mr. WINGO. I would like 20 minutes.

Mr. McFADDEN. I yield 20 minutes to the gentleman.

Mr. WINGO. And I yield one minute to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Speaker, my constituents are very much interested in the proposed tariff on sugar, and in that connection I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from Maryland asks unanimous consent to extend his remarks on the subject of tariff on sugar. Is there objection? [After a pause.] The Chair hears none.

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

Mr. GOLDSBOROUGH. Mr. Speaker and gentlemen of the House, an Arabian proverb has it that—

Wisdom is made up of ten parts, nine of which are silence and the tenth brevity of speech.

I am not going to talk very much—it is a pity that it is necessary to talk at all about the duty on sugar. Sugar is not a luxury which will cast its burden of duty on the rich who will not feel it. The poor man's coffee requires sugar; the bread which feeds the family of the toiler is made with sugar; the modest pudding or pie which helps out so much the ordinary steady diet would not be fit to eat without sugar; the glass of cool, refreshing drink in the home or at the soda fountain would be worse than tasteless except for sugar; the ices of summer, the cake for the children's school lunch basket, the custards, and most of the delicate nourishments for the sick and infirm could not be produced without sugar; in every home, no matter how humble or destitute, sugar is a necessity; and yet the duty on sugar is being boosted to a hitherto unknown height, and in a way which will cost the American people around $100,000,000.

We consume 9,000,000,000 pounds of sugar a year. Every bit of duty is reflected in the retail price of sugar; so an increase of 1 cent a pound in the tariff on sugar means a charge on the American people of $90,000,000.

Under the Underwood tariff the duty, to be absolutely accurate, is 1.256 cents a pound; our reciprocal treaty with Cuba favors her with a 20 per cent tariff reduction, making a tariff on Cuban sugar by the Underwood tariff of 1.0048 cents a pound.

The Underwood tariff would have eventually put sugar on the free list, where it belongs.

The rate in the new bill is 2 cents a pound, or 1.60 cents on Cuban sugar, and the program is to wait until debate is closed in the Senate and then insert a duty of 2.625 cents a pound, or 2.1 cents on Cuban sugar.

If the majority can accomplish this, they will add to the price of sugar the difference between 1.0048 cents a pound and 2.1 cents a pound, or 1.0952 cents, which on the 9,000,000,000 pounds of sugar annually used by the people of this country amounts to $98,568,000.

And what do you suppose is the argument of the richly clad, plausible, and smiling gentlemen who do obeisance to the Sugar Trust and are camped around the Capitol of the United States? Why, that this tariff is necessary to save them from bankruptcy. Do you get that clearly? To save them from bankruptcy.

The American Sugar Refining Co. since 1891 has never paid a dividend of less than $6,075,000. In 1918 and 1920 its dividend was $7,650,000; this company has paid annual dividends of as much as $13,050,000.

The Great Western Sugar Co. has paid 7 per cent on $15,000,000 of preferred stock since its organization in 1905, and in addition to dividends of from 5 to 7 per cent on $15,000,000 more of common stock declared a 42 per cent stock dividend in 1916, increasing thereby its common stock to $21,300,000, and on this common stock paid a dividend of 30 per cent in 1917, 40 per cent

in 1918, 40 per cent in 1919, and 40 per cent in 1920 (the 1921 figures are not accessible), so that on a capital of $15,000,000 the Great Western paid to its stockholders $7,440,000 in 1917, $9,570,000 in 1918, $9,570,000 in 1919, and $9,570,000 in 1920.

According to the report of the Federal Trade Commission in 1917, 98 per cent of the beet-sugar industry averaged 11 per cent net earnings on capitalization. The commission found also that many of these concerns were greatly overcapitalized.

And now, Mr. Speaker, with the permission of the House, I am going to give you the names of a few notables among the sugar lobby, together with a few marks of identification, so that you will know them as they meet you outside of this Chamber when their labors on the Senate side are over and they attempt to operate on this body after the tariff bill goes to conference. C. C. Hamlin is the bell wether of the herd; he is the special delegate of the "United States Sugar Manufacturers' Association," its former name being the "United States Beet Sugar Industry Association." In 1913, during the Senate investigation of lobbying scandals, he was shown to be receiving a salary of $15,000 a year as a lobbyist for the above-mentioned "United States Beet Sugar Industry Association."

The Michigan Sugar Co. is a concern in which the American Sugar Refining Co. holds a large stock interest. H. R. Hathaway, of Detroit, secretary and treasurer of this company, is also camping on Capitol Hill now, and is among the number haled before the Senate committee in 1913.

We are also favored with the engaging presence of W. D. Lippitt, of Denver, Colo., vice president and general manager of the Great Western Sugar Co., in which company also the American Sugar Refining Co. has a large stock interest.

The American Sugar Refining Co. at one time owned a 34 per cent stock interest in the Menominee River Sugar Co., of Michigan, and the unctuous face of George W. McCormick, its treasurer and general manager, can be seen any day far from home in the American Capital.

A. E. Carlton, one of the sugar lobby, is president of the Holly Sugar Corporation, Colorado Springs, one of the largest beet-sugar producers. I find that James H. Post and T. A. Howell are two of the directors of this company and that, strange to say, they are also president and vice president, respectively, of the National Sugar Refining Co., of New Jersey, another corporation in which the American Sugar Refining Co. holds a large stock interest.

From far away Honolulu comes Royal D. Mead, whom we had with us also in 1913, an unwelcome visitor as a part of the Sugar Trust lobby.

In 1913 Henry T. Oxnard admitted before the Senate investigating committee dispensing nearly $1,000,000 in propaganda against free sugar; he admitted also being one of the authors of a pamphlet known as "Sugar at a glance," sent broadcast over the country under the franking privileges of Senators LODGE, SMOOT, and CURTIS.

"Sugar at a glance" led to charges being brought by the Post Office Department that the high senatorial privilege was being abused in behalf of private interests.

During the preparation of the sugar schedule for the pending tariff bill this same Henry T. Oxnard has been lobbying in Washington, representing the American Beet Sugar Co., in which the ever-present American Sugar Refining Co. holds a large stock interest.

Mr. Speaker, sugar is Cuba's one sustaining crop; we have been her best customer. This proposed tariff will make it impossible for Cuba to compete—the differential between the cost of production in Cuba and this country being only about 1 cent a pound—and will strike Cuba an almost mortal blow. Cuba has been our fifth best customer. In 1920 Cuba bought $500,000,000 of American farm products and other goods. If this tariff bill passes in its form as proposed, where will Cuba get the $500,000,000 to buy our products?

George Eliot once said of some one she heard speak: "I imagine it is his fortune, or rather his misfortune, to have talked too much and too early about the greatest things."

Mr. Speaker, if of these remarks, and those recently made by me upon the "cotton" schedules of the tariff bill, it is said by some that I have talked too much or too early about important legislation, it may be proper to suggest that I have given concrete facts, names, and figures; if I am accurate in statement, the "cotton" and "sugar" schedules in the pending tariff bill are an indefensible attempt to make hard and ever harder the lot of that great part of our people who are climbing the long, long hill of poverty and of need.

Mr. WINGO. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Speaker, I ask unanimous consent to speak out of order.

Mr. WALSH. What is the gentleman going to speak on?

Mr. RAKER. In regard to pending legislation before the committee of which the gentleman from Washington [Mr. JOHNSON] is the chairman, and the "gentleman from California"—myself—is also a member, on immigration.

Mr. MONDELL. Mr. Speaker——

Mr. KNUTSON. Is it a campaign speech?

Mr. RAKER. It is in regard to the question of immigration. Exceedingly important legislation in which the whole country is vitally interested.

Mr. MONDELL. Mr. Speaker, we have conference reports before the House that ought to be disposed of. There are a great many Members of the House who desire to address the House on subjects other than matters that are before the House, and such gentlemen have been told they must wait until the business of the House is disposed of. It does not seem to me fair at this stage of the game for the gentleman from California to ask to occupy the time of the House on matters that are not before the House at all.

Mr. RAKER. Let me call the gentleman's attention to this. I have taken but little time of the House, and this is a matter of great importance.

Mr. MONDELL. Mr. Speaker, I shall have to object to discussion of any matters not before the House.

Mr. RAKER. Mr. Speaker, I ask unanimous consent that I may revise and extend by remarks on the bills introduced, one by Mr. JOHNSON of Washington, H. R. 12169, and one by myself, H. R. 12193.

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

Mr. RAKER. Mr. Speaker, I yield back the balance of my time.

Now, what I wanted to say to the House was in regard to these two bills. On June 26, 1922, Mr. JOHNSON of Washington, chairman of the Committee on Immigration and Naturalization of the House, introduced H. R. 12169, "A bill to limit the immigration of aliens into the United States." On June 27, 1922, I introduced H. R. 12193, "A bill to limit the immigration of aliens into the United States."

I am a member of that committee and have been for over 10 years. H. R. 12193 limits the number of aliens admissible under the immigration laws in any fiscal year to 2 per cent of the number of foreign-born persons of any nationality resident in the United States, as determined by the United States Census of 1910.

One of the vital and important provisions of this bill (H. R. 12193) is that which relates to ineligible aliens, which reads as follows:

That no alien ineligible to citizenship under the laws of the United States shall be admitted to the United States.

The bill also provides for the elimination and abrogation of what is known as the "gentlemen's agreement."

When the joint resolution which was passed by both Houses and finally approved on May 11, 1922, was under consideration by the committee of the House, it was determined to pass over at that time the two important questions last above referred to.

The Johnson and Raker bills are not identical, but there is one provision that is vital and which will be disposed of by whichever bill the committee may finally act upon, and that is the question of prohibiting hereafter the admission of all aliens ineligible to citizenship under the laws of the United States and doing away with the "gentlemen's agreement."

I am justified in saying that pending the recess, and by the time Congress begins the regular session in December, the Committee on Immigration will have prepared and ready to present to the House a bill which will carry out, in addition to other matters, the two particularly important matters above referred to. I want to take this opportunity of saying that, having been a member of this committee for over 10 years, associated with the gentleman from Washington [Mr. JOHNSON], the committee's chairman, I can with safety and assurance say that the country has a safe representative in regard to immigration legislation in the person of our chairman, Mr. JOHNSON, and that he will do all in his power and, with the aid of the other members of the committee, will be able to present to the House early in December, for the House's consideration, an immigration bill carrying out the views now demanded by the American public, and which bill will carry a provision abrogating what is known as the "gentlemen's agreement," and a further provision that no alien ineligible to citizenship under the laws of the United States shall be admitted to the United States.

I am most happy to inform the House and the country of that fact, as this is what I have been standing for, laboring incessantly, in season and out of season, to bring about such

legislation, and I confidently believe that before the close of the Sixty-seventh Congress we will see this most important piece of legislation enacted into law and placed upon our statute books.

One who has been in this contest for many years fully appreciates what this means to the West in particular and to the United States in general. It will settle once and for all a complicated and vexatious question in the right way, and one which should have been disposed of years ago. It will avoid any possible friction between America and foreign countries and the people of such foreign countries as may be affected by such legislation. The sooner that this is done the better. I hope in the near future to amplify the matter here briefly referred to.

Mr. WINGO. Mr. Speaker, I appreciate the desire of the gentlemen who are responsible for the conduct of business to expedite matters, and I shall not use all the time. Frankly, I am not interested in the controversy between the House and the Senate, which is the difference between a charter in perpetuity and one for 99 years. The Senate probably, in its wisdom, can make a distinction between 99 years and the perpetuity of a charter, and I do not complain of my colleagues on the conference committee who have yielded to that fine distinction of the Senate. I declined to sign the conference report because I am against it for another reason. The pending bill, which is covered by the conference report, is one that changes the policy of the Government with reference to charters of national banks. In 1864 the original act included a provision which is known as second in section 5736 of the statute. That is the provision that is amended by this bill. As originally passed, that paragraph of the section referring to charters of national banks reads as follows:

To have succession for a period of 20 years from its organization unless it is sooner dissolved according to the provision of its articles of association, or the act of its shareholders owning two-thirds of its stock, or unless its franchise became forfeited by reason of a violation of the law.

While the original bank act contained a provision reserving to Congress the right to alter, amend, or repeal the general law, there was no specific limitation with reference to a charter. Once granted, and vested rights having grown up under that, it was contended by some gentlemen during that first 20 years, when there was an effort made by those who opposed national banks to curtail their terms, that Congress had reserved only the general right to amend the law and granted a vested charter term of 20 years.

Mr. WALSH. But was not the act subsequently amended in the customary clause relating to altering, amending, or repealing, near the end of the act?

Mr. WINGO. I was going to come to that in sketching the history of the legislation on this subject covered by three acts. My object is to get a consecutive statement of the history of this in the RECORD, because it may become a question in the future if Congress seeks to cut down the term from 99 years to a shorter term.

In 1882, when the first 20 years was about to expire, Congress passed what was known as the extension of the corporate existence of the national bank act, which provided for a further extension of 20 years; but owing to controversies that had arisen Congress sought in the act of 1882 to settle the controverted questions.

I shall not take the time to read all of that, but I will insert it in my remarks, and I will read only that part to which I wish to direct specific attention and about which the gentleman from Massachusetts [Mr. WALSH] has just inquired. After putting on certain limitations and restrictions, it winds up with this—understand it is referring to corporate charters, not to general acts and general organization of banks:

That the succession shall continue—

That is, the succession of the charter, not the national bank act—

shall continue unless sooner dissolved according to the provisions of articles of association, or the act of its shareholders owning two-thirds of its stock, or unless its franchise became forfeited by reason of a violation of the law.

That was the old act, and then they added these words to meet the contention that had arisen:

Or unless hereafter modified or repealed.

What was to be modified or repealed? The charter, not the general banking law governing national banks. We reserved the specific right to modify the vested charter life of each bank if Congress saw fit.

Now, when the next 20-year period was about to expire again, in 1902——

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

Mr. WINGO. Yes; I yield.

Mr. WALSH. Is there not a further provision in that very act, at the very end of it, with reference to the right to alter, amend, or repeal the act?

Mr. WINGO. No. That act simply covered the question of extension, and it carried in the conclusion of it the language which I have read; and it was contended then that that was not necessary, because the general law carried the right to alter or amend the general statute, and this had solely to do with the charter life of the banks, and that Congress having reserved specifically the right to modify or repeal its charter or succession, that was sufficient.

Now, in 1902, when the 20-year period was about to expire, Congress passed another act for 20 years, and that act specifically stated—and I shall set it out in my remarks—that they should continue to possess that same right for 20 years under the limitations of the act of 1882.

Now that 20 years is about to expire again and this bill was introduced for the purpose of giving a further extension of charters to national banks. As to the question of the right of a bank to have its charter for 99 years after this act is passed, without the right of Congress to cut it down, of course, Congress could, after the passage of this act in its present language, amend the law so as to apply to a succession granted afterwards, or new banks chartered afterwards. But it is contended by reputable attorneys that the bank whose succession is extended for 99 years after the act is passed has a charter irrevocable for 99 years, except in the manner provided in the extending statute, and that extending statute, according to the provisions of this bill, does not contain the right specifically to alter, modify, or amend. You may revoke it entirely by destroying it, in the specific case of each specific charter, or by an omnibus bill you might name 50 different banks; but this bill has to do with the charter of banks under the general law governing national banks, and the question would arise on each and every specific charter of every bank extended under this act. By carefully reading this bill you will see that it carries the customary provision as to two-thirds of the stockholders, and as to the forfeiture by reason of the violation of the law, or that its charter shall be terminated hereafter by act of Congress.

Now that contention is met with this argument: That the right to terminate it and take away from it its charter entirely carries with it the right to amend the charter in subsequent legislation, if Congress should see fit to legislate otherwise hereafter. This question was specifically raised by me both in the House and in conference, and the conferees and those who are opposed to my viewpoint, some of them, frankly admit that they do want to put the charter life of the national banks beyond the control of Congress for 99 years in the case of each particular bank. They say it is necessary in order for them to act in a particular fiduciary capacity. I say it is not. I say if Congress, 20 years from now, wants to amend by general statute the charter existence of national banks, it should reserve to itself the right to restore the old 20-year bank charters; and even if it had granted a succession for 99 years, its charter life should expire in 20 years, or 50 years, or in whatever period might be fixed by the act of a subsequent Congress. That is the reason why I was opposed to signing the conference report.

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

Mr. WINGO. I yield to the gentleman from Massachusetts.

Mr. WALSH. Is it the gentleman's contention that if the Sixty-ninth or Seventieth Congress should see fit to repeal the national banking act, this law, if it becomes a law, and all other legislation pertaining to national banks and their charters, these banks could continue then to do business under their charters for 99 years?

Mr. WINGO. No, I do not, because you reserve the right to terminate them. But the gentleman knows as a practical proposition we are not going to abolish the national banking system, and the only policy that will be retained by Congress in the future with reference to them is their regulation and the life of their charters. Those will be the two things. This Congress refuses to reserve the right to modify the charter existence, and says that the sole right we reserve on that question is the right to take the charter away entirely by a specific act.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. WINGO. I yield to my friend from Michigan.

Mr. SMITH of Michigan. Does this in any way change the authority of the Comptroller of the Currency to close up a bank and revoke its charter for cause?

Mr. WINGO. Oh, no. It carries the customary provision with reference to minority stockholders and with reference

to forfeiture by reason of violation of law. But I suspect that the gentleman from Michigan, good banker as he is, has the same erroneous idea that a great many others have, that the Comptroller of the Currency can easily close up a national bank and put it out of business.

Mr. SMITH of Michigan. I know that he has a good deal of authority.

Mr. WINGO. When this matter was up before, I called attention to the fact that a former Comptroller of the Currency, it was charged by a Member on this floor, was persecuting him and trying to close up his bank. You remember the controversy on the floor here. Yet that Comptroller of the Currency, with all the power he had, was not able even to have a receiver appointed for that Member's bank, and he had to give him a renewal of his charter, because the attorney for that comptroller advised him that he could not arbitrarily refuse to grant an extension of the charter, but that he had to have good reasons for doing so, as the Congress had fixed the general policy.

Mr. SMITH of Michigan. I am in harmony with some of the gentleman's views. I do not think that it injures a bank to be examined, and I see no reason why 20 or 30 years is not a pretty long time for the charter to run.

Mr. WINGO. There is only one reason for this. That is the movement on foot to destroy State banking systems in the United States and to turn the national banking system into a branch bank system and to give charters in perpetuity. Then, as the charters of country national banks expire, the Comptroller of the Currency can say, "No; I will not renew your charter, because across the street is the branch of a powerful bank only 50 miles away in a great center. That powerful bank," the comptroller would say, carrying out the announced argument of those who advocate that system, "will be more able to take care of your community than your local bank." This, as I pointed out once before, is but one step in that movement which is being steadily made to establish branch banking in the United States. I do not believe that they will be able to put it over without a very vicious fight. Your present comptroller denies that he has made any ruling, but as a matter of fact he has permitted the Riggs National Bank, in the city of Washington, to establish branches in this city. He has permitted a bank in St. Louis to establish branches in that city; and if he has authority to grant permission to have branches inside the corporate limits of a city, he has authority to grant permission to have branches within the county limits in which a bank is operating. Congress heretofore has refused upon more than one occasion to pass a bill that was recommended by the Committee on Banking and Currency to authorize what the comptroller is now permitting the Riggs National Bank and the bank in St. Louis to do. I do not refer to these banks in any way that reflects upon them. I do not blame them. If I were they, I would do what they are doing; but it is the duty of Congress in the very beginning of that movement to check it and to say that independent banking in this Nation shall not be destroyed; that the best banking system is that which is made up of local directors and stockholders, and that this system of branch banking is vicious; that it is nothing but legalized chain banking, which every honest, sincere banker is trying to drive out of the United States. The only reason why I entered my protest the other day on this matter, and the only reason I call attention to it now, is to keep up the fight against the movement to establish branch banking. I suggested to the conferees, "While you may exceed your authority, if no point of order is made on it, why not make it certain by putting in the words 'alter, amend, or repeal'?" They went off and spent a week or two consulting and consulting, and finally they came back. I do not know what they did in their last session. I was not present. For some reason they refused to put in explicit language their admitted intent. I warned them the language meant otherwise, and that gentlemen wanted it to mean otherwise, and so told me in trying to meet my objections to it. Of course, you will vote for the conference report. I am going to keep my record straight and vote against it. I am going to oppose every step that is taken in the movement to set up branch banks in this country. You may not agree to-day, but there are men on this side who now smile and say there is nothing to it who in their lives as Members of this Congress will see that I am right. You would realize it if you had the literature that I have and the addresses of bankers in this country that I have in my files who frankly admit they are advocating this very system. Go and read the testimony of the Comptroller of the Currency and my examination of him before the committee.

Go read the testimony of Eugene Meyer and my cross-examination of him. No movement can be laughed at that is supported sincerely and sincerely believed by men like the present comptroller and Eugene Meyer and other great bankers I can name who have talked with me and say that I am wrong. The experience of branch banking shows that they absorb the resources of small communities.

Mr. LINTHICUM. Will the gentleman yield?

Mr. WINGO. Yes.

Mr. LINTHICUM. Is not there also a tendency for the larger banks to buy the smaller banks and make them into branch banks?

Mr. WINGO. Certainly, and I do not blame them. If I were a banker I would recognize the selfish interest, the selfish profits that can be made by having my bank reach out and get every bank it can. It is no reflection on the banker, but it is a reflection on Congress that it sits by and permits, step by step, this program to be carried out.

Mr. McFADDEN. Mr. Speaker, the gentleman criticizes the conferees for inserting matters not in controversy in the bill. The question that is raised is purely technical. The conferees went into it carefully, and we had advice from competent authority that we were not taking from the law any of their rights. I yield to the gentleman from Kansas [Mr. LITTLE].

Mr. LITTLE. Mr. Speaker, there are numerous inquiries about the bill (H. R. 12) to establish a code of laws for the United States. I ask unanimous consent to extend my remarks by printing a brief statement concerning it.

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

Mr. WINGO. Reserving the right to object, what is the subject of the gentleman's remarks?

Mr. LITTLE. I say there are some inquiries about the bill (H. R. 12) to establish a code of laws for the United States, and I wish to print a brief statement concerning it.

Mr. WINGO. I have no objection.

The SPEAKER. Is there objection?

There was no objection.

Mr. LITTLE. Mr. Speaker, Members of the House have made considerable inquiry as to House bill 12, the bill to make a code of the laws of the United States, and before adjournment I am saying a few words with regard to it. That bill passed the House by unanimous vote on May 16, 1921. Some weeks later the Departments of Agriculture and the Navy offered suggestions of amendments. As soon as I learned of it I took the matter up with the legal department of the Department of Agriculture, and that department and the committee agreed on 15 perfecting amendments of minor importance, and all the others were withdrawn.

After considerable difficulty the committee got in touch with the Department of the Navy and with its attorneys went over the suggestions made by that department. Most of their suggestions were canceled, the committee agreed to some of them as being perfecting amendments, and the others are now practically disposed of by further agreement.

The House Committee on Revision of the Laws has forwarded these suggestions of amendment to the Senate Committee on Revision of the Laws. Having made the original code, we offered these suggestions as proper for amending the bill.

We have suggested to the Senate committee that a subcommittee will be glad to appear before that committee and present the reasons for the suggestions, if it is so desired, or that our committee will be glad to meet in joint committee with them and run over the few propositions that are open, which could be disposed of at any time in a few days.

Professor Wigmore, author of Wigmore on Evidence, has said of the bill that since this bill is completed there is no longer any reason why the United States laws should be continued at all in their present confused condition, and has given the bill his high approval, and many great lawyers have united in its support.

In the records of the last National Bar Association the statement is made that their committee on such matters had a hearing and presented some suggestions to the Senate committee. I have a letter from ex-Senator Wolcott, of Delaware, who was on the Revision of Laws Committee of the Senate in the Sixty-sixth Congress, in which he states that the committee had no hearing in the Sixty-sixth Congress. I have a letter from the chairman of the present Senate committee, written since the National Bar Association met, in which he states that that committee has had no hearings. So far as I am able to learn, the committee of the National Bar Association has never made one single, solitary challenge of any section of the book. There is no reason why the bill can not be passed to-morrow, so far as I have heard.

In the Sixty-sixth Congress, in addition to the usual fund, the House was good enough to authorize the committee to spend $9,000 to complete the work. I found that that amount was not needed and returned to the House contingent fund about one-third of it, amounting to about $3,500. In the present Congress some work has been done examining the bill, looking over possible mistakes, as well as going over every suggestion that has been made concerning it that could be reached, but I thought best to await the action of the Senate committee before going extensively into the work again.

If I had known that the delay would have lasted for a year and some months, I should have proceeded with the Code for the District of Columbia, as the committee did in 1874, and have had it done by this time, and we would be where we were in 1874 when all the laws of the United States were available to all its people for the only time in its history.

Herewith I present a letter from the Clerk of the House giving a statement of our funds that the House may know some of the economies practiced. The Committee on Revision of the Laws has been the most economical committee in the history of this Congress:

MAY 18, 1922.

Hon. EDWARD C. LITTLE,
Chairman Committee on Revision of the Laws,
House of Representatives, Washington, D. C.

MY DEAR COLONEL LITTLE: Replying to your verbal inquiry I am pleased to inform you that the records of this office show that in the exercise of your authority under the law to place one or two clerks on the roll within the clerk hire allowance appropriated for by Congress, since July 1, 1919, you have not availed of the lawful privilege of making designations which would have absorbed $850 (representing the so-called bonus). In other words, that much money—$850—has not been paid out but has been saved by reason of the manner in which you have used your clerk-hire allowance.

I beg to further inform you as follows concerning expenditures of the Committee on Revision of the Laws, of which you are chairman: Pursuant to resolutions adopted by the House authorizing that committee to incur expenses within certain limits in the Sixty-sixth Congress your committee was authorized to expend $9,000. Of this amount $5,793.82 was expended, leaving an unexpended balance of $3,206.18. In the Sixty-seventh Congress, that is the present Congress, your committee was authorized to expend $5,000, of which amount $595 only has been expended, leaving an unexpended balance of $4,405, or a grand total of unexpended balances for the Sixty-sixth and Sixty-seventh Congresses of $7,611.18. This, together with the $850 saving of the bonus, aggregates $8,461.18, which you in your individual capacity and as chairman of the Committee on Revision of the Laws have saved in the three years last past.

Very truly yours,

WM. TYLER PAGE,
Clerk, House of Representatives.

A very great addition to the force of the committee was my own secretary who, in addition to doing my personal work, gave many days and nights to the work of the code without charge. That lady has been my secretary for a quarter of a century, and I should fail to do justice to an industrious worker if I did not call your attention to the Review of Reviews for March, 1921, which said of her:

The chairman drafted his wife into the service, and together they began the task of preparing copy. * * * For a year and a half Colonel and Mrs. Little worked steadily with the 10 revisers who were scattered over the country. * * * There seldom was an evening when the lights of Room 109 did not stream out across New Jersey Avenue until near midnight.

Without her experienced, constant, and invaluable aid, I could not have completed that work in one Congress.

In addition to the care with which the funds assigned to the chairman of this committee have been handled, he has been able to effect great savings in other directions incidental to the work of preparing the code. If you will turn to the CONGRESSIONAL RECORD for April 10, 1920, in the speech of Congressman SLEMP, presenting to the House the fortification bill, you will find the following:

Mr. LITTLE. Every year for 32 years there has been an appropriation for a Board of Ordnance and Fortification. Some time ago, as chairman of the Committee on Revision of the Laws, while engaged in that work I discovered that there never had been any authorization for that appropriation. I called the attention of the Secretary of War to that fact, and after careful consideration he informed me that they would manage to get along without the Board of Ordnance and Fortification, and that he would not ask for any appropriation for that purpose. May I ask the gentleman what has been the result of that?

Mr. SLEMP. I will say in reply to the gentleman that the War Department withdrew the estimate of $58,500 for that board for the coming fiscal year and will return to the Treasury Department the unexpended balance in that fund of $230,000, or a total of $288,500, so that the gentleman is responsible for saving to the Treasury $288,500.

Mr. MONDELL. That is worth while.

Mr. William H. Webb, who soldiered in France, is the excellent and industrious clerk of the Committee on Revision of the Laws, and Marion Hiser is his useful assistant. The reviser in the committee's employ is a young lawyer, a graduate of the University of Kansas and of the Yale Law School, Capt. Wint Smith, of Kansas, who held that office in the Forty-seventh Regulars in France, fighting at the Marne, the Aisne, the Vesle, and the Argonne, wounded twice in action. At close quarters in the Argonne an enemy machine-gun man shot Captain Smith through the left arm as he grasped the other's gun, and Smith drove his bayonet through the man, being recommended for the distinguished service cross. He is very well equipped for the work he is now doing.

Mr. RAMSEYER. Mr. Speaker, I have prepared some remarks upon how the next war must be financed, taking two paragraphs out of the President's inaugural address as my text, and I ask unanimous consent to extend my remarks on that subject in the RECORD.

The SPEAKER. The gentleman from Iowa asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

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

Mr. RAMSEYER. Mr. Speaker, a few weeks ago I carefully reread, paragraph by paragraph, President Harding's inaugural address and his first message to Congress. In those two remarkable addresses the President outlined with some detail his policies—both foreign and domestic. Other Members on the floor of this House have ably reviewed the achievements of this administration. At this time I shall not address myself to such a review. The record speaks for itself and meets with the generous approval of fair-minded men and women everywhere.

TWO PARAGRAPHS OVERLOOKED.

With the exception of two paragraphs contained in the inaugural address, every candid reader of the two addresses to which I referred will arrive at the conclusion that the policies and suggestions for legislation outlined in those addresses have been carried out by the President and Congress or efforts are now being made to carry them out. The paragraphs that I have in mind as constituting an exception read as follows, to wit:

If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination; but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation.

Out of such universal service will come a new unity of spirit and purpose, a new confidence and consecration, which would make our defense impregnable, our triumph assured. Then we should have little or no disorganization of our economic, industrial, and commercial systems at home, no staggering war debts, no swollen fortunes to flout the sacrifices of our soldiers, no excuse for sedition, no pitiable slackerism, no outrage of treason. Envy and jealousy would have no soil for their menacing development and revolution would be without the passion which engenders it.

The President has written in these two paragraphs the strongest indictment of our unscientific, unjust, and inequitable system of financing the war operations during the World War that has ever been called to my attention. The President says in substance that "if * * * war is again forced upon us," he wants—and the Nation should have—a system of financing the war, so that "not one penny of war profit shall inure to the benefit of private individual, corporation, or combination." It is evident that the President is against war profits in any shape or form—not even "one penny of war profit shall inure to the benefit" of anybody. Is it possible and practical to conduct war without war profits and war profiteers? The President is both practical and honest, and if in his judgment it were not practical and possible to so conduct war he would never have suggested that war should be conducted without war profits.

CONSCRIPTION OF BOTH MEN AND PROPERTY SUGGESTED.

I quote again the President's language. Remember, Mr. Harding is not a dreamer nor a theorist. Only things possible and practical are by him presented to Congress for consideration. He says:

I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civil, the individual is best fitted.

That is the selective draft. In event of another war we will go to conscription of men and possibly women also without a quibble. The policy of conscription of men was definitely settled as a national policy during the World War. In the next war that policy will be adopted and accepted by the people without question.

During the late war a few of us believed and advocated that the policy of conscription should apply to property as well as to men. The voice of those advocating the conscription of property and the elimination of war profits was as a voice crying

in the wilderness. It fell upon the deaf ears of those who had charge of framing revenue legislation. Little did I think at the time that so soon there would come "one mightier than I after me," take up the cause, and from the exalted position of President of the United States, submit the selfsame policy to the serious consideration of the Congress and the country. In proof whereof I quote from the inaugural address. In the second clause of the sentence, of which I just quoted the first clause suggesting selective conscription be applied to men and women, the President continues on property as follows: "Where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country" without "one penny of war profit." Call this conscription of property or commandeering property or the Government taking over and supervising the property of the Nation for war purposes—call it whatever you may, it is a radical departure from our attitude toward property during the war. It means that the Government will require property to be placed at the disposal of the Government by its owners without hope of war profits, just as men are drafted into the service without hope of financial reward. Who will dare to rise in his place and say that that is not as it should be?

WAR PROFITS INDEFENSIBLE.

During the late war there was a great deal of suppressed discontent because of the feeling and knowledge that something was inherently wrong—I use the President's language—"when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation." That something is inherently wrong with such a situation requires no demonstration. Upon the authority of a United States Senator during the war under the last administration, 23,000 new millionaires were made. Upon the authority of another United States Senator—a Democratic Senator who was very close to the last administration, and therefore ought to know—the Government claims against war grafters amount to billions of dollars. I can not vouch for the accuracy of these senatorial statements. Undoubtedly they contain much truth.

If the late war had been conducted without "one penny of war profit," as a few of us then advocated and as the President now advocates for the next war, there would not now be any necessity for the Woodruff-Johnson resolution. We would not now have on our hands all that stench, that smells to high heaven, about war graft and war grafters that flourished during the late war.

LIFE OF THE REPUBLIC THREATENED.

What are the results of the reckless, unjust, and inequitable systems of war finance such as were in force in this and other countries during the late war? For answer I cite you to the second of the two paragraphs I have quoted from the inaugural address. Because we did not have a system of war finance during the late war which the President advocates for the next war we did not have at all times that "new unity of spirit and purpose" which the President visions for the next war. Following the war we had and still have "disorganization of our economic, industrial, and commercial systems." We have "staggering war debts." Our national debt was increased from $1,000,000,000 to $26,000,000,000. The national debts of the world increased from $43,000,000,000 in 1913 to $400,000,000,000 in 1921. We have "swollen fortunes to flout the sacrifices of our soldiers." Ask any soldier for his thoughts on the men who profiteered while he was fighting in the trenches. We have had "sedition," "slackerism," and "treason," and the passions of revolution were engendered in many countries.

War grafters and war profiteers by their acts during the late war did more to shake the foundations of popular government and the institution of private property than long-haired radicals, socialists, and Bolsheviki had done by their talk for a hundred years. How will the ordinary man feel or think toward his Government when his legislators do not prohibit or his executives overlook or condone the acts of those who take undue advantage of the necessities of the Nation during the stress of war? Men must learn to realize that property as well as men must serve the Nation at war. Heretofore the greed of men had made a distinction to the advantage of owners of property. Good citizens are alarmed, and rightly so, at the growth of radical thought. Much of such thought thrives on injustice. The enactment into law of the President's suggestions to finance wars will overcome more radical thought than all repressive legislation enacted or proposed to be enacted. The people will not endure injustices. There is a limit to the people's patience. They will strike back in this country with the ballot. Every time the Oil Trust boosts the price of gasoline a cent it adds to or multiplies the votes of the most radical candidate in the field.

You know the President's recommendations for financing the next war. If you don't, read the paragraphs to which I called your attention and inform yourselves. That policy is absolutely sound. You also know the old adage, "In time of peace prepare for war." The time to act is now. Unless we enact in time of peace legislation for financing the next war on the basis of no war profits, it will not be done when the excitement of the next war is on.

LEGISLATION PROPOSED.

I am deeply interested and profoundly concerned in the preservation of modern civilization and existing institutions of government, under which we have enjoyed the greatest measure of liberty and opportunity. Modern civilization and existing Government institutions will never survive another great war financed as the late war was, with its resulting scandal, graft, profiteering, and favoritism to the wealthy classes.

In order that it may not be said that the President's suggestions relative to financing of the next war have gone by the boards unnoticed by any Member of Congress, I introduced, on May 18, House Resolution 349, providing that a special committee of the House be created, to consist of 15 Members to be appointed by the Speaker. This committee shall investigate and report to the House the best and most practical methods for financing future wars, so that no public debts shall be incurred and no war profit shall inure to the benefit of private individual, corporation, or combination to carry on war activities, and shall recommend legislation which in its opinion will carry out such purpose and secure the benefits and advantages and avoid the evils referred to in the inaugural address of President Harding. Furthermore, I urge the adoption of this resolution and the enactment of legislation to carry out the purpose of the two paragraphs in the inaugural address as a means to direct the world in the paths of peace. General Wood has repeatedly stated that nine out of ten wars are based on commercial and trade rivalries. Every student of history knows that to be a fact. In such wars there are always certain classes that benefit financially by the war, while the great mass of the people sacrifice life or property, and often both.

Recently this country led the principal countries of the world in a great forward movement for peace in the Disarmament Conference held in the city of Washington. The eyes of the world are upon us. We profess unselfishness, but other countries actuated by selfishness regard us not without suspicion. We are the wealthiest nation on earth. We have the gold supply of the world. We have strong combinations of wealth which seek advantages and concessions in the four corners of the world.

If we had on our statute books a law which would compel the wealth of the Nation to carry the financial burdens of future war without "one penny of war profit," it would mark the greatest forward step for universal peace in the history of mankind. It would assure the world that our professions of unselfishness are genuine. Other nations would follow our example, and in the future the nine out of every ten wars based on trade and commercial rivalries would be avoided.

In view of the financial and economic chaos of the world as a result of the late war and the President's recommendations for the conduct of future wars, it is squarely up to this Republican Congress to consider my resolution, or a similar resolution, appoint a committee to give it special study, and enact legislation suggested therein for the preservation and perpetuity of the Republic and for the welfare of ourselves and our posterity.

I close by again quoting from the inaugural address. The President said:

> I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense.

To find "a way" to realize that "hope," I submit my resolution for consideration to the House.

Mr. Speaker, further in support of my argument for legislation to conduct future wars without war profits, I submit for printing in the RECORD the following statements and documents:

1. House Resolution No. 349.
2. A letter of indorsement from an ex-service man.
3. Memorial of American economists to Congress regarding war finance.
4. A proposed plank for party platform.
5. National debts of the world.

HOUSE RESOLUTION NO. 349.

1. This resolution reads as follows:

House Resolution 349.

Whereas in the conduct of war, to promote national concord and unity and to avoid economic disorganization, swollen fortunes, and staggering war debts, property should be conscripted for war purposes as well as men—conscription should apply to both men and property;

Whereas, according to the leading economists of our country, it is possible and practical to support war on a cash basis by an equitable system of taxation requiring the men who stay at home to contribute their just share of the money cost of war without expectation of repayment; and that such a system of taxation would keep down the costs of war, increase the efficiency of the Nation in war, bind the people together in a new unity of spirit and purpose, and entail no financial liability on posterity;

Whereas the policy of paying for war by bond issues gives property a precedence over life, deals unjustly as between citizen and citizen, and places an unjust tax burden on posterity;

Whereas the late World War was chiefly financed by bond issues, the national debt of the United States was thereby increased from $1,000,000,000 to $26,000,000,000, and the national debts of the world from $43,000,000,000 in 1913 to $400,000,000,000 in 1921;

Whereas President Harding in his inaugural address, in outlining the policy of his administration for the conduct of war, if war is again forced upon us, said:

"If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal Republic, where every man and woman is called under the flag, for assignment to duty, for whatever service, military or civil, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation.

"Out of such universal service will come a new unity of spirit and purpose, a new confidence and consecration which would make our defense impregnable, our triumph assured. Then we should have little or no disorganization of our economic, industrial, and commercial systems at home, no staggering war debts, no swollen fortunes to flout the sacrifices of our soldiers, no excuse for sedition, no pitiable slackerism, no outrage of treason. Envy and jealousy would have no soil for their menacing development and revolution would be without the passion which engenders it"; and

Whereas the President's policy is based on right, justice, and sound economic principles, the enactment of legislation to put such policy automatically into effect upon a declaration of war by Congress would have a tendency to avert war, would reassure foreign nations of our unselfishness in international affairs, and, in case war became unavoidable, would guarantee a united and victorious America: Therefore be it

Resolved, That a special committee is hereby created, to be known as the War Finance Committee, which shall consist of 15 Members of the House to be appointed by the Speaker.

Said committee shall investigate and report, within one year after its appointment, to the House the best and most practical methods for financing future wars so that no public debts shall be incurred and no war profit shall inure to the benefit of private individual, corporation, or combination, and shall recommend legislation which in its opinion will carry out such purpose and which will secure the benefits and advantages and avoid the evils referred to in the inaugural address of President Harding.

Said committee shall elect its chairman, and vacancies occurring in the membership of the committee shall be filled by the Speaker.

Said committee, or any subcommittee thereof, is authorized to sit during the sessions or recesses of the House, to send for persons and papers, to administer oaths, to summon and compel the attendance of witnesses, and to employ such personal services and incur such expenses as may be necessary to carry out the purposes of this resolution, and the expenditures shall be paid out of the contingent fund of the House of Representatives upon vouchers authorized by said committee and signed by the chairman thereof.

A STRONG LETTER OF INDORSEMENT FROM AN EX-SERVICE MAN.

2. The following letter presents very ably and concisely some arguments in support of the legislation proposed in House Resolution 349:

ARGONNE POST, No. 60, AMERICAN LEGION,
OFFICE OF COMMANDER, 1215 HIPPEE BUILDING,
Des Moines, Iowa, May 27, 1922.

Congressman C. W. RAMSEYER,
House of Congress, Washington, D. C.

MY DEAR SIR: This morning's Register carries the inclosed dispatch from Washington. I am more than delighted to see that you have introduced a bill which will provide for the financing of future wars.

As commander of Argonne Post, No. 60, American Legion, I have been making a number of speeches throughout the State, and all my talks have advocated the placing, at once, upon our Federal statute books a law which will, on the declaration of war, immediately and automatically draft for service every man, woman, and child, regardless of their physical or financial condition or standing, together with all property, industries, and, in fact, all business. The speeches above referred to have been made in each case to the American Legion, together with the prominent business people of the cities and towns, and this suggestion seems to take very well with the audience.

I believe that we should never again allow ourselves to be placed in the same position as we were prior to the last war. The Government then selected certain men for duty in the Army and Navy, and allowed all other men to select the kind of employment that was most suited to their fancy. They were permitted to take jobs regardless of whether they were suited or skilled in that particular kind of work, and were allowed to select their own wage or salary for work rendered. Both capital and labor were permitted to charge exorbitant prices. One man was taken to face the hardships and rigors and dangers of war and his neighbor was permitted to select his own service, or slack, as the case may be. The soldier was forced to accept the sum of $30 a month, and all other men were allowed to charge anything they pleased. The Government paid $8, $10, and $14 a day for driving nails at Camp Dodge. There must never be any more inequalities as existed in the last war.

A system of classification can be arranged, placing in each branch of service those best fitted for that particular service. No one should escape. Men of military age and fitness should shoulder rifles, and those not of military age and fitness should be compelled to do the many other things necessary to back an army in the field. Of course, we must realize that all the industries must be continued, and to continue them means that they must be run by brains and manual labor, which must be furnished by men, women, and children who are unable and unfit for actual field service.

No one should be allowed to shirk, and no one should be allowed to make money off of the Government in time of war, and all should be paid the same wage; for instance, the factories should be taken over, and the officials and workers receive the same pay and the owners receive nothing for their investment during war time. It has been said that such a scheme is very uneconomic. Now, at best, war is an uneconomic condition. Your plan of drafting all property means simply this—that during actual hostilities no one would receive any profits from an unfortunate country at war, and that at the signing of an armistice or peace terms the war would be paid for in full, and the people would, except the soldier, be placed in status quo. As I said before, the war would be paid for at the end of it, and business and all other industries would commence at that point to run as they did before the war.

I am very glad that you have taken this matter up and hope that you will be able to push it through to a final conclusion. I know that this will be one of the most popular pieces of legislation with the soldiers, for they feel very strongly on this subject.

With kindest personal regards, I am,

Sincerely yours,

H. H. POLK,
Commander Argonne Post.

MEMORIAL OF AMERICAN ECONOMISTS TO CONGRESS REGARDING WAR FINANCE.

3. At the time of our entrance into the World War American economists memorialized Congress to adopt the policy of taxation rather than that of bond issues as the principal means of financing the expenditures of our own country in the war on which it had embarked. I regard this memorial the ablest document on war finance that was presented to Congress during the late war. It should be reread by every student of finance. Our experiences in the war confirm every principle and every warning in the memorial. The memorial, with some of the signers, follows:

We, the undersigned, teachers of political economy, public finance, and political science in American universities and colleges, respectfully urge upon Congress to adopt the policy of taxation rather than that of bond issues as the principal means of financing the expenditures of our own country in the war on which it has embarked.

The taxation policy is practicable. It will prevent the price inflation which must result from large bond issues. It is demanded by social justice. It will increase the efficiency of the Nation in the conduct of the war.

The argument in support of these statements is briefly as follows:

THE TAXATION PLAN IS PRACTICABLE.

The taxation policy is practicable because the current income of the people in any case must pay the war expenditures. The choice between bond issues and taxation is merely a choice whether the Government shall take income with a promise to repay those who furnish it or take income without such promise. The actual arms, munitions, and other equipment and supplies for use in the war, except to the small extent that they have been stored up in the past, must be produced now, during the war itself, not after the war; and, moreover, must be produced by our own people. The policy of borrowing within the country itself does not shift any part of the Nation's burden of war expenditures from the present to the future. All it does is to make possible a different distribution of the burden among individuals and social classes, to permit repayment to certain persons who have contributed income during the war by other persons after the war. If the people can support the war at all, they can do it on a cash basis. Borrowing creates nothing. Except by borrowing abroad, which we can not do, we can get nothing which we do not ourselves produce.

It may be necessary for a month or two at the outset to issue a limited amount of bonds pending the collection of increased taxes, but beyond these, which might well be made repayable within a year, no necessity for bonds exists.

TAXATION PREVENTS PRICE INFLATION.

The taxation policy and no other will enable the country to escape the enormous evils of further inflation. The present high level of prices in Europe and America is primarily due to the war bonds and the paper money issued abroad. If the United States joins on a huge scale in this policy of borrowing, prices are bound to become far higher still.

Price inflation is harmful even in times of peace. During a war it is disastrous. It increases the cost of conducting the war. It postpones victory and thus adds to the war's toll of lives as well as to its money expenditures. By every bond issue the Government enhances the prices it must pay, and thus creates the need of more bonds. The policy works against itself.

Moreover, inflation of prices works injustice between different classes of society. The burden rests chiefly upon wage earners and salary receivers, whose pay never rises as fast as prices, and upon those who receive fixed or contractual incomes. The hardship which millions of our people are already suffering from the increased cost of living will be made many fold greater if the Government issues billions of dollars of bonds to finance the war.

The manner in which bond issues inflate prices may be briefly explained. The bond policy increases the amount of bank credit, which is equivalent in effect to an increase in the currency.

For example, if the Government takes $1,000 from a man in taxes, his credit or purchasing power is lessened to the same extent as the Government's is increased. On the other hand, if the Government borrows $1,000 from him, the quantity of purchasing power in existence is greatly increased. He now has a bond worth $1,000 on which he can and very often will borrow at the bank. Say he borrows $800; to lend him $800 the bank does not have to give up 800 actual dollars. Instead, it gives him a deposit account of $800 and, inasmuch as most of those who present checks do not ask for actual cash, but have their checks credited to their deposit accounts, the bank can keep this $800 in checks floating by setting aside, say, only $200 of actual cash. In other words, this bond issue transaction has resulted in increasing the Government's credit by $1,000, in decreasing the man's credit by only

$200, and in decreasing the bank's money by only $200; that is, there has been a net increase of credit currency (checking deposit accounts) of $600, in contrast with no net increase if taxes had been adopted instead of bonds.

If the man had given up his money in taxes, he would have ceased to compete with the Government and other buyers of commodities and labor, to the extent of $1,000; but when the Government gives him a bond for his payment, he is still enabled to compete to the extent of $800. The purchasing power of society as a whole has increased by $600. This inevitably forces up prices.

The above illustrates the result of a bond issue that is taken by the public. As a matter of fact, if bonds are issued a large part of them will be taken by banks. It is likely that the Federal reserve banks will buy these bonds wholesale by giving the Government checking accounts to the extent of the bonds. This causes immediate inflation to the full amount of the checking accounts thus created; that is, inflation to 100 per cent instead of to 60 per cent of the bond issue, as outlined in the illustration above.

As the Government draws checks on these bank accounts to meet its requirements, the banks will try to recoup themselves by retailing the bonds to the public. To the extent that they succeed, the bonds get into the hands of the ultimate investor, with the resulting inflation already described. In so far as the banks are unsuccessful in this distribution, they are almost certain to issue bank notes on the basis of bonds left in their hands, and these notes will cause inflation even worse than that due to the checking accounts of the public based on bond collateral.

JUSTICE DEMANDS THE TAX POLICY.

The policy of taxation for war expenditures is demanded by justice. Apart from the injustice arising from price inflation, the policy of paying for the war by bond issues gives property a preference over life; it deals unjustly as between citizen and citizen. The question of taxation versus bonds is not merely one of economics; it is one of morals, of right against wrong.

This war is a great social enterprise. The American people have undertaken it as a people. The future welfare of the country as a whole is involved; the future welfare of every citizen is involved. It is the duty, therefore, of every citizen to share in war's burdens to his utmost. For some the duty is to fight; for others to furnish money. For all the duty is without limit of amount. The citizen who contributes even his entire income, beyond what is necessary to subsistence itself, does less than the citizen who contributes himself to the Nation.

The man who goes to the front can not be paid back the life or the limb he may lose. The man who stays at home should contribute his just share of the money cost without expectation of repayment. That the soldier or sailor who gives himself to his country should, if he be so fortunate as to return, be taxed to pay interest and repay principal to him who has contributed the lessser thing—money—is a crying injustice. If conscription of men is just and right, conscription of income is the more so; conscription of both is just and right when the Nation's life and honor are at stake.

TAXATION WILL INCREASE WAR EFFICIENCY.

The policy of taxation for war expenditures will increase the efficiency of the Nation in the war. Its effect in keeping down the cost of the war has already been pointed out. Its effect on the spirit of the people is still more important. The general recognition of the justice of requiring everyone, according to his ability, to share the burdens of war will bind the people together; the sense of injustice in the policy of borrowing will tend to drive them apart, to array class against class. Our soldiers and sailors will fight loyally in any case, but their spirit will be the more indomitable if they feel that every man who stays at home is serving the country to the utmost with his substance. An America in which every citizen, without discrimination, is called upon to do and to give all that he can, all that his powers permit, will be a united America, and a united America is bound to be victorious.

SUGGESTED FORMS OF TAXATION.

Without entering into details, concerning which opinions may differ, we recommend that among the tax measures to be adopted for the war period the following should be included:

(1) A tax which will take substantially all of special war profits.

(2) A material lowering of the present income-tax exemption.

(3) A drastic increase in the rates of the income tax, with a sharper progression in rates as incomes become larger.

(4) High consumption taxes on luxuries.

The memorial is signed by Frank T. Carleton, John Zedler, and George L. Griswold, of Albion College, Mich.; E. G. Nourse, J. S. Waterman, D. Y. Thomas, and W. C. Murphy, of University of Arkansas; E. T. Towne, J. H. Robinson, H. J. Thorstenberg, and N. M. Pletcher, of Carleton College, Mich.; Arthur E. Suffern, Lloyd V. Ballard, R. B. Way, and R. K. Richardson, of Beloit College, Wis.; F. H. Hawkins, A. W. Calhoun, N. S. B. Gras, and L. D. White, of Clark University; Everett W. Goodhue, Freeman H. Allen, F. A. MacIntyre, and Roy W. Foley, of Colgate University, N. Y.; Leon Carroll Marshall, H. G. Moulton, James A. Field, John Maurice Clark, F. D. Bramhall, W. H. Spencer, C. S. Duncan, Chester W. Wright, H. A. Millis, Glen G. Munn, J. B. Canning, Stuart M. Hamilton, Leverett S. Lyon, J. Viner, and C. C. Wardlow, of University of Chicago; Allyn A. Young, Walter F. Willcox, Herbert J. Davenport, Samuel P. Orth, R. S. Saby, A. P. Usher, Holbrook Working, Donald English, Robert A. Campbell, G. N. Lauman, H. L. Reed, F. H. Knight, C. C. Kochenderfer, and C. R. Hugins, of Cornell University; Frank H. Dixon, George R. Wicker, Chester A. Phillips, Clare Griffin, J. M. Shortliffe, Nicolas Aghnides, W. R. Gray, F. W. McReynolds, A. L. Priddy, H. W. Shelton, F. A. Updyke, E. D. Dickinson, E. C. Evans, and R. D. Kilborn, of Dartmouth College; Frank Streightoff, William M. Hudson, W. W. Sweet, and W. W. Carson, of De Pauw University (Indiana); Thomas Nixen Carver, Edwin F. Gay, Albert Busnell Hart, Lincoln F. Schaub, Paul T. Cherington, Melvin T. Copeland, William M. Cole, John Milton Gries, Warren M. Persons, E. E. Lincoln, L. P. Rice, William B. Munro, Arthur N. Holcombe, Edmund E. Day, O. M. W. Sprague, J. W. Bell, P. G. Wright, A. E. Monroe, A. H. Cole, H. H. Burbank, Oscar A. Ryder, Harry C. McCarty, and Robert L. Wolf, of Harvard University; C. M. Drucker, Howard T. Lewis, and Jesse H. Bond, of University of Idaho; M. H. Robinson, E. L. Bogart, L. E. Young, S. Litman, C. M. Thompson, F. A. Russell, C. L. Stewart, H. E. Hoagland, M. H. Hunter, H. M. Johnston, J. W. Garner, J. A. Fairlie, R. E. Cushman, R. M. Story, J. M. Mathews, P. H. Douglas, and M. N. Nelson, of University of Illinois; Ulysses G. Weatherly, William A. Rawles, Frank T. Stockton, Frank G. Bates, J. E. Moffatt, and U. H. Smith, of Indiana University; N. A. Brisco, I. A. Loos, P. S. Peirce, F. E. Haynes, C. W. Wassam, N. R. Whitney, C. R. Townsan, Leonora Arent, Benjamin F. Shambaugh, F. E. Horack, J. Van der Zee, Lorin Stuckey, and H. O. DeGraff, of State University of Iowa; Arthur J. Boynton, George E. Putnam, William M. Duffus, John Ise, Robert M. Woodbury, Harry D. Harper, Clarence A. Dykstra, and Blaine F. Moore, of University of Kansas; G. W. Stephens, J. M. Mathews, and W. S. Krebs, of University of Maine; Davis R. Dewey, of Massachusetts Institute of Technology; E. S. Todd, S. J. Brandenburg, C. T. Murchison, and T. J. Harris, of Miami (Ohio) University; Charles F. Abbott and J. A. Morgan, of Middleburg (Vt.) College; John H. Gray, E. Dana Durand, Roy G. Blakey, J. F. Ebersole, Lloyd M. Crosgrave, Albert C. James, Robert J. McFall, William W. Cumberland, William A. Paton, James W. Stehman, A. C. Hodge, William A. Schaper, Cephas D. Allin, Ben A. Arneson, William Anderson, and Percy Viesselman, of University of Minnesota; J. H. Underwood, Harry E. Smith, E. A. Spaulding, and Louis Levine, of University of Montana; Isador Loeb, H. A. Wooster, James H. Rogers, E. J. Rosenberg, W. J. Shepard, R. C. Journey, Edmond Brown, Thorstein Veblen, and H. G. Brown, of University of Missouri; W. G. L. Taylor, J. E. Le Rossignol, G. O. Virtue, G. A. Stephens, O. R. Martin, Minnie T. England, T. T. Bullock, D. F. Cole, and George E. Howard, of University of Nebraska; M. K. McKay and Conda J. Ham, of New Hampshire College; Frank L. McVey, John M. Gillette, H. Brahaling, and Stephen A. Park, jr., of University of North Dakota; James E. Boyle and W. J. Trimble, of North Dakota Agricultural College; Willard E. Hotchkiss, F. S. Deibler, Horace Secrist, W. E. Lagerquist, F. E. Richter, R. E. Heilman, A. E. Swanson, T. R. Taylor, David Himmelblau, Alfred Bays, Homer B. Vanderblue, and P. O. Ray, of Northwestern University; C. O. Ruggles and C. C. Huntington, of Ohio State University; J. A. Bexell, Hector McPherson, U. G. Dubach, Chester C. Maxey, and R. M. Howard, of Oregon Agricultural College; G. L. Zook, J. Tanger, O. Fred Boucke, A. E. Martin, and E. V. McCollough, of Pennsylvania State College; J. B. Holdsworth, Ira G. Flocken, Paul D. Converse, Howard A. Kidd, Charles Arnold, A. B. Wright, and Francis Tyson, of University of Pittsburgh; C. H. Mellby, of St. Olaf's College (Minn.); Albert S. Harding, of South Dakota State College; Murray S. Wildman, Albert C. Shitaker, Frederick B. Garver, Donald F. Grass, Stephen I. Miller, Victor J. West, Wilfred Eldred, and A. C. Lathrop, of Stanford University; Robert C. Brooks, Louis N. Robinson, and C. H. Robinson, of Swathmore College (Pa.); Edmund T. Miller, Charles G. Haines, Albert B. Wolfe, Eliot Jones, George S. Wehrwein, Spurgeon Bell, Jacob A. De Hass, Herman G. James, J. M. Preston, A. J. Tolts, W. M. Pressler, and Edward T. Paxton, of University of Texas; T. L. Kibler, J. Anderson Fitzgerald, Scott Nearing, Benjamin E. Mallory, Roy J. Colbert, and W. M. Leiserson, of Toledo University; William H. Glasson, of Trinity College (North Carolina); Herbert E. Mills, Dorothy M. Brown, and Maxwell Ferguson, of Vassar College; George G. Groat and Edward Wiest, of University of Vermont; W. M. Hunley, of Virginia Military Institute; G. D. Hancock, R. H. Tucker, N. D. Smithson, and R. G. Campbell, of Washington and Lee University; C. C. Arbuthnot, William O. Weyworth, A. R. Hatton, Raymond Moley, H. G. Hodges, J. E. Cutler, and C. E. Gehlke, of Western Reserve University; John R. Commons, R. H. Hess, Edward A. Ross, B. H. Hibbard, and William H. Kiekhoefer, of University of Wisconsin; Henry W. Farnham, Irving Fisher, Clive Day, Fred R. Fairchild, Ray B. Westerfield, H. G. Hayes, George B. Comer, and E. F. Furniss, of Yale University; Henry C. Adams, Fred M. Taylor, Charles H. Cooley, I. Leo Sharfman, George W. Dowrie, Warren S. Thompson, William F. Marsteller, Paul W. Ivey, Frank F. Kolbe, Robert G. Rodkey, Rufus S. Tucker, Wilbur P. Calhoun, Fred E. Clark, Leo Wolman, Roy B. Cowin, Herbert N. Schmitt, Nicholas E. Peterson, Charles W. Sargent, and Ray V. Leffler, of University of Michigan; Carroll W. Doten, Floyd E. Armstrong, and Martin J. Shugrue, of Massachusetts Institute of Technology; J. Murray Carroll and R. R. N. Gould, of Bates College (Maine); G. P. Wyckoff, Jesse Macy, J. W. Gannaway, W. L. Bailey, Holmes Beckwith, and E. D. Strong, of Grinnell College (Iowa); M. B. Hammond, of Ohio State University; Henry B. Gardner, J. I. Dealey, and John C. Dunning, of Brown University; D. Shaw Duncan and G. A. Warfield, of Denver University; Clyde L. King, E. M. Paterson, James T. Young, T. S. Rowe, Thomas Conway, jr., J. Russell Smith, and Simon N. Patten, of University of Pennsylvania; Milo R. Maltbie, city chamberlain, New York City; W. Jet Lauck, Washington, D. C., John B. Andrews, Solon De Leon, and Frederick Mackenzie, miscellaneous.

A PROPOSED PLANK FOR PARTY PLATFORM.

4. If "not one penny of war profit shall inure to the benefit of private individual, corporation, or combination" in the next war, those who believe in the soundness of the President's utterance should give support by indorsement in party platforms and otherwise. The following is a proposed plank for party platform:

The late war left the nations engaged in that conflict with staggering war debts, which were contracted on highly inflated values and will have to be paid with money very much deflated, thus adding greatly to the burdens of the peoples of nations heavily in debt. As the World War was financed chiefly by bond issues, the national debt of the United States was increased from $1,000,000,000 to $26,000,000,000, and the national debts of the world were increased from $43,000,000,000 in 1913 to $400,000,000,000 in 1921. The policy of paying for war by bond issues gives property a precedence over life, deals unjustly as between citizen and citizen, and places an unjust tax burden on posterity. In time of war property as well as men should be conscripted for war purposes. We urge Congress to enact legislation to finance future wars so that no public debts will be incurred and no war profits shall inure to the benefit of private individual, corporation, or combination.

NATIONAL DEBTS OF THE WORLD.

5. In conclusion, I shall submit for your study and reflection two tables prepared by Mr. O. P. Austin, now statistician of the National City Bank of New York and regarded as the leading authority on national debts. These tables show the stupendous growth of the national debts of the world. It is a well-known fact, and these tables give proof thereof, that nations did not acquire the debt habit until in very recent times. Formerly nations did not spend except out of current

receipts. Raising money to defray national expenditures by bond issues for future generations to pay is a strictly modern evil.

It appears from the first table that in 1688 Great Britain was the only nation that had acquired the debt habit. That year her national debt was $3,232,636. By 1783 her national debt had increased to $1,126,515,090. That year the following nations had no national debts: Austria, France, Germany, Italy, Netherlands, Turkey, Russia, and the United States. Here are the aggregate national debts of the world for various dates:

1793	$2,433,250,000
1820	7,299,750,000
1850	9,000,000,000
1874	22,500,000,000
1900	31,201,759,000
1913	43,362,300,000
1918	205,396,000,000
1919	295,070,000,000
1921	400,000,000,000

The year prior to the World War the national debts of the world were, in round numbers, $43,000,000,000. The war was chiefly financed by borrowing. "Pay as you go" found little favor with war statesmen. The second table shows that the total national debts of the world, or, rather, the 100 principal nations and colonies of the world, were $205,000,000,000 in 1918 and in 1919, $295,000,000,000. The national debts of the world at the end of the year 1921, by a later estimate, were a little over $400,000,000,000.

The aggregate national debts at the end of 1921 were about ten times what they were before the war and about double what they were at the time of the armistice. The United States is the only nation that was in the war that has reduced her national debt in the last two years. Last year Great Britain was the only European nation actively engaged in the war whose expenditures did not exceed the receipts.

The wealth of Great Britain in 1865 was $30,000,000,000, and in 1914, $80,000,000,000; that of France in 1865 was $25,000,000,000, and in 1914, $70,000,000,000; that of the United States in 1860, $16,000,000,000, and in 1914, $250,000,000,000.

With these figures before us, it will be observed that our national debt is less than 10 per cent of our pre-war wealth; that of Great Britain a little less than 50 per cent of her pre-war wealth; and that of France, 73 per cent of her pre-war wealth. Among the defeated powers of Austria, Hungary, and Germany, each has a national debt in excess of her national wealth. Poland came into existence as a nation since the armistice, but she in some way has piled up a national debt of $69,000,000,000, a sum far in excess of her national wealth.

The increase in the national debts of the world from $43,000,000,000 in 1913 to $400,000,000,000 in 1921 is the direct result of the reckless and short-sighted methods of financing the war, and represents almost a total economic loss. Furthermore, the debts were contracted on highly inflated values, and will be paid in the future—unless repudiation or bankruptcy intervenes—with money very much deflated, thus greatly adding to the burdens of the nations heavily in debt.

Mr. Austin prepared the first table in 1900, showing the debts of the principal nations from 1688 to 1900. The second table was prepared by him in November, 1921:

Debts of principal nations, and aggregate for all nations of the world at various dates from 1688–1900.

Dates.	Austria.	Belgium.	France.	Germany.[1]	Italy.	Netherlands.	Turkey.	Russia.	United Kingdom.	United States.	World.
	Dollars.	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*	*Dollars.*
1688									3,232,636		
1702									62,131,700		
1714			[2] 389,320,000						176,047,876		
1727									257,198,404		
1748									368,939,740		
1775	[3] 72,997,500								618,835,883		
1783									1,126,515,090		
1800	[4] 170,327,500			25,549,125		[5] 486,650,000			[6] 2,616,488,363	82,976,294	[7] 2,433,250,000
1820	480,323,550		[8] 689,923,705	150,861,500		[9] 700,776,000			[10] 4,381,975,905	91,015,566	7,299,750,000
1850	[11] 608,312,500		[12] 1,192,292,500			[13] 194,660,000	[14] 498,621,590	[15] 189,793,500	[16] 608,312,500	[17] 4,082,596,603	63,452,774	[11] 8,419,045,000
1870	[18] 1,464,816,500	[19] 133,147,440	2,676,575,000	[20] 115,948,000	[19] 1,386,952,500	[19] 392,434,560	447,718,000	[19] 1,459,950,000	3,896,606,550	[21] 2,331,169,956	[22] 22,410,232,000
1880		[23] 246,994,341	[24] 4,065,946,151		[25] 2,218,861,209	[23] 390,823,749		[26] 2,238,872,257	3,778,858,366	[21] 1,919,326,748	[27] 26,249,901,000
1890	[28] 1,485,292,500	[29] 383,723,525	[29] 5,031,119,096	[29] 233,932,655	[30] 2,459,237,110	[29] 442,194,523		[29] 2,827,684,692	3,361,115,568	[31] 890,784,371	
1900	[31] 1,697,255,140	[32] 504,460,000	5,800,691,814	557,626,622	2,583,983,780	466,419,294		3,167,320,000	3,060,926,304	[21] 1,107,711,257	31,201,759,000

[1] Prussia prior to 1870; figures for 1889 and 1900 are exclusive of State debts, which in 1899–1900 amounted to $2,015,958,000.
[2] 1716
[3] 1763.
[4] 1789.
[5] 1810.
[6] 1802.
[7] 1793.
[8] 1830.
[9] 1814.
[10] 1815.
[11] 1848.
[12] 1852.
[13] 1847 (figures for Sardinia).
[14] 1851.
[15] 1854.
[16] 1853.
[17] 1857.
[18] 1868.
[19] 1869.
[20] Chiefly former debt of North German Confederation.
[21] Total debt, less cash in the Treasury.
[22] 1872.
[23] 1879.
[24] 1883.
[25] 1885.
[26] 1876.
[27] 1882.
[28] 1888.
[29] 1889.
[30] 1894.
[31] 1898.
[32] 1899.

National debts of the world, in United States dollars, reduced to normal (pre-war) value of the respective currencies.

[000,000 omitted.]

Countries.	1913	1918	1919	1921
Argentina	$732	$866	$576	$758
Australia	81	1,382	1,586	1,956
Austrian States	1,349	1,824	1,854	[1] 1,859
Austria [2]	2,152	15,807	16,910	15,834
Algeria	35	[2] 35	[2] 35	[2] 35
Barbados		2	2	[1] 2
Belgium	722	[4] 1,902	1,902	4,670
Belgian Kongo	53	[4] 67	67	[4] 67
Bolivia	19	26	27	[4] 27
Brazil	[1] 664	1,145	1,133	969
British East Africa	1	2	2	[1] 2
British Guiana	4	5	5	[1] 5
British Honduras	1	1	1	1
British Colonies [6]	8	12	13	14
Bulgaria	[1] 135	900	1,432	[1] 1,432
Canada	483	1,863	2,250	2,345
Ceylon	30	27	24	[4] 24
Chile	210	228	231	240
China	969	[7] 1,061	1,886	[1] 1,886
Chosen	22	47	53	[1] 59
Colombia	24	23	23	39
Costa Rica	16	[8] 20	30	[8] 30
Cuba	67	83	84	87
Cyprus	1	1	1	[1] 1
Czechoslovakia			[1] 7,000	9,135
Denmark	96	162	210	215

National debts of the world, in United States dollars, reduced to normal (pre-war) value of the respective currencies.—Continued

[000,000 omitted.]

Countries.	1913	1918	1919	1921
Dominican Republic	[9] $13	$14	$13	[1] $13
Dutch East Indies		[1] 92	170	[1] 149
Ecuador	18	26	28	[4] 28
Egypt	459	460	469	[1] 461
Finland	34	120	357	382
France	6,346	30,400	40,000	51,000
French Colonies [6]	[5] 211	579	580	[4] 580
French Indo-China	47	[8] 47	[8] 47	[8] 47
Germany	1,194	39,200	48,552	71,000
German States	3,855	[8] 4,341	4,500	[1] 8,300
German Colonies	32	[8] 32	[8] 32	[8] 32
Gold Coast	12	16	16	[1] 12
Greece	207	248	469	812
Guatemala	[10] 18	[1] 16	17	18
Haiti	[9] 30	24	32	[1] 32
Hawaii	[1] 8	9	9	[1] 11
Honduras [11]	91	29	28	30
Hongkong	7	7	7	[1] 7
Hungary	[2] 1,731	8,514	9,412	14,200
Iceland	47	51	53	[4] 53
India, British	[5] 1,475	1,546	2,310	2,263
Italy	2,921	12,000	13,102	18,650
Jamaica	18	18	18	[1] 19
Japan	1,242	1,246	1,300	1,713
Latvia			11	[4] 11
Leeward Islands	1	1	1	[1] 1

[For foot notes see next page.]

National debts of the world, in United States dollars, reduced to normal (pre-war) value of the respective currencies—Continued.

[000,000 omitted.]

Countries	1913	1918	1919	1921
Liberia	[9] $2	$2	$2	$2
Lithuania			10	10
Luxemburg	[12] 2	[8] 9	[1] 25	[1] 25
Madagascar	18	[4] 20	20	[4] 20
Malay States:				
Federated	6	8	8	[1] 8
Other		2	2	[1] 1
Mauritius	6	6	6	[1] 6
Mexico	[5] 222	377	409	[14] 282
Morocco	60	80	[1] 103	[1] 103
Netherlands	[9] 462	652	981	1,046
Newfoundland	27	35	42	[4] 42
New Zealand	438	734	856	978
Nicaragua	9	16	10	5
Nigeria	40	41	41	57
Norway	97	197	268	[1] 314
Nyasaland		15	15	[4] 15
Panama	.3	7	7	3
Paraguay	13	14	9	9
Persia	32	41	45	46
Peru	34	28	[15] 28	[1] 29
Philippines	12	[8] 20	20	21
Poland			[1] 36,650	69,000
Portugal	948	1,290	1,294	1,880
Porto Rico	7	8	9	[1] 10
Rumania	317	1,022	4,100	5,270
Russia	[9] 4,538	[8] 22,774	[8] 22,774	[7] 22,774
Salvador	10	11	14	18
Siam	28	33	33	36
Sierra Leone	6	8	8	[1] 8
Spain	1,814	1,661	1,986	2,335
Straits Settlements	34	68	72	[4] 72
Sweden	161	268	298	340
Switzerland	23	205	341	[16] 370
Trinidad	5	8	1	[1] 1
Tunis	45	[17] 69	[17] 69	[17] 69
Turkey	676	2,000	2,310	[4] 2,310
Uganda	1	1	1	[1] 1
Union South Africa	573	781	801	[1] 847
United Kingdom	3,486	28,613	36,401	37,910
United States	1,029	17,005	25,234	23,922
Uruguay	138	164	163	172
Venezuela	35	29	27	41
Windward Islands	3	1	1	[1] 1
Yugoslavia	[13] 174	546	705	[1] 705
Total	43,362.3	205,396	295,070	382,634

[1] 1920.
[2] Includes share of Austro-Hungarian debt.
[3] 1913.
[4] 1919.
[5] 1912.
[6] Exclusive of those separately named.
[7] 1916.
[8] 1917.
[9] 1914.
[10] Exclusive of internal debt not available.
[11] Exclusive of arrears of interest stated in 1921 at $108,000,000.
[12] Serbian debt, 1913.
[13] 1910.
[14] Statement of minister of finance, June 30, 1921.
[15] 1918.
[16] Exclusive of railway debts stated at $430,000,000.
[17] 1915.

Mr. McFADDEN. Mr. Speaker, I have no further remarks to make on the conference report.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

On motion of Mr. McFADDEN, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

AMENDING PARAGRAPH 10, SECTION 9, FEDERAL RESERVE ACT.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 831, insist on the House amendment, and agree to the conference asked for.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to take from the Speaker's table the bill S. 831, insist on the House amendment, and agree to the conference asked for by the Senate. Is there objection?

Mr. WINGO. Reserving the right to object, is that the bill the gentleman spoke to me about where there is some question about the language?

Mr. McFADDEN. That is the one that I spoke to the gentleman about yesterday.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. McFADDEN, Mr. DALE, and Mr. WINGO.

ISSUANCE OF CHECKS, DRAFTS, ETC., IN THE DISTRICT OF COLUMBIA.

Mr. ZIHLMAN. Mr. Speaker, I call up the conference report on the bill S. 1033.

The Clerk read the conference report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill S. 1033 having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendments of the House numbered 1, 2, and 3, and agree to the same.

B. K. FOCHT,
F. N. ZIHLMAN,
Managers on the part of the House.
L. HEISLER BALL,
W. L. JONES,
Managers on the part of the Senate.

The conference report was agreed to.

PRINTING REPORT OF JOINT COMMISSION OF AGRICULTURAL INQUIRY.

Mr. JOHNSON of Washington. Mr. Speaker, I call up House Concurrent Resolution 61.

The SPEAKER. The gentleman from Washington calls up the House concurrent resolution, which the Clerk will report.

The Clerk read as follows:

House Concurrent Resolution 61.

Resolved by the House of Representatives (the Senate concurring), That there be printed 50,000 additional copies of parts 1 and 2 of House Document No. 408, being the report of the Joint Commission of Agricultural Inquiry, in four parts, of which 10,000 shall be for the Senate, 30,000 for the House, 1,000 for the Senate document room, 2,000 for the House document room, and 7,000 for the Joint Commission of Agricultural Inquiry; and that there be printed 100,000 copies of parts 3 and 4 of House Document No. 408, being the report of the Joint Commission of Agricultural Inquiry, of which 20,000 shall be for the Senate, 60,000 for the House, 2,000 shall be for the Senate document room, 4,000 for the House document room, and 14,000 for the Joint Commission of Agricultural Inquiry.

The Clerk read the following committee amendment:

Page 1, line 2, after the word "thousand," strike out lines 3, 4, 5, 6, 7, 8, 9, and in the line 10 down to the word "of" where it first occurs.

In line 10, strike out the word "Document" and insert the word "Report."

In line 12, strike out the word "twenty" and insert the word "eight."

In line 13, page 1, strike out the word "sixty" and insert "twenty-five."

Page 2, line 1, strike out the word "two" and insert the word "one."

Page 2, line 2, strike out the word "for" and insert the word "two."

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, do I understand this is offered as a privileged resolution?

Mr. JOHNSON of Washington. I think a resolution from the Committee on Printing is privileged.

Mr. WALSH. Unless it requires an appropriation. There is no provision here that the cost shall come out of the contingent fund of either House.

Mr. JOHNSON of Washington. As I understand it, the method of doing the printing is under a fund provided by an appropriation from Congress for congressional printing, and this is to come out of that fund.

Mr. WALSH. There is nothing in the resolution to that effect.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. JOHNSON of Washington. Yes.

Mr. SMITH of Michigan. How are they to be distributed?

Mr. JOHNSON of Washington. That is provided for in the resolution.

Mr. WALSH. Mr. Speaker, I do not make a point of order. I only rose to make sure that the printing will be done. If we send it down with no reference as to what fund it shall come from, whether the contingent fund or some other fund, the point may be raised, and it will require a separate appropriation before the printing can be done.

Mr. JOHNSON of Washington. I think the recent appropriation for the operation of the Government Printing Office changed that method and gave us the general operating fund. In reference to the resolution, the Committee on Printing would have liked to have given the full amount asked for in the resolution, so as to provide for more than 50,000 copies of the two additional volumes of the report of the Joint Commission of Agricultural Inquiry, but the cost was considerable, owing to the fact that the third volume has in it a large

number of insert folders, large tables, and therefore the committee reduced the number, as will be seen by the amendments. The distribution as to the House and Senate is as shown in the report. That distribution will give each Member of the House from 20 to 24 copies of each of the two additional volumes of the report of the commission. The cost of the printing will be about $30,000. The Committee on Printing thought it unwise to authorize a reprint of volumes 1 and 2, for which there is considerable demand. In my opinion the report represents a great deal of hard work upon the part of the members of this joint commission, of which the gentleman from Minnesota [Mr. ANDERSON] is the chairman, and while a great deal of valuable matter has been produced, it would be impracticable for the House at this time to attempt to supply the general demand for copies of the four volumes which comprise the report.

Mr. GARNER. Could the gentleman not add to that statement by saying that the result of that labor is very beneficial to the farming element as well as the entire country?

Mr. JOHNSON of Washington. I am sure of it. The inquiry has headed up solid discussion of four or five great problems, all of which vitally affect the welfare of the people of the United States.

Mr. WALSH. Is it not a fact that this report and inquiry is the first one made under Government auspices which has collated and analyzed and brought together to a definite status a lot of valuable information which is of use and value not only to the agricultural interests but to other great interests of the country interested in transportation and banking and the movement of various products as well as the production of foodstuffs?

Mr. JOHNSON of Washington. There can be no question as to the value of the work. As I said in the beginning, the Printing Committee would have been glad to authorize the printing of a large number, but we decided it would be out of the question to attempt to supply the bulk of requests from many prominent concerns and organizations which are asking for these volumes in large lots. The National Automobile Chamber of Commerce wants several hundred. Then some great concern in Minneapolis wants several hundred. The Farm Federation wants a large number.

Mr. WALSH. How many does the farm bloc ask for?

Mr. JOHNSON of Washington. I have not heard of any requests from them, but members of that bloc will get their 24 copies of each volume, just as will other Members. The National Wholesale Grocers' Association wants to place one in the hands of each member of its association, and if it can not get them in bulk will ask each member of the association to write to his Congressman for one, so gentlemen should be a bit careful about giving their copies away prematurely. Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

On motion of Mr. JOHNSON of Washington, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

IMPROVEMENT OF ST. LAWRENCE RIVER.

Mr. JOHNSON of Washington. Mr. Speaker, I submit another privileged resolution, Senate Concurrent Resolution No. 24, which I send to the desk and ask to have read.

The Clerk read as follows:

Senate Concurrent Resolution 24.

Resolved by the Senate (the House of Representatives concurring), That there shall be printed 5,000 additional copies of Senate Document No. 179, Sixty-seventh Congress, entitled "Report of the United States and Canadian Government engineers on the improvement of the St. Lawrence River from Montreal to Lake Ontario," of which 3,000 copies shall be for the use of the Senate document room and 2,000 for the House document room.

With the following committee amendments:

Line 1, strike out "five" and insert "three," and in line 7, strike out "three" and insert "one."

Mr. JOHNSON of Washington. Mr. Speaker, this is a Senate concurrent resolution, and as originally sent to the House called for the printing of 5,000 copies of this report, which would have cost in excess of $500. The House Committee on Printing thought it best to reduce the number to 3,000, which makes the cost less than $500, and inasmuch as the resolution was before the committee we thought that the House might act upon it rather than cause Senate action on a new Senate resolution, nonconcurrent.

Mr. WALSH. Is this to be charged up against the congressional printing fund?

Mr. JOHNSON of Washington. Yes; in the same method.

Mr. WALSH. How many were printed of the first edition?

Mr. JOHNSON of Washington. I am unable to say. It was not a large number, but was distributed to all Members by the usual method. The demand is quite heavy for this. The report cuts the request to 3,000 copies. I am told that another Government has requested 1,000 copies, which are to be paid for. This is a Senate resolution and I think we should not object.

I move the previous question on the resolution and amendments.

The previous question was ordered. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on agreeing to the concurrent resolution.

The concurrent resolution was agreed to.

On motion of Mr. JOHNSON of Washington, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

RETIREMENT OF CIVIL-SERVICE EMPLOYEES.

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

The Clerk read as follows:

House Resolution 391 (Rept. No. 1162).

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11212) entitled "A bill to amend an act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided between those for and against the bill, it shall be read for amendment under the five-minute rule. At the conclusion of such consideration the committee shall report the bill back to the House and the previous question shall be considered ordered on the bill and amendments to final passage, without intervening motion, except one motion to recommit.

Mr. SNELL. Mr. Speaker, this rule, if adopted, makes provision for the consideration of the bill H. R. 11212, which is intended to amend the act for the retirement of employees in the classified civil service, which was approved May 22, 1920. It has been necessary to present this at this time to take care of an emergency arising out of the summary dismissal of employees due to the reduction in the service, but none of these people have been dismissed on their own volition or on account of their own acts, and it is for the purpose of covering men who were intended to be covered when the original retirement act was passed.

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

Mr. SNELL. Yes.

Mr. WALSH. How much will the expense of this be, if the gentleman has that information?

Mr. SNELL. The information that came before the committee was that there would be somewhere about 400 people affected by this law, and it would cost the first year probably $108,000 to $138,000, and it runs down to about $6,000 at the end of several years.

Mr. WALSH. I notice there seems to be a tendency in the committee reports of special rules that as the expense to the Government increases the time for general debate is lessened. We had an $80,000 bill up here yesterday with two hours of debate allowed. Here is a $108,000 bill with only one hour of debate allowed. I hope the gentleman is not going to pull out of his sleeve some other special rules——

Mr. SNELL. We have several others. I do not see any of the minority who want to be recognized, and I move the previous question on the adoption of the rule.

The previous question was ordered.

The question was taken, and the resolution was agreed to.

AMENDMENT OF RETIREMENT LAW.

Mr. FAIRFIELD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11212.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11212, with Mr. WALSH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 11212, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 11212) 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.

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none. The gentleman from Indiana is recognized for 30 minutes.

Mr. FAIRFIELD. Mr. Chairman, I would ask the Chair to notify me when I have used 10 minutes. Mr. Chairman and gentlemen of the committee, as stated by the gentleman from New York [Mr. SNELL] in presenting the rule, this legislation is of an emergency character. The retirement bill, which became a law on the 22d of May, 1920, provided, among other things, that a man having served for 15 years and having reached the age of 70 in the miscellaneous service, 65 in the mechanic, and 62 in the Railway Mail Service would be eligible to an annuity. By the passage of that law the Congress of the United States accepted the principle of the annuity system, employees paying 2½ per cent of the funds which were needed, or estimated to be needed, the Government paying 1.06, based upon the salary which was drawn by the employee. But it is very gratifying to know that as a result of the operation of law that the receipts have been considerable in excess of the demands upon the Treasury. No appropriation has yet been necessary; we are informed that in all probability it will be a decade before any appropriation will be necessary. Personally I think it is an unwise course to pursue. I think it is unwise, and possibly dishonest, for any man to advocate upon the floor of this House a measure which he knows ultimately will cost the Government money and attempt to leave the impression that the Government will not have to pay anything. Permit me to say that the occasion for the drafting of this bill grew out of a series of hearings upon another bill, and in that series of hearings it was revealed that there were some men at least, and we did not know at that time how many, who served the Government for a period of from 15, 20, 25, and 30 years, who have not yet reached the retirement age. A drastic cut in the Navy Department suddenly dropped these men from the rolls, and having accepted the principle and in harmony with the spirit of the law that Congress adopted, and moved, I confess, by humanitarian ideas, the committee began to investigate the problem and an inquiry into the various departments, most of which is in the report, revealed that there were not over 300 men who would be affected.

These men, many of them, had a right to believe, having served so long in the Government, that they had a career and that they would not be broken off perpetually at the very period of their life when their energies were lessened, when change was impossible.

Mr. LINTHICUM. Will the gentleman yield?

Mr. FAIRFIELD. I will.

Mr. LINTHICUM. I want to ask the gentleman upon what theory the 50 years was stricken out and 60 inserted?

Mr. FAIRFIELD. Well, it was the judgment of the committee that 50 was too low an age for the basis of annuity.

Mr. LINTHICUM. Fifteen years is required as much for a man of 50 years as it was for a man of 60 years?

Mr. FAIRFIELD. That is true.

Mr. LINTHICUM. A man who has a career in the Government service reaching the age of 50 years and serves 15 years is hardly equipped to make a living on the outside, is he?

Mr. FAIRFIELD. Well, that was a matter—of course, the original bill was for 50 years, but the committee saw fit to strike it out on the ground that they did not believe that a man of 50 who had his faculties was necessarily in such a situation that he could not seek and obtain profitable employment elsewhere.

Mr. LINTHICUM. Does not the Government feel that a man over 45 years is not equipped for Government service? After he reaches the age of 45 years he can not take the civil-service examination or enter the employment of the Government.

Mr. FAIRFIELD. I think that is true.

Mr. LINTHICUM. Why should you say that at 50 he was equipped to enter some other business and yet he is not equipped to enter the Government service?

Mr. FAIRFIELD. I do not yield any further.

Mr. RAKER. Will the gentleman yield for one question in that connection?

Mr. FAIRFIELD. I do.

Mr. RAKER. I was going to ask the same question as the gentleman from Maryland which has been covered. Between 50 and 60 there are 10 years. If a man has given 15 years' service and he becomes incapacitated before 60, say, at 52, he would not get the benefit of this law, would he? If he served 15 years and between 50 and 60 he became incapacitated, is there a valid reason why he should not be given this benefit?

Mr. FAIRFIELD. Well, I introduced the bill, and, of course, I am standing to-day with the committee and talking of the position the committee took.

Mr. LEHLBACH. I would like to answer the gentleman. The retirement law as it stands to-day provides for retirement on an annuity in the case of disability, no matter what the age of the employee, if he has a minimum of 15 years' service. Consequently the case the gentleman cites, where a man is incapacitated and has to quit work between 50 and 60 years of age, is provided for.

Mr. RAKER. What is the reason for making it 50 instead of 60 years, then? There must be some motive, and the gentleman, being the author of the bill, no matter what the committee has done, should give us his judgment and experience on that matter.

Mr. CRAMTON. Mr. Chairman, pending that, I make the point that there is no quorum present.

Mr. RAKER. I hope the gentleman will not do that.

The CHAIRMAN. The gentleman from Michigan makes the point of no quorum. Evidently there is no quorum present, and the Clerk will call the roll.

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

Andrew, Mass.	Drane	Kitchin	Robsion
Arentz	Drewry	Kleczka	Rodenberg
Atkeson	Driver	Kunz	Rouse
Bacharach	Dunn	Langley	Rucker
Bankhead	Ellis	Larson, Minn.	Sabath
Beck	Evans	Lawrence	Sanders, Ind.
Beedy	Fields	Lazaro	Shelton
Black	Focht	Leatherwood	Sinclair
Blakeney	Frear	Logan	Snyder
Bland, Ind.	Free	Longworth	Stafford
Blanton	French	Luce	Stedman
Bowers	Fulmer	Lyon	Steenerson
Brennan	Garrett, Tenn.	McClintic	Stevenson
Britten	Garrett, Tex.	McLaughlin, Nebr.	Stiness
Brooks, Ill.	Gensman	McSwain	Stoll
Brooks, Pa.	Gilbert	Maloney	Strong, Pa.
Buchanan	Goldsborough	Martin	Sullivan
Burke	Goodykoontz	Merritt	Summers, Wash.
Burroughs	Gould	Miller	Sumners, Tex.
Burtness	Graham, Pa.	Montague	Swank
Campbell, Kans.	Greene, Mass.	Montoya	Taylor, Ark.
Cantrill	Greene, Vt.	Nelson, A. P.	Taylor, Colo.
Carter	Griest	Nelson, J. M.	Taylor, N. J.
Chandler, Okla.	Hardy, Colo.	Newton, Minn.	Taylor, Tenn.
Christopherson	Harrison	Nolan	Ten Eyck
Clark, Fla.	Herrick	Olpp	Tilson
Classon	Hersey	Osborne	Treadway
Cockran	Hicks	Padgett	Tucker
Codd	Hooker	Parks, Ark.	Tyson
Colton	Huddleston	Patterson, Mo.	Ward, N. Y.
Connell	Hukriede	Porter	Ward, N. C.
Cooper, Ohio	Humphreys	Pou	Wason
Copley	Husted	Rainey, Ala.	Webster
Crago	Ireland	Rainey, Ill.	White, Kans.
Crisp	Jefferis, Nebr.	Ransley	Wilson
Crowther	Johnson, Miss.	Rayburn	Wise
Davis, Minn.	Kahn	Reber	Wood, Ind.
Deal	Kearns	Reed, N. Y.	Woods, Va.
Dickinson	Kiess	Riordan	Yates
Dominick	Kindred	Roach	Young
Doughton	Kinkaid	Robertson	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. WALSH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 11212, finding itself without a quorum, he had caused the roll to be called, whereupon 267 Members had answered to their names, and that he therewith handed in a list of the absentees for printing in the Journal and RECORD.

The committee resumed its session.

Mr. FAIRFIELD. The provisions of this bill are very simple, Mr. Chairman. There are practically two of them. The first is, that a man having reached the age of 60 and having served 15 years and having been removed from the service through no delinquency of his own, shall be entitled to a certificate which will entitle him to the annuity when he has reached the age prescribed in the general law, provided that whatever he has paid in shall remain in the Treasury. And another provision is, that those who have withdrawn within recent months and who are not counted or who did not count themselves as being eligible to an annuity, and who had no prospect of getting any annuity, if they shall return what they have withdrawn and permit it to remain in the Treasury, shall have the privilege the same as the others.

Permit me to say that the data we have collected shows that not more than 300 all told, in all of the departments, have been separated who have had 15 years' service and are above 55 years of age. The greatest number is in the Navy Department that reports 196. They took the trouble to extend their investi-

gations throughout all of the places where any of the people working in the Navy were situated, and they report 196.

Mr. LINTHICUM. Just a short question. Do any of those employees of the Bureau of Engraving and Printing who are ousted come under the provisions of this bill?

Mr. FAIRFIELD. Not that I know.

Mr. LINTHICUM. Does the gentleman know?

Mr. FAIRFIELD. I have not examined it. By the way, the Bureau of Engraving and Printing reported but nine all told who would come under the provisions of this bill.

Mr. LONDON. That is on a basis of 60?

Mr. FAIRFIELD. No. That is on a basis of 55. I gathered the data for 55, or rather, my bill was drawn at 50, but I made the inquiry for 55, thinking that perhaps it would be modified, so that the data in the report, and which comprehends around close to 300 men, covers those who had reached the age of 55 years and had had 15 years of experience with the Government.

There is just one department that did not report, and that is the War Department. Of course, the World War civilian employees were very few in that department. The number enlarged enormously, but of course none of those taken in could possibly come under the provisions of this bill. But they have dismissed some 62,000, distributed all over the world, and Secretary Weeks, in replying to an inquiry, said that it would be manifestly impossible in any reasonable time for anyone to check up on the ages and the length of service of 62,000 men who have been dismissed. However, he did volunteer the statement that in his judgment there were very few people who would come under the terms of this bill. It is perhaps difficult at any time for a general law to be passed that will completely cover emergencies that might arise or to completely and specifically state in terms what the spirit and manifest purpose of the law are. I have no doubt when the Congress passed the original law that its spirit and purpose were intended to cover conditions such as we have found to exist in recent months. Therefore, I think perhaps the committee will find that the number is so limited, the obligation so real, that without much hesitation the terms of the bill will meet your approval.

I want to say another thing before I take my seat, and that is that we asked the Government actuary—and we have the figures here, I think—to make a careful analysis of the cost, and for the 300 the cost will be less than $80,000 a year. Of course, there will be costs afterwards, because the law will apply in after years. And I asked the actuary to make an estimate on the experiences of the department and from the mortality tables as to about how many would probably come under the provisions of this act, and of course that had to be an estimate. He reports but 20 the first year, and, following the mortality table, gives us what from year to year will be the increased cost in order to take care of this provision of the law.

It is well for us to remember that after 10 months there was on hand in the fund $9,000,000, on the 30th of June which closed the fiscal year of 1921, and that at the close of this fiscal year there was on hand $15,000,000. There has been a movement on the part of those who have been retired to say that money is theirs. Not a bit of it, men. That money is in the Treasury, obligated to the men who have stayed in, so that ultimately the Government will have to pay the initial obligations of whatever number is comprehended in this bill, plus the additional that may be added by virtue of those who in future years shall drop out.

Now, that is a frank, honest, fair statement. On the other hand, it is true that this bill will require no immediate appropriation. It is true that in all probability the accumulation of the fund will be sufficient to take care of retirement for a decade. It is true that the provisions of this bill will not so materially increase the cost, but that it will only reduce the time by a few months.

And now, gentlemen, it would not only be inequitable, but it would be heartless for men having the right to think that they had a vocation that would be permanent and who had come in sight of the promised land, and who find their fellows all taken care of, to ascertain that they must face the future years without any such protection as the Government should have given a quarter of a century ago. It is only because this is initial. It is because we are starting this thing. After 20 years, no matter how many men may be taken care of this way, there will be no additional cost to the Government. So I would urge that you frankly support the bill. [Applause.]

Mr. HOGAN. Mr. Chairman, will the gentleman yield for a question?

Mr. FAIRFIELD. Certainly.

Mr. HOGAN. Does this affect those who were laid off last year and discharged; not furloughed, but discharged? For instance, I have in mind a man who served 32 years, and then he was laid off.

Mr. FAIRFIELD. It goes back retroactively to the time of the enactment of the first bill, May 22, 1920.

Mr. Chairman, how much time have I?

The CHAIRMAN. The gentleman has used 20 minutes.

Mr. FAIRFIELD. Mr. Chairman, I yield to the gentleman from Missouri [Mr. HAYS].

Mr. HAYS. Mr. Speaker, not desiring to discuss the pending bill, I thank the gentleman from Indiana [Mr. FAIRFIELD] for yielding me a little time for some remarks on agriculture.

More or less criticism of a purely partisan nature has been leveled at the present administration by way of charges that Congress and the President have neglected the interests of the farmer. No one who keeps posted on what is going on in Washington will be deceived by this false and insidious propaganda. Some people, however, who may not have closely followed all we have done here, and who might be misled by this palpable effort to discredit the majority party through political misrepresentation, will be interested in a brief review of the more important agricultural measures considered on this floor within recent months.

Hon. Henry C. Wallace, Secretary of Agriculture, said in a recent address:

> Never in the same length of time did Congress give more serious attention to farm needs. All of the legislation is of a constructive character and will be more helpful than is now realized.

Being the Missouri member of the Committee on Agriculture, the words of the Secretary were particularly pleasing to me. Every true Missourian must feel a profound interest in the great basic business of agriculture. Ours is one of the leading States of the Union in the quantity and value of farm production. And, with pardonable pride, I can truly assert that the district I have the honor to represent is not surpassed by any congressional district in the United States in its splendid variety of soil output. Cotton, rice, sunflowers, tobacco, alfalfa, wheat, corn, oats, potatoes, vegetables, watermelons, cantaloupes, sorghum, fruits, berries, and poultry all thrive in richest abundance. One of our newspapers carries as its suggestive motto the phrase, "The land of the big red apple and the home of the helpful hen." Our blooded cattle, hogs, horses, and sheep divide honors with the famous Missouri mule. Coming from such a region, I considered it a rare privilege to be selected for membership on the House Committee on Agriculture, and I do not know of any more agreeable committee assignment. Rarely, indeed, does any partisanship assert itself there, because our members have industriously devoted themselves to the study of big welfare problems rather than to the narrower questions of party politics. For weeks and months we have patiently heard testimony from witnesses representing every section of the country on farm problems, and those hearings spread over thousands of printed pages. Hard and continuous as this work has been, we have felt ourselves amply repaid in the consciousness of having accomplished good results.

Mr. MONDELL, the majority leader of the House, said to our committee on February 27 last:

> No committee has done as much as this committee or inaugurated so much legislation in the interest of farmers as this committee, and I have been for it all.

Aside from the legislation originating in our committee, we have given hearty cooperation in considering measures from other sources calculated to better the status of agriculture. On May 27, 1921, this Congress passed the emergency tariff act and thereby stopped the influx of agricultural imports and saved the American market to our own producers.

We passed a law of the highest importance dealing with the live-stock industry. The stockyards and the packing plants were put under the supervisory and regulatory authority of the Secretary of Agriculture. The marketing, packing, and distribution of meat animals and meat products are so controlled under that law as to prevent discriminatory and deceptive practices and to insure a square deal for the producer and the consumer.

The Voigt filled milk bill is now a law. It protects the milk producer and the milk consumer from sham imitations. The practice was becoming widespread of extracting the butter fat from milk and then rebuilding the milk with coconut oil or other vegetable oils. We were told by the best scientists that this substitute lacked the nutritive qualities so essential to child growth and body development. Unscrupulous dealers, particularly in the larger cities, imposed upon the foreign population and illiterate people by selling them this canned compound and representing it as pure whole milk. By this law we have prevented the transportation and sale of filled milk in interstate commerce.

The future trading act, which recently passed the House, is designed to prevent market gambling in wheat and other grains. The inevitable result of price manipulation on the grain exchanges has been to depress the values at the season when the farmer usually sold his wheat and to raise the values after the wheat had found its way into the hands of the speculator.

The packer act, future trading act, and an amendment to the food control act have combined to encourage farmers in broadening the system of cooperative selling. In the manufacturing business and in every other class of output the voice of the producer, based on his knowledge of cost, has been largely effective in determining the selling price of his product. But the farmer, through all the years, has carried the handicap of having other people fix the price paid to him and the price paid by him for the things he has been compelled to sell and buy. When he drove to his local market with a load of produce he was compelled to accept from the buyer a price fixed in the big central markets; and when he spent the money so received he paid the price determined where his shoes or his hat or his clothes or machinery were manufactured. We believe that these recent enactments are moving in the direction of letting farm production values be determined by the men whose investment of toil and energy have created them.

Congress has under way an elaborate scheme of financial credit for agriculture. Some of it we have already put in the statutes by legislative enactment, and hearings are being held on other bills. As to the wisdom of the revision of the general scheme of credits, let me quote from a recent address by Eugene Meyer, managing director the War Finance Corporation, delivered at Milwaukee:

> In spite of the all-important position of agriculture in the American economic structure our financial system has been developed around banking practices imported from countries which are chiefly commercial and industrial rather than agricultural. And many of our troubles have been caused by forcing agriculture to adjust itself to these banking practices instead of adapting our banking to the needs of our basic industry and synchronizing the financing of agriculture with the natural processes of production and consumption. It has been the practice to put the bulk of our crops on the market immediately after the harvest. So long as the returns were sufficient to keep the farmer in business and the hope of enhanced land values encouraged him to carry on, so long as the market had the capacity to absorb a year's supply of a farm commodity in from three to six months, the weakness of such a system was not so apparent. But the moment there was a serious disturbance in the market, with the consequent failure to distribute the carrying of the commodity all along the line from the producer to the consumer, there was put upon the farmers and the country banks that finance them a burden they were unable to carry.

We have amended the Federal reserve act so as to require that at least one member of the board shall be an actual farmer. The War Finance Corporation has been revived and extended by a recent law, so that an enormous revolving fund is available for exclusive use in making loans to live-stock and agricultural interests. We passed a law to increase the rate of interest on the bonds of Federal farm loan banks so as to make them more readily salable and without any increase of interest on the loans to the farm borrower. We passed another law transferring $25,000,000 from the Federal Treasury to the capital fund of the farm loan banks.

Other bills dealing with farm credits are pending, but none of them perhaps is of greater importance than the one relating to warehouses. It is proposed that agricultural paper up to nine months' maturity, secured by products stored in public warehouses, may be discounted with Federal reserve banks. It is proposed that nine months' paper secured by live stock in the process of fattening for market shall be accorded the same privilege. It is proposed that the paper of cooperative marketing associations evidencing advances for agricultural purposes shall be entitled to all the rediscount privileges of agricultural paper.

I have not undertaken to enumerate all that the present Congress has done for agricultural welfare, but what I have shown is sufficient to indicate the wholesome purpose and the trend of thought of the administration now charged with solving the great national problems of economic reconstruction. From the time this administration went into office until the present hour every agency, directly and indirectly, has addressed its best efforts to aiding the farmer by removing obstacles that have long been permitted to block his progress.

Mr. FAIRFIELD. Mr. Chairman, I yield the remainder of my time to the gentleman from Ohio [Mr. BEGG].

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. CRAMTON. Mr. Chairman, I feel that the gentleman from Ohio is entitled to a good hearing. I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Michigan makes the point of order that there is no quorum present. It is clear that there is no quorum present. The Clerk will call the roll.

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

Andrew, Mass.	Dunn	Lawrence	Rouse
Anthony	Ellis	Lazaro	Rucker
Arentz	Evans	Leatherwood	Sabath
Bacharach	Fields	Logan	Sanders, Ind.
Bankhead	Fish	Longworth	Sanders, N. Y.
Beck	Foster	Luce	Schall
Beedy	Frear	Luhring	Shelton
Bixler	Frothingham	Lyon	Sinclair
Black	Fulmer	McClintic	Snyder
Blakeney	Garrett, Tex.	McDuffie	Sproul
Blanton	Gilbert	McFadden	Stafford
Bond	Goldsborough	McPherson	Stedman
Brennan	Gould	McSwain	Steenerson
Britten	Graham, Pa.	Maloney	Stevenson
Brooks, Ill.	Green, Iowa	Mansfield	Stiness
Brooks, Pa.	Greene, Mass.	Martin	Stoll
Browne, Wis.	Greene, Vt.	Merritt	Strong, Pa.
Buchanan	Harrison	Miller	Sullivan
Burroughs	Hayden	Montague	Summers, Wash.
Burtness	Henry	Montoya	Sumners, Tex.
Campbell, Kans.	Herrick	Morin	Swank
Cannon	Hersey	Mott	Taylor, Ark.
Cantrill	Hicks	Mudd	Taylor, Colo.
Carter	Hooker	Nelson, A. P.	Taylor, N. J.
Chandler, N. Y.	Huddleston	Nelson, J. M.	Taylor, Tenn.
Chandler, Okla.	Hukriede	Nolan	Ten Eyck
Christopherson	Humphreys	Olpp	Tilson
Clark, Fla.	Husted	Osborne	Treadway
Classon	Ireland	Padgett	Tucker
Cockran	Jefferis, Nebr.	Park, Ga.	Tyson
Codd	Johnson, Miss.	Parks, Ark.	Vaile
Colton	Jones, Pa.	Patterson, Mo.	Vare
Connell	Jones, Tex.	Porter	Volstead
Cooper, Ohio	Kahn	Pou	Walters
Cooper, Wis.	Kearns	Pringey	Ward, N. Y.
Copley	Kelley, Mich.	Purnell	Ward, N. C.
Crisp	Kiess	Rainey, Ala.	Wason
Crowther	Kindred	Rainey, Ill.	Watson
Davis, Minn.	Kinkaid	Rankin	Webster
Davis, Tenn.	Kitchin	Rayburn	White, Kans.
Deal	Kleczka	Reber	Wilson
Dempsey	Knight	Reed, N. Y.	Wise
Dickinson	Kraus	Riordan	Woodruff
Dominick	Kunz	Roach	Woods, Va.
Drane	Langley	Robertson	Yates
Drewry	Larsen, Ga.	Robsion	Young
Driver	Larson, Minn.	Rodenberg	

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. WALSH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 11212) 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, and finding itself without a quorum, he had caused the roll to be called, whereupon 243 Members, a quorum, answered to their names, and he presented a list of absentees for printing in the Journal.

The SPEAKER. The committee will resume its session.

The committee resumed its session.

The CHAIRMAN. The gentleman from Ohio [Mr. BEGG] is recognized for 10 minutes.

Mr. BEGG. Mr. Chairman, may I yield one minute to the gentleman from Iowa [Mr. TOWNER] without losing the floor?

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

Mr. BEGG. Yes.

The CHAIRMAN. The gentleman from Ohio yields one minute to the gentleman from Iowa.

Mr. TOWNER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

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

Mr. TOWNER. Mr. Speaker, a new controversy has arisen over an old issue. It seems that the Legislature of Massachusetts under provisions of its law submitted to the attorney general of that State the question of the constitutionality of the law passed by this Congress and approved November 23, 1921, entitled "An act for the promotion of the welfare and hygiene of maternity and infancy," usually referred to as the Sheppard-Towner Act. Subsidiary questions were also submitted as to whether Massachusetts has the right as a State to question the constitutionality of the act; whether by accepting the act the State would waive its right to contest the validity of the act; and, if the act be considered unconstitutional, what procedure should be instituted to test its constitutionality?

In an elaborate opinion filed in answer to these questions the attorney general advises that the act is unconstitutional, that the State may raise the question, that by accepting the State would probably waive its right to contest the validity of the act, and that the most direct, if not the only, method of testing

the constitutionality of the act is by "proceedings in equity against those officials of the Federal Government who are acting or preparing to act to carry its provisions into effect."

It is further stated in the press that acting on this advice the Legislature of Massachusetts has directed its attorney general to institute proceedings to test the constitutionality of the law.

THE CONSTITUTION AND THE LAW.

The question thus raised is whether there is constitutional sanction for the maternity law. It is claimed by the contestants that the Constitution of the United States does not grant power to Congress to tax the people "for the promotion of the welfare and hygiene of maternity and infancy."

It is true, as stated by the attorney general, that the National Government has only limited and enumerated powers; that such enumerated powers are stated in Article I, section 8, of the Constitution; and that all powers not thus enumerated, or those necessary for carrying into effect the powers thus granted, are reserved to the States or the people. It is the contention of the proponents of this legislation that it is clearly and fully authorized by the first paragraph of Article I, section 8, of the Constitution. Said paragraph is as follows:

The Congress shall have power to lay and collect taxes, duties, imports, and excises to pay the debts and provide for the common defense and general welfare of the United States.

Congress by the passage of the act in question, and the President by his approval, have declared that the legislation will promote the "general welfare of the United States." If so the act is directly under the authority of a specifically stated and enumerated power granted by the Constitution to Congress.

CONSTRUCTION.

To ascertain the meaning of constitutional provisions, rules of construction based on reason and experience have been approved by the courts and should be applied when controversies arise. One of these rules is that "the aim and object as well as the causes of a provision are essential in construing it." Under this rule of construction we should have no difficulty. The principal objects and purposes of the Constitution are explicitly stated in the preamble. It is as follows:

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

To promote the general welfare is thus specifically stated as one of the declared objects to be obtained by the adoption of the Constitution. It is true the preamble contains no grant of power, but that comes later when Congress in express terms is granted power to levy taxes to "provide for the * * * general welfare of the United States."

The statement in the preamble that one of the purposes for which the Constitution was ordained was to "promote the general welfare" has been sometimes disparaged. It is not claimed that a statement of purpose in the preamble is of itself authority for congressional action, but it is of great value in the interpretation of a disputed clause in the body of the Constitution.

Mr. Justice Story, in his great work on the Constitution, referring to the preamble, sections 459, 460, says:

The importance of examining the preamble for the purpose of expounding the language of a statute has been long felt and universally conceded in all juridicial discussions. * * *

There does not seem any reason why, in a fundamental law or constitution of government, an equal attention should not be given to the intention of the framers, as stated in the preamble. And accordingly we find that it has been constantly referred to by statesmen and jurists to aid them in the exposition of its provisions.

In this case we find that one of the purposes stated in the preamble is to promote the general welfare, and that statement of purpose is followed in the body of the Constitution by an express grant of power to Congress to tax and appropriate for the general welfare. It would appear unnecessary under these conditions to argue that Congress has such power.

Another rule of constitutional construction is that preceding ordinances of Government and the debates and proceedings of the convention which framed the Constitution should be considered in determining the meaning of provisions finally adopted. If this rule be applied, we shall find that in the first effort to unite the Colonies in a central government and in all the deliberations of the Constitutional Convention the predominant purpose avowed was to provide for the general welfare of the people.

In the Articles of Confederation which preceded the Constitution and which was the first association of the Colonies for governmental purposes the third article provided:

The said States hereby severally enter into a firm league of friendship with each other for their common defense, the security of their liberties, and their mutual and general welfare.

From the first, the "general welfare" was in the minds of the makers of the Constitution, which followed the Articles of Confederation. The first resolution of the Virginia plan submitted as a basis for consideration, was as follows:

Resolved, That the Articles of Confederation ought to be so corrected and enlarged as to accomplish the objects proposed by their institution, namely, common defense, security of liberty, and general welfare.

On Gouverneur Morris's suggestion, Randolph moved a substitute, the first division of which was as follows:

1. That a union of the States merely federal will not accomplish the objects proposed * * * namely, common defense, security of liberty, and general welfare.

At a subsequent period during their deliberations a resolution was adopted stating that Congress should have power "to legislate in all cases for the general interests of the Union."

When the first draft of the Constitution was prepared the clause respecting taxation stood thus: "The Legislature of the United States shall have the power to lay and collect taxes, duties, imports, and excises," without any qualification or limitation whatever. Subsequently, the limitation "to pay the debts and provide for the common defense and general welfare of the United States," was added by the unanimous action of the convention.

In the draft prepared and submitted by Charles Pinckney power was conferred on Congress to levy such imports and duties for the use of the United States as Congress should think necessary and expedient. But this on consideration was changed to a declaration of purpose that taxes might be levied and appropriations made for three great general purposes, namely, "to pay the debts and provide for the common defense and general welfare of the United States," and that, as we have seen, was the language finally adopted.

Thus it is apparent that from the first the framers of our fundamental law had in mind that one of the essential objects to be obtained by its creation was to provide for and promote the general welfare of the people.

THE DOCTRINE OF STRICT CONSTRUCTION.

The purpose to create a government that should have power to promote the general welfare is shown both by the preamble and by the resolutions and debates of the Constitutional Convention, and this purpose is confirmed by the express grant of the power to Congress to tax and appropriate for the general welfare as stated in the body of the Constitution. It would appear then, that there is not much ground for the contention that Congress has no such power. In years long past, however, a school of strict constructionists arose whose advocates ably and earnestly strove to interpret the Constitution so as to limit the powers of the general Government to the narrowest possible bounds. The State rights advocates, as they were known, did not at first advance the contention that the grant of power to tax and appropriate for the general welfare was limited to enumerated purposes, but Mr. Madison early realized that unless the power of Congress was limited to the afterwards enumerated powers, and was not in itself considered a grant of power, the doctrine of strict construction would have little chance of final adoption.

Thus, a controversy arose as to the meaning of the first paragraph of the eighth section. Three views were advanced. It was argued by some that the power granted to Congress in this paragraph was a two-fold power, first to lay and collect taxes, and second to pay the debts and provide for the common defense and general welfare, and that the second was a separate and distinct grant not dependent on the first. This view has now very little support.

A second claim was that the grant to lay taxes and make appropriations for the general welfare was limited to the specific objects afterwards enumerated, to establish post offices, to coin money, to regulate commerce, and so forth. This view was contended for by the strict constructionists.

A third, and the view best supported and now generally adopted, is that the paragraph is a distinct grant of power to levy taxes for the purpose of, or in order to "pay the debts, and provide for the common defense and general welfare of the United States."

Mr. Madison advocated that the expression that appropriations might be made for the "general welfare" was limited by the enumeration of powers contained in the same section but in separate and distinct paragraphs. He said: "But what color can the objection have, when a specification of the objects alluded to by these general terms immediately follows, and is not even separated by a longer pause than a semicolon."

Mr. Madison in this comment in the Federalist is answering objections made to the Constitution that unlimited power to tax is granted by that provision. It requires only an inspection of the entire section to see that each of the provisions separated by

a semicolon are separate and distinct grants of power, by no means dependent or modified by other sections. The first is the power to lay and collect taxes for specific and stated purposes; the second grants Congress power to borrow money; the third to regulate commerce, and so forth.

Against the interpretation given by Mr. Madison may well be placed that stated by Mr. Jefferson in his opinion on the Bank of the United States, given in 1791. Mr. Jefferson said:

To lay taxes to provide for the general welfare of the United States is to lay taxes for the purpose of providing for the general welfare. For the laying of the taxes is the power, and the general welfare the purpose for which the power is to be exercised. Congress are not to lay taxes ad libitum for any purpose they please, but only to pay the debts or provide for the welfare of the Union. In like manner they are not to do anything they please to provide for the general welfare, but only to lay taxes for that purpose.

No stronger statement in this regard has been made than by Mr. Hamilton in 1791 in his remarkable report as Secretary of the Treasury on manufactures. In this report he states the three limitations on the taxing power of Congress, viz, that all duties, imports, and excises must be uniform; that no capitation or other direct tax shall be laid except in proportion to population; and that no State shall levy an export tax or duty, and then proceeds:

These three qualifications excepted, the power to raise money is plenary and indefinite. And the objects to which it may be appropriated are no less comprehensive than the payment of the public debts and the providing for the common defense and general welfare. The terms "general welfare" were doubtless intended to signify more than was expressed in those which preceded, otherwise numerous exigencies incident to the affairs of the Nation would have been left without a provision. The phrase is as comprehensive as any that could have been used, because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the general welfare, and because this necessarily embraces a vast variety of particulars which are susceptible neither of specification nor of definition. It is, therefore, of necessity left to the discretion of the National Legislature to pronounce upon the objects which concern the general welfare, and for which, under that description, an appropriation of money is requisite and proper. And there seems no room for a doubt that whatever concerns the general interests of learning, of agriculture, of manufactures, and of commerce are within the sphere of the national councils so far as regards an application of money.

Mr. Justice Story, in his work on the Constitution, sections 907 and 908, discusses the question whether the power of taxation granted in section 8 was an absolute and unlimited power or whether it was limited by the stated declaration of purposes for which taxation might be imposed. He arrives at the latter conclusion, and states that the section should be interpreted to read that taxes might be imposed in order—

to pay the debts and to provide for the common defense and general welfare of the United States.

In this sense—

He adds—

Congress has not an unlimited power of taxation; but it is limited to specific objects—the payment of the public debts and providing for the common defense and general welfare. A tax, therefore, laid by Congress for neither of these objects would be unconstitutional, as an excess of its legislative authority.

Mr. Story distinctly refuses to approve the claim that the power to tax in order to provide for the common defense and general welfare was limited to subsequent provisions of section 8 of the Constitution. Regarding this contention he says:

An attempt has been sometimes made to treat this clause as distinct and independent, and yet as having no real significance per se, but (if it may be so said) as a mere prelude to the succeeding enumerated powers. * * * No person has a right to assume that any part of the Constitution is useless or is without a meaning, and a fortiori no person has a right to rob any part of a meaning, natural and appropriate to the language in the connection in which it stands.

Referring to Mr. Madison's statement that the common-defense and general-welfare clause contained only "general terms, explained and limited by the subjoined specifications," Mr. Story says:

It is assuming the very point in controversy to assert that the clause is connected with any subsequent specifications. It is not said "to provide for the common defense and general welfare in manner following, viz," which would be the natural expression to indicate such an intention. But it stands entirely disconnected from every subsequent clause, both in sense and punctuation, and is no more a part of them than they are of the power to lay taxes.

Mr. Pomeroy, in his work on Constitutional Law, sections 273, 274, 275, sanctions such interpretation of the section and says:

Thus the Congress does not possess an absolutely unlimited power of taxation. It can only resort to this high attribute for one or more of three purposes—payment of debts, the common defense, the general welfare. The defense must be common and the welfare general. But, after all, this leaves a sufficiently wide field for legislative operations. Money may be raised to pay any debts however contracted, whether now existing or to become due at a future time. Common defense and general welfare are terms of the broadest generality, and within them can be included all the objects for which governments may legitimately provide.

What measures, what expenditures will promote the common defense or the general welfare Congress can alone decide, and its decision is final. It is certainly not necessary that any particular expenditure should be spread over the whole country, to bring it within the meaning of a defense which shall be general. All the disbursements of the Government must be met by revenue of some kind and must finally be paid by some species of taxation, except that small portion which may be provided for by the sale of public property. Congress spends vast sums of money in the erection and adornment of a capital, in furnishing a scientific institution; but it is not claimed that these disbursements are not made for the general welfare. A fort in New York is for the common, not local, defense. In short, the legislature is not trammeled by these provisions; it has ample scope and verge in which to indulge its proclivities to raise and expend money.

The marvelous wisdom and prescience of the makers of our Constitution is shown by the fact that, although the supreme purpose of its creation was to promote and secure the general welfare of the people, power was not granted Congress to legislate directly for such purpose. But power was granted Congress to appropriate money for the general welfare and thus to carry out its expressed purpose without infringing upon the rights of the States, and in this way to cooperate with and aid them in promoting the general welfare of those who are at once citizens of the State and of the Nation. As Mr. Hamilton well said:

The phrase "general welfare" is as comprehensive as any that could have been used, because it was not fit that the constitutional authority of the Union to appropriate its revenues should have been restricted within narrower limits than the general welfare, and because this necessarily embraces a vast variety of particulars which are susceptible neither of specification nor of definition.

This is a Nation, and Congress is its lawmaking body. The United States of America is a general government for millions of people, and its Constitution is designed to provide for them an adequate system of government, sufficient in power and scope to meet all needs and answer all demands. Is it imagined that when the creators of our fundamental law, with that marvelous wisdom which characterized the formation of that document, admitted to be the "most wonderful work ever struck off at a given time by the brain and purpose of man," did not know what they intended or what they did when they committed such power to Congress? Is it thought they did not mean what they said when they declared Congress should have the power to tax and appropriate for the general welfare? How else could they have made a National Government that could meet the demands of future ages? "Otherwise," to repeat Mr. Hamilton's words, "numerous exigencies incident to the affairs of the Nation would have been left without a provision." And to those who now contest that power think that the Supreme Court, after all these years of continual and uncontested exercise of such power, will interpret that provision of the Constitution which grants the power so as to make it senseless and absolutely ineffective? It would seem that such position is not only unreasonable but reactionary in extreme degree, and that any hope or expectation of a successful result is without reasonable prospect of fulfillment.

THE ACCEPTED INTERPRETATION.

The view as stated by Hamilton, Story, and Pomeroy has been the accepted view of America's greatest jurists and statesmen. It has been the accepted interpretation of Congress from the first. Literally hundreds of acts have been passed by Congress which have no express nor implied constitutional sanction, except that they were justified under the general-welfare clause; and from the first every President of the United States has approved such acts. No veto has ever been rendered by any President based on the grounds now urged. No suit has ever been brought contesting the right of Congress to pass appropriations for the purpose stated, and no decision of any court can be cited as authority for the position now taken against this legislation.

These facts should be given great weight, for another rule of construction approved by jurists is that the interpretation of a constitutional provision adopted and followed by the lawmaking bodies if in numerous instances and covering long periods of time is among the strongest indications of the true intent and purpose. From 1789 to 1922 there has been an unbroken line of congressional acts passed under the authority and interpretation which supports this legislation.

Mr. Justice Story, in referring to this fact, says:

In regard to the practice of the Government, it has been in conformity to the principles here laid down. Appropriations have never been limited by Congress to cases falling within the specific powers enumerated in the Constitution, whether those powers be construed in their broad or their narrow sense. And in an especial manner appropriations have been made to aid internal improvements of various sorts, in our roads, our navigation, our streams, and other objects of a national character and importance. In some cases, not silently but upon discussion, Congress has gone the length of making appropriations to aid destitute foreigners and cities laboring under severe calamities; as in the relief of the St. Domingo refugees in 1794, and the citizens of Venezuela, who suffered from an earthquake in 1812.

Many other instances could be given from our earlier period, and they multiply greatly with the years. As our growth in population has increased, as the diversification and extent of

our industrial and commercial activities have extended, as our progress in scientific knowledge has enlarged our mental horizon, and especially as humanitarian and moral standards have been elevated, "public welfare" has attained an enlarged and nobler significance.

Indeed, most, in number at least, of the laws carrying appropriations which are now made must find justification for their enactment in the power granted to Congress to appropriate for the public welfare. If appropriations are not justified in the present instance, many of the present activities of the General Government would have to be discontinued.

In the Treasury Department we have established the Federal Farm Loan Board, which is making loans to farmers all over the United States. This is without any constitutional warrant, under the attorney general's opinion.

The entire Public Health Service of the Government would likewise fall under the ban. Scientific investigation and studies of diseases, the mental and industrial hygiene of children, rural sanitation, public health administration, etc.—all these activities, requiring many millions from the National Treasury, are now carried on by the General Government. If the Legislature of Massachusetts is eager to protect the taxpayers of that State, one wonders why during all these years something has not been done to stop what they now seem to consider unconstitutional exactions. Is it possible that what is constitutional under the Public Health Service is unconstitutional under the Children's Bureau? It is a somewhat remarkable thing that no serious protest has been raised against the Public Health Service, which for years has been doing the same class of work in the same way that is given the Children's Bureau in the law which is now declared unconstitutional.

Then there is the Bureau of Education; the Reclamation Service; the Bureau of Mines, and indeed, the whole Department of Agriculture and the Department of Labor; none of these has any constitutional sanction under the contention now urged against this law.

In the Department of Agriculture tens of millions are spent on such matters as farm management and farm economics; on forecasting the weather; on the care and development of live stock; on studies of plant life; on studies of insects; on crop estimates; and the distribution and marketing of farm products. The General Government also has and maintain a Bureau of Fisheries and furnishes fish to stock private streams and ponds.

In the Department of Labor the Children's Bureau is found, which has regard for the welfare of children and child life and especially questions of infant mortality, the birth rate and diseases of children, and so forth. The same department has also a Woman's Bureau which formulates standards and policies to promote the welfare of wage-earning women, to improve their working conditions, increase their efficiency, and advance their opportunity for profitable employment. The department also maintains the United States Employment Service to foster, promote, and develop the welfare of the wage earners of the United States.

The Government also supports the Smithsonian Institution, for the "increase and diffusion of knowledge among men." The United States National Museum and the National Gallery of Art are also supported from the National Treasury.

Then there is the Federal Trade Commission, charged with the supervision of private corporations; the United States Shipping Board, which is the largest shipping concern in the world engaged in the business of ocean transportation; and the War Finance Corporation, which is now furnishing funds from the National Treasury to finance the export of farm products and is lending money to farmers to enable them to profitably market their products, with a Government-furnished capital of $1,000,000,000.

In making appropriations Congress has gone far beyond these instances. When earthquakes occur, when floods come, when almost any calamity of magnitude occurs at home or abroad, we make contributions from the National Treasury in their aid. We appropriate not only for world's fairs at home but we also take money from the National Treasury to make exhibits in Brazil and elsewhere. We send seed wheat to our own drought-stricken farmers, and do not hesitate to appropriate $20,000,000 for the relief of the Russian peasants. It should be remembered that we have made appropriations for the celebration in Massachusetts of the landing of the Pilgrims, and the people of that Commonwealth have gladly received money from the National Treasury to help eradicate the chestnut blight from their forests and their parks. They have received and used national appropriations to aid their schools and to help build their roads. It is difficult to understand why all these and hundreds of other appropriations are allowed to pass with acceptance or tacit approval and all the powers of the Commonwealth are launched to defeat the beneficent operation of the maternity act.

The instances given by no means exhaust the subjects for which Congress makes appropriations, none of which has constitutional sanction other than that they are considered for the general welfare. When the attorney general brings his suit he might well consider the inclusion of these governmental activities, all of which in his view must be unconstitutional. He could as well justify himself in attempting to stop those expenditures as to attempt to stop expenditures authorized by the maternity act. By so doing he could, if successful, save hundreds of millions annually, to the great relief of the tax-burdened people of Massachusetts, so many of whom have such large incomes that they are compelled to pay the disproportionate exaction of 5.66 per cent of the total paid into the National Treasury. The immunity, if secured, from the exactions imposed by the maternity act, which carries only a little over a million dollars, would be insignificant compared with the relief that might come to the income-paying citizens of Massachusetts from the continued annual imposition of hundreds of millions equally unjustified, according to the opinion of the attorney general.

INVASION OF POLICE POWER.

Every extension of governmental activity to cure abuses or to relieve untoward conditions has been met with the same objection urged in this case, that it is an invasion of the police powers and the reserved rights of the States. But Congress has used its judgment in most cases with careful observance of constitutional limitations, and in nearly all cases the legislation has been sustained by the Supreme Court. If the objection now urged against legislation of this character were sustained and acts of a similar nature were stricken from the statutes, a great volume of beneficent law would be lost. A brief review of some of the cases of this character may be of value as indicating the nature and trend of the decisions of the Supreme Court on such legislation when attacked as an invasion of the rights of the States.

In Champion *v.* Ames (188 U. S. 321), the so-called Lottery case, it was held that Congress had power to prohibit the transportation of lottery tickets. In Hipolite Egg Co. *v.* United States (202 U. S.) the power of Congress was sustained under the pure food and drugs act to prohibit the introduction into the States of impure foods and drugs. In Hoke *v.* United States (227 U. S. 308) the constitutionality of the so-called "white slave traffic act" was sustained, in which the transportation from State to State of women for the purpose of prostitution was forbidden. In that case the Supreme Court said:

> If the facility of interstate transportation can be taken away from the demoralization of lotteries, the debasements of obscene literature, the contagion of diseased cattle or persons, the impurity of food and drugs, the like facility can be taken away from the systematic enticement to and the enslavement in prostitution and debauchery of women, and, more insistently, of girls.

In Caminetti *v.* United States (242 U. S. 470) the Supreme Court held the act prohibiting the transportation of women from State to State for purposes of illicit intercourse was valid. In Clark Distilling Co. *v.* Railway Co. (242 U. S. 311) the "prohibition act" was sustained prohibiting the transportation of intoxicating liquors. In McCray *v.* United States (195 U. S. 27) a law laying a tax on oleomargarine when colored to resemble butter was sustained. More than 50 years ago a tax on the circulation of State banks was sustained in the case of Veazie Bank *v.* Fenno (8 Wall, 533). In Standard Oil Co. *v.* United States (221 U. S. 1, 68) the Supreme Court held the Sherman Act designed to break up combinations in restraint of trade and monopolies was valid. The rule laid down in these cases has been followed in many others, and in all of these the argument was strenuously but vainly urged that the General Government had no power to invade the reserved and police power of the States. In the decision of the White Slave case the Supreme Court held that if convenient to the exercise of its power the legislation might have the character of a police regulation.

These cases are important because they are ample and conclusive authority for the proposition that Congress may exercise a power constitutionally conferred even when it directly affects the police powers of a State. The fact should be remembered that the people of the United States are under a dual citizenship. The United States has no citizens that are not citizens of some State. The General Government in the exercise of powers conferred upon it can not legislate without affecting the citizens of a State. Once the power is granted its exercise can not be restrained because the law enacted may not be pleasing to some citizens of some State. Its judgment as to how it can best promote the general welfare of its citizens can not be nullified by the objection of a State or even of many States.

CONDITIONAL GRANTS.

The objection is urged that a grant made contingent upon acceptance with conditions constitutes an invasion of the reserved police powers of the States.

For more than half a century appropriations have been made by the General Government for purposes promoting the general welfare, and they have been made contingent upon acceptance by the States and upon conditions required by the General Government.

In 1857 Justin S. Morrill, representative in Congress from Vermont, introduced a bill providing for grants of the public lands to each State for the establishment, endowment, and maintenance of an agricultural and mechanical college. It was finally passed in 1859, and was vetoed by President Buchanan on the same grounds now urged by the attorney general against the maternity act. The bill was reintroduced, however, passed by Congress, and approved by President Lincoln in 1862. Under this act the States received either Government lands or scrip in varying ratios, provided that every State accepting the grant should maintain a technical college with certain prescribed features. Compulsory military-training work and teaching in agriculture and the mechanic arts was also required.

Under this act 10,400,000 acres of land were given the States. Massachusetts received 360,000 acres, and in 1867 complied with the conditions and established her college.

In 1887 the Hatch Act established an "experiment station" for each of these colleges, and an annual payment from the National Treasury of $15,000 was given each college which complied with certain specified conditions.

In 1890, $25,000 for the "more complete endowment and maintenance" of each of these colleges was provided, and this was increased later to $50,000. Every State in the Union has accepted, has complied with the conditions, and is receiving annual appropriations from the National Treasury.

In 1914 the Smith-Lever Act was passed, under which annual appropriations are made to the States for instruction and practical demonstration in agriculture and home economics. The annual appropriations, now at their maximum, amount to $4,580,000 each year. No State can receive its quota of these appropriations unless it appropriates an equal amount for the same purpose and complies with the conditions specified in the act.

The Smith-Hughes Act was passed in 1917. This act grants to the States amounts from the National Treasury for vocational education. The maximum annual appropriation is $7,000,000, and the allotments to the States are conditioned on a like appropriation and compliance with conditions to be met by each State.

In 1912 Congress made an appropriation of $500,000 to aid the several States in highway construction. The money was apportioned among the States, and in order to receive its allotment each State was required to contribute twice as much as it received from the Government.

In 1916 the Federal aid road law was passed. It provided for a maximum appropriation of $25,000,000 by the General Government. A State must appropriate an amount equal to its allotment and comply with the conditions specified in the act in order to receive its share. An act has just been passed by Congress appropriating $50,000,000 for the coming year, $65,000,000 for the next year, and $75,000,000 for the year following for road purposes, provided the States appropriate a like amount and comply with the conditions specified.

If the maternity act is unconstitutional then these acts are unconstitutional. None of them are unconstitutional, and neither is the maternity act unconstitutional. There can be no distinction drawn in principle between these acts and the maternity act. If they are for the general welfare, so is the materternity act. If the saving of human life is not for the general welfare, then nothing named above and nothing that can be named is for the general welfare.

PROVISIONS OF THE ACT.

In fact, most of the acts referred to are much more exacting in their requirements than is the maternity act. A brief review of its provisions will show how slight are the conditions required of the States to entitle them to share in its benefits and help to an understanding of its general scope and purpose.

The act provides for an appropriation from the National Treasury to the States for the purpose of cooperating with them in promoting the welfare and hygiene of maternity and infancy. An authorization is made for an appropriation annually of $1,240,000, such fund to be available to such States as shall accept the provisions of the act in the proportion which the population of a State bears to the total population of the United States, provided a State shall appropriate an equal amount for the same purpose. A board is created consisting of the Chief of the Children's Bureau, the Surgeon General of the United States Public Health Service, and the United States Commissioner of Education. The Children's Bureau is charged with the administration of the act, and is directed "to make or cause to be made such studies, investigations, and reports as will promote the efficient administration of the act."

In order to receive the benefits of the appropriations authorized, the legislature of a State is required to—

1. Accept the provisions of the act.

2. Designate or authorize a State agency to cooperate with the Children's Bureau in the administration of the act.

3. Submit plans for administration to the Children's Bureau, subject to the approval of the board.

4. It is provided that no plan shall be approved unless it provides that no official, or agent, or representative in carrying out the provisions of this act shall enter any home or take charge of any child over the objection of the parents, or either of them, or the person standing in loco parentis or having custody of such child. If the plans be in conformity with the act, and reasonably appropriate and adequate to carry out its purposes, they shall be approved.

5. No allotment shall be withheld from a State without the approval of the board, and when withheld the State agency may appeal to the President.

In the recital of the provisions of the act given by the attorney general in his opinion he omits to state that the act further provides that "If these plans shall be in conformity with the provisions of the act and reasonably appropriate and adequate to carry out its purpose they shall be approved by the board." Without such a provision the attorney general's statement would lead to the conclusion that the board could impose any conditions they saw fit to demand. The act particularly states that plans only reasonably appropriate and adequate shall be required. The opinion of the attorney general also omitted to give the constitution of the board; a very important matter when considering the objections which he urges.

The statement of the attorney general that the nature of the plans to be approved "are wholly undetermined except that they must have some relation to the welfare and hygiene of maternity and infancy" is not justified. The nature of the plans are not "wholly undetermined," they are specifically required to be "reasonably appropriate and adequate" to carry out the provisions of the act, only that and nothing more.

The attorney general further states that control over the conduct of the State agencies is vested in the Children's Bureau and the board by exercise of the right to withhold funds. The act provides that when an appropriation made has not been expended by a State "for the purposes and in accordance with the provisions of this act," further apportionment shall not be made until the State arranges to apply the funds which it has received for such purpose. Such action can not be taken, however, except by the order of the board, with the right to the State of appeal to the President. Could the rights of a State be more carefully guarded? Or would the attorney general approve provisions allowing the State to receive appropriations granted by the General Government for a particular purpose without provision to guard against its misuse?

The attorney general appears exceedingly anxious to make it appear that the act gives to the General Government control within the States of the administration of the law. In fairness in that connection he should have stated the concluding section of the act which provides—

> This act shall be construed as intending to secure to the various States control of the administration of this act within their respective States, subject only to the provisions and purposes of this act.

There has never been at any time a purpose on the part of the proponents of this legislation to control the States in carrying out its objects. Everything that would carry such an inference even has been excluded from the provisions of the act. Only such requirements as are absolutely necessary to protect the General Government from a misuse of the funds have been retained. It is not to control the States but to aid and encourage them and to stimulate them to activity that this legislation is designed.

ORIGIN AND JUSTIFICATION OF THE ACT.

It is difficult to understand why this legislation has been and is so persistently and bitterly attacked. Its origin is briefly this: The Children's Bureau began making investigations, as it was required to do, regarding the mortality of children arising from maternity causes. This necessarily included consideration of the maternal mortality of women. The bureau found a terrible, a disgraceful condition existing in the United States both as to mothers and children. It was found that between 200,000 and 250,000 children died each year before they had

lived 12 months. It was found that between 20,000 and 25,000 mothers died in childbirth each year. It was found that this maternal mortality rate was the highest of 17 countries of the world, and that our infant mortality rate was seventh among the nations. It was found that while in the United States we had reduced the mortality rate in typhoid cases one-half, we had reduced the rate in diphtheria cases more than one-half, and were rapidly reducing the rate in tuberculosis, there had been but slight decrease, if any, in the percentage of maternal deaths, and no decrease in the percentage of infant deaths.

It was found that more women between the ages of 15 and 45 years die from causes incident to child bearing than from any other cause except tuberculosis.

These conditions being shown, the Children's Bureau undertook a searching inquiry as to causes and as to possible means for helping conditions. It was found that the principal causes were ignorance and poverty, resulting in neglect and lack of trained help when needed. Other causes contributed, but these seemed to be the principal causes. The bureau found in seeking remedies that wherever in the United States or elsewhere systematic work and trained aid was secured, principally of an instructive, helpful, and nursing character, the mortality of both mothers and children was reduced almost immediately one-half. It was found that the lower mortality rates existing in most European countries was largely the result of Government stimulus and aid. It was found that every European nation had made some provision for the protection of maternity and infancy, and that those which had done the most had secured the best results. It was found that Great Britain had adopted a system such as this act provides of appropriations from the national treasury, contingent on like appropriations from local communities to which was committed the administration of plans approved by the central authority. Their appropriation in 1914 was £11,000, in 1918 it was increased to £200,000, and in 1921 it was £526,000, or about $2,600,000. As a result of this work they reduced their maternal mortality rate to 4.4 per 1,000 cases, while ours stands at 7.4. The chief medical officer of the Ministry of Health of Great Britain in his annual report said:

> The health of the mother and child is obviously the primary step in the health of the community. For here is the source of a nation.
> The results (of their work) have been very remarkable. The decline in the death rate of infants from 150 per 1,000 to 89 must be attributed in large measure to the action taken. It is one of the two or three most significant triumphs of preventive medicine in the present century. It is far-reaching, first because of the lives saved, secondly because of the invalidity escaped by the surviving children, and thirdly because it is a movement springing in large degree from the people themselves and resulting in a new social conscience in respect of the physical well-being of mothers and children. These are immense and permanent gains to a nation.

In the United States it was found that wherever this systematic work and trained aid was secured remarkable results followed. In New York City they have a bureau of child hygiene, which for several years has carried on in that city exactly the work which is contemplated in this act. Since the work was inaugurated it has reduced the death rate of infants due to maternity causes from 144 to less than 70 per 1,000. Dr. Josephine Baker, director of the work in New York, testified before the committee that in her opinion upon a reasonable estimate the lives of 15,000 women and 100,000 babies could be saved each year by carrying out the provisions of this law. Dr. Ellen C. Potter, of the division of child health in the State of Pennsylvania, stated before the committee that with a very limited corps of workers they reduced the rate of infant mortality 10 per cent in that State in the first year of the service. She believes that under the full operation of the maternity act the maternal mortality of mothers and children can be reduced more than one-half.

The necessity for some action was so apparent and the remedy appeared so effective when applied that the women who had charge of the child-welfare work in Washington, with help and encouragement from other child-welfare workers throughout the United States, proposed this legislation. This was the situation as it was presented to Congress, and so the bill was favorably reported from the committee by a unanimous vote. It passed the House by a vote of 279 to 39, and the Senate by a vote of 63 to 7.

This is the legislation and this the law which the Legislature of Massachusetts, on the advice of the attorney general, attacks. It is a singular incident of our current history. Most of the people of the United States will regret that such opposition has developed in a State to which we used to look for leadership in humanitarian movements.

The CHAIRMAN. The gentleman from Ohio [Mr. BEGG] is recognized.

Mr. BEGG. Mr. Chairman and gentlemen of the committee, in the consideration of this bill, which is an amendment to the retirement act, it seems to me that attention for just a minute ought to be given to the fundamental principle upon which the retirement act was founded. It would strike me that the retirement act is founded on one of two basic principles, either on the basis of a pension, where the beneficiary under the act acquires certain financial rights after a certain number of years' service and pays the premium therefor or it must be on the basis of a gratuity. It must be founded either on the principle that it is a bought-and-paid-for guaranty for a certain amount of income after a certain number of years or else it must be founded on the other principle, that it is a governmental gratuity paid to the beneficiary in lieu of and in recognition of a stipulated number of years' service. I do not believe there is a man in the House or out of it knowing anything about the retirement act who would make the claim that it is founded on the first basis, namely, that the beneficiary under the act acquires certain financial rights after a certain number of years and is in consequence granted an annuity. Hence if that is true it must be founded on the principle that the Government recognizes that the Government employee earns a certain gratuity for a stipulated number of years of service. It is with that view that I undertake to discuss this bill.

Now they have agreed to the bill and I believe that the House has accepted the principle of retirement so that no discussion is required on the retirement question. Whether it is right or wrong, or whether it should be or should not be, it is. The only thing to decide upon this proposition as I see it is what is the basis on which we started. As I said above, it is on a basis of gratuity in view of a stipulated number of years of the employee's service.

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

Mr. BEGG. Yes.

Mr. MANN. How do you make it a gratuity owing to somebody?

Mr. BEGG. I make it on this reasoning surely, because I can see no excuse for it save one of the excuses or reasons I have given.

Mr. LONDON. Call it a deferred payment.

Mr. BEGG. All right; I will call it anything you want.

It must be a contribution, or a payment, or whatever it is, to the employee, as a recognition for faithful service performed for a stipulated number of years. Now that principle has been accepted by this Congress and by the employee. That being true, we have arbitrarily set the number of years as 30 years of service for the benefits to begin to accrue. I maintain that by every reasoning of old-age pensions, old-age insurance, or other commercial pensions the only reasoning that can be applied to that scheme of legislation is that if you are going to recognize the obligation at the end of 30 years' service, when a man has given fifteen or twenty years' service he has earned a percentage part of the gratuity that would have been earned at the end of the 30 years' service. If I am correct in that reasoning then I ought to make another statement, which seems to me to be almost a fact, that in order to avoid doing gross injustice, regardless of the bill or the amendment, the only basis on which you can calculate the responsibility of the Government to the individual is not on a basis of years of age, but rather on the basis of years of service rendered. The same argument that can be offered for the introduction of this bill cutting the age limit from whatever it is, 72, 70, 65 or 62, every single argument that can be used for cutting it from what it now is to 60 years of age can be used in favor of cutting it from 60 down to 50; and I am going to offer an amendment to do that very thing on the ground of justice, if you are going to cut it from 62 and 65 and 70 down to 60. Why? Let us see what we are doing to-day if we adopt this amendment at 60. Supposing A is 60 years and 2 months of age and has served the Government 16 years and we pass this amendment. A having served 16 years is entitled to an annuity for life from the Government.

Now, suppose B is 59 years and 11 months old. That is not an absolute monstrosity by any means. He is 59 years and 11 months old and instead of serving the Government 16 years as A has done, he has put in 27 years of faithful service. If you pass this bill to-day in this form, you cut him out. He does not get an annuity for a single hour. A gets an annuity for life, having served 16 years, and B, having served 27 or 28 or 29 years, gets nothing. A may have served the Government only 15 years and 1 month, and yet you are willing to come in and grant him a gratuity for being fortunate enough to have been born one month sooner than B. Men, we do not legislate like that. We most certainly can not afford to go into the unexplored field of granting annuities to people after they have been retired from the service on any such haphazard basis as that.

Mr. THOMAS. Will the gentleman yield?

Mr. BEGG. I had rather not yield yet.

The CHAIRMAN. The gentleman declines to yield.

Mr. BEGG. If I had my way on this proposition, after having accepted the annuity proposition which we have and which is not debatable in this bill, I would do one of two things. I would let the law stand where it is——

The CHAIRMAN. The time of the gentleman has expired.

Mr. BEGG. I would like to have one minute more to complete my statement.

Mr. FAIRFIELD. I have no more time.

Mr. BEGG. I ask unanimous consent that I may have one minute more.

The CHAIRMAN. The Chair can not recognize the gentleman for that purpose. Gentlemen opposed to the measure are entitled to 30 minutes. The Chair will recognize anybody who is opposed to the measure.

Mr. THOMAS. Mr. Chairman, I am opposed to the measure.

The CHAIRMAN. The Chair will recognize the gentleman from Kentucky [Mr. THOMAS] for 30 minutes.

Mr. BEGG. Will the gentleman yield a little of that time to me?

Mr. THOMAS. I will yield the gentleman five minutes, if he will answer a question.

Mr. BEGG. All right.

Mr. THOMAS. I desire to ask the gentleman from Ohio if he can give any reason why a man who is employed by the Government at good wages, who has sought the job, should be pensioned by the Government any more than the farmer who makes the food that you eat or the carpenter who builds your house? Can the gentleman answer that question?

Mr. BEGG. Yes; I can answer that without any trouble.

Mr. THOMAS. The gentleman can not do it. [Laughter.]

Mr. BEGG. I will say to the gentleman from Kentucky who so kindly yielded me some extra time that that question was answered by the Congress when they adopted the retirement-pay proposition. So far as I am personally concerned, I do not believe in favoring one class of people in the country on a retirement basis any more than I do any other class.

Mr. THOMAS. You are doing it when you pass this bill.

Mr. BEGG. I grant that; but that does not enter into this question, else I would be willing to debate it with the gentleman and might be on the other side. I do not know. I should like to conclude the statement I started to make. Having accepted the retirement scheme as a fact, if I had my way in passing any amendment I would do one of two things. I would let the law stand as it is to-day, which might do an injustice to some few men, or else, if I attempted to amend it, I would so amend it that a man who had given 15 years of service and then had been separated from Government employment without any fault of his own should be entitled to a fractional part of the total annuity, such as the number of years of service bears to the total number of years required to receive the total annuity. That would avoid doing injustice to men of less age.

Mr. THOMAS. I will give the gentleman five minutes more if he will answer my question.

Mr. MANN. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. MANN. Except as a purely arbitrary matter, how does the gentleman differentiate between a man who served 15 years and 1 day and a man who served 14 years and 364 days?

Mr. BEGG. I will say in reply that there is no equity in the proposition, and if we want it to be absolutely equitable we would put it on the same basis that life insurance companies put it on, that after three years it has a cash value.

Mr. MANN. That is not the scheme we have; when we fix an arbitrary thing, it is arbitrary. The gentleman is arguing for another arbitrary matter.

Mr. BEGG. I beg the gentleman's pardon, the gentleman did not get what I said.

Mr. MANN. Oh, I got it.

Mr. BEGG. The gentleman missed fire once. When the time comes I shall offer an amendment keeping the age at 50 years.

Mr. THOMAS. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. THOMAS. The gentleman admits that this is class legislation at the expense of all other citizens, and he admits that it is an arbitrary and inequitable matter. I want to know whether he is in favor of putting through such legislation as this?

Mr. BEGG. I am for the provision that will do the least injustice.

Mr. THOMAS. I think every individual ought to stand on his own bottom.

Mr. BEGG. I am willing to stand on mine.

Mr. THOMAS. Why do you not cut out these pensions?

Mr. BEGG. Did the gentleman ever introduce a bill to repeal this retirement act?

Mr. THOMAS. No; you have 165 majority; what good would it do?

Mr. BEGG. The gentleman would have the satisfaction of knowing that he tried as hard as he could and did his best.

The CHAIRMAN. The gentleman from Kentucky has 23 minutes remaining.

Mr. THOMAS. I yield five minutes to the gentleman from Florida [Mr. SEARS].

Mr. SEARS. Mr. Chairman, we already have a retirement act and I am only going to take up the time of the committee in order that I may see if I have construed that act correctly, for if I have not I will offer an amendment. As I construe the act that we now have—and I would like the attention of the gentleman from New Jersey and the gentleman from Indiana, for both of them have given this matter close study—a man who is physically unable to perform the duties of his position and who has been in that service for, say, 30 years, is entitled to retirement. I have in mind a case where a man has worked for the Government in one branch of the service for 30 years. He is not familiar with any other branch of the service. He started as a young man. For the last two or three years he has worked against the advice of his family physician, and recently on the advice of his family physician he put in his application for retirement. Every physician who has examined him says that he is absolutely unfit to go on with the work he has been doing, and that if he does so, he is risking his life. Yet, certain agents of the Government hold that because he might perform the duties of a janitor somewhere, if he could find such a position as a janitor, he is not entitled to retirement.

My construction of the law is that if this man has given the Government 30 years' service, the best of his life, 30 years of faithful and efficient service, he is entitled to retirement and to receive the pay, because from his salary, which has not been large, the Government has taken the required amount by law from that salary. I would like to ask my colleague, Mr. LEHLBACH, and my colleague, Mr. FAIRFIELD, both of whom have studied this question, if in their opinion a civilian's opinion should be taken where he has made only a superficial examination, and especially where physicians representing the Government show the man to be physically unfit to perform the duties required of him, and also if the present law does not give the man a retirement status if he is found to be totally disabled to perform the services in that branch of that service of the Government in which he is serving? If it does not, then your laws are a farce and a man is simply at the mercy of some enemy or the whim of some examiner.

Mr. LEHLBACH. The retirement law provides that after a man has been employed 15 years and has become totally incapacitated he is entitled to retire with an annuity just as if he had reached the retirement age. The term "totally incapacitated" is an administrative function and is to be construed by the authorities of the Department of the Interior that have to administer the law, taking such advice from the law department as they require. Consequently, a construction by me or by the gentleman from Florida would have nothing but an academic value. I will say in answer to the question of the gentleman, and it is my personal opinion and has no binding force, that the term "totally incapacitated" should be taken in relation to the employment of the individual under consideration. If he is a railway mail clerk and totally incapacitated for performing the work of a railway mail clerk, he comes within the term of the law, and it is a strained and unreasonable construction to say that if he is capable of performing some other and hypothetical employment of which he knows nothing he would not then come under the provisions of the law. I think that would be a strained and unreasonable construction. I think the term "totally incapacitated" relates to the employment which the man has under the Government.

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

Mr. THOMAS. Mr. Chairman, I yield the gentleman three minutes more.

Mr. SEARS. Mr. Chairman, I desire to thank my colleague; he and I are in accord. I am also glad to note my colleague from Ohio indicates he is in accord with the above statement. No Member of Congress has given more thought and study to this question than these gentlemen. I will say I have found the Department of the Interior perfectly fair in all these matters, but sometimes for some reason, perhaps hoping to make a record, some clerk interprets laws that Congress has passed in a way that Congress did not intend.

Let me call attention to a fact that may be of some assistance to my colleagues. During my recent campaign Members of the House were severely criticized because of the execution of the laws rather than for their passage, because those who passed rules and regulations and those who enforced said laws did not carry out what we had endeavored to do and did not seem to grasp what we had in mind. It was for the purpose of calling the attention of the House to these matters that I rose, and I assure you it was with no desire upon my part to criticize any department, because, I repeat, I have found the departments absolutely frank and fair and desirous of doing absolute justice in all cases. As the gentlemen from New Jersey and Indiana indicate, they are in complete accord with my interpretation of the law, and, as no Member has dissented, I will not offer any amendment to the present bill, for I believe I shall receive full justice for my constituents and that you will also receive justice for yours. This can only be the result if the law is construed as we intended it should be.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having taken the chair, a message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed the following resolution:

Resolved, That the Senate consent to an adjournment of the House of Representatives until Tuesday, August 15, 1922, in accordance with the request contained in House Resolution 390.

The message also announced that the Senate had passed without amendment the following House concurrent resolution:

House Concurrent Resolution 61.

Resolved by the House of Representatives (the Senate concurring), That there be printed 50,000 copies of parts 3 and 4 of House Report No. 408, being the report of the Joint Commission of Agricultural Inquiry, of which 8,000 shall be for the Senate, 25,000 for the House, 1,000 shall be for the Senate document room, 2,000 for the House document room, and 14,000 for the Joint Commission of Agricultural Inquiry.

AMENDMENT OF RETIREMENT LAW.

The committee resumed its session.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, is hereby amended as follows:

That any employee 50 years of age or over to whom the act of May 22, 1920, applies who shall have served for a total period of not less than 15 years and who, before reaching the retirement age as fixed in section 1 of said act shall become involuntarily separated from the service shall be granted an annuity certificate by the Commissioner of Pensions which will entitle said employee, upon reaching retirement age, to an annuity as provided in section 2 of said act: *Provided*, That the deductions made under the provisions of section 8 of said act of May 22, 1920, from such employee's salary, pay, or compensation prior to separation from the service shall remain in the civil service retirement and disability fund subject to the provisions of section 11 of said act governing the return of deductions in the case of a deceased annuitant or employee.

With the following committee amendments:

Page 1, line 7, after the word "employee," strike out the word "fifty" and insert the word "sixty."

Page 2, line 2, after the word "service," insert the words "through no delinquency on his part."

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

Mr. LINTHICUM. Mr. Chairman, I am in favor of this bill, but I am opposed to the committee amendment striking out "fifty" and inserting "sixty." It seems to me that if a man is in the employ of the Government for 15 years or more, necessarily starting in at the age of 34 or 35 years, serving until he is 50, he ought to be entitled to this annuity, just as much as is the man who is 60 years of age. He has paid the same amount into the fund and is separated without any fault of his. Under the civil-service regulations a man over 45 years of age can not take the civil-service examinations and enter the Government service. If, therefore, the Government contends that a man over 45 years of age is too old to enter its service, why should the Government say to a man when he is 50 years of age or over that he is not too old to enter the service of others under new régime and a new work and capable of taking care of himself on the outside? That does not seem proper, especially when you read the lines at the top of page 2:

Shall become involuntarily separated from the service through no delinquency on his part * * * shall be granted an annuity certificate by the Commissioner of Pensions—

And so forth.

He is involuntarily separated from the service and through no delinquency on his part. He has served the Government for 15 years. We ought not to strike out the word "fifty" and compel the man to be 60 years of age. I am not a follower of Doctor Osler, but I do know that when a man is 50 years of age and endeavors to enter a new employment, to take up a new line of endeavor, it is very difficult for him to procure employment. We recognize the fact that a great many men have been separated from the service recently, involuntarily on their part, largely because of the conference which was held here. Several thousand of them have been dropped from the service. Then there have been other separations, such as those in the Bureau of Engraving and Printing, where they were dismissed, though under civil service, through no fault of theirs, but purely to make room for others. If the committee wants to do justice, if it wants to be fair in this matter, if it is, as alleged, an emergency measure, it ought to adhere to what the bill originally was and say that at 50 years of age, if a man be separated from the service involuntarily, without delinquency on his part, he is entitled to this annuity. I sincerely hope the committee will look at the matter in that light. To make it 60 years of age, as amended, is making it too high entirely and ought not to be adopted.

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

Mr. BEGG. Mr. Chairman and gentlemen of the committee, the only thing I want to say at this time is to call attention to the fact that if the committee amendment be adopted it will cut the retirement from 70, 65, and 62 years down to 60 years of age. If the committee amendment be defeated, then the word "fifty" will be in the bill, and that will be the age at which these men who have been let out of the Government will begin to draw annuities. The reason for the passage of this bill, as I tried to say, is to correct some apparent injustices to men who served the Government 15 years or more. The lower you make the age the less the injustice will be. In other words, if there is any argument for cutting it down to 60, the same argument lies for cutting it down to 50. Let me repeat the illustration I gave a few moments ago. Here are two men in the Government service. A is 60 years of age and 1 month. He works for the Government 15 years. If this amendment should pass, he will get an annuity for life. B is under 60 years of age—58 or 59. He has worked for the Government, we will say, 16 years or 25 or 28 years. If the bill is passed making the retirement age 60, B, with the longer service, will get nothing, while A gets a life annuity. I believe the committee wants to be fair. If we are going to change it, let us change it so as to do the least possible injustice.

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

Mr. BEGG. Yes.

Mr. MANN. The gentleman gives an arbitrary illustration. Could not the gentleman give the same illustration of 50 years and 1 month and 49 years and 11 months?

Mr. BEGG. Absolutely.

Mr. MANN. Then what is the sense of saying 50 years?

Mr. BEGG. It is not so likely to happen; you are not liable to find 1 of that kind where you find 10 of the other.

Mr. MANN. That is a mere guess.

Mr. BEGG. No; it is not; it is knowledge of a fact in the Government service.

Mr. MANN. From my knowledge of the service, I would say that the gentleman is mistaken as to the facts.

Mr. BEGG. I would say that the men whom I have met, who have been retired under this arbitrary retirement, are all older than the gentleman's illustration, according to their statement to me. The youngest, it seems to me, in the group was around 49 years of age.

Mr. MANN. Of course, I do not doubt the statement of the gentleman about those who came to see him, but I do not assume that all have been seeking the gentleman's aid.

Mr. BEGG. No; certainly not; but common sense tells us there will be fewer under 49 than under 60.

Mr. MANN. All who have been to me have been under different circumstances.

Mr. LEHLBACH. Mr. Chairman, I do not believe that anyone will insist that the Committee on Reform in the Civil Service is inimical to the retirement system and hostile to its reasonable and proper extension in given circumstances. The gentleman from Ohio [Mr. BEGG] elaborated an argument, after having laid down as the premise of his argument something that was absolutely not so at all. The gentleman says that the retirement is not a premium system where the insurance is bought and paid for and the insurance represents the value of the premiums paid. Consequently, he said, it is a gratuity, based on length of service to the Government, by the Government to the employee.

And arguing from that basis he said that the age of the person had nothing to do with the annuity he should receive, and that for whatever service, no matter how short, the employee performed for the Government he should get a propor-

tionate part of the annuity fixed for the limit of 30 years. As a matter of fact, the theory that underlies the retirement system is this: That it is every man's duty as he goes through life during the years in which he has an earning capacity to exercise a reasonable prudence and foresight in order to accumulate, as far as his ability and circumstances will permit, a competence that will sustain him when he reaches the period when his earning capacity is gone, and that is the fundamental principle written in the retirement law itself. For that reason every employee of the Government who comes within its provisions is compelled to deposit with the Government 2½ per cent of every pay that he draws. The Government puts that in a fund, invests it, and keeps it for him so that when he reaches that age which experience best shows is the age when his earning capacity has become so impaired that he is no longer able to earn a living, that saving thus taken from his pay and thus safeguarded by the Government will provide for his old age. Now, the 2½ per cent which was fixed as a sum which reasonably and without burden could be thus subtracted from the pay of the Government employees in a majority of instances will not supply an adequate annuity to preserve from hardship the person who becomes retired, and it is for this reason that the Government obligates itself to contribute whatever sum may be necessary in each instance to make up the difference between the contributions of the employee to the annuity fixed in his case. The greater the salary of the employee and the larger the amount of his contribution the less the Government contribution, and the less the man is able to contribute by the 2½ per cent from his small pay the greater the Government contribution. So it is not simply a gratuity based on the length of service to the Government on the part of the employee, nor is it an insurance bought and paid for, but a combination of the two systems.

Now, consequently, that being the theory and that being the intent of the Government in enacting the law, there is no reason for retiring a person, no matter how long his service to the Government, who has not actually reached those years when it is deemed that his services are no longer efficient and valuable to the Government, and when in an economical administration of the Government he would be ordinarily dismissed. Therefore the argument that, if it is justice to give a proportionate retirement at 60 years we should give him a similar retirement annuity when he reaches the age of 50 or 45, has no validity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEHLBACH. I ask that I may proceed for five additional minutes.

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

Mr. LEHLBACH. Now, if the employees at the present time and those who have retired had been paying their proportionate part of the contribution through all the years of their service from the time they entered, there might be some reason in further liberalizing this emergency act than what the committee reported and there might be some reason for fixing 55 or 57 instead of 60 years. But until all those who were in the Government service previous to the enactment of the retirement law have been retired, the Government bears a much greater proportion of the expense of retirement than the normal proportion which the Government will pay after the retirement system has continued so long that each employee from the time he entered the service will have been making the 2½ per cent contribution. Any extension of this system at the present time increases not only the normal cost to the Government, but increases very largely what is known as the accrued cost to the Government, as the Government has to make up that which in the past the employees have not contributed, and for that reason at the present time the liberalizing of the retirement law is doubly and trebly expensive to the Government. It is for that reason that this committee, which is friendly to the system and which initiated the system and passed it in this House, has reported this bill fixing the age at 60, and the reason for fixing that age is this: This bill is an emergency measure to take care principally of those two or three hundred employees who recently have been discharged from the navy yards through a reduction in force. These men have not contributed appreciably to any retirement annuity, because they only started to contribute on August 20, 1920, and these people are mechanics. Mechanics are entitled to retire at the age of 65. Now, when a man has been 15, 20, 25, or 30 years in the Government service and has actually reached 60, 61, or 62 years of age and is within sight of the 65-year limit, it is deemed that it is just and reasonable and fair, in view of the unusual circumstances that caused this unexpected reduction of force of mechanics in the navy yards and possibly arsenals, that this bill be reported and that exception in their behalf be made and allow them a proportion of their annuity which they would receive had they continued in the service until they were 65, scaled down annually in proportion to the number of years they lack of 65 years of age.

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

Mr. LEHLBACH. In just a moment. In that way the cost of the annuity to the Government will not be greater than the annuity would have been had they continued in the service and reached the retirement age.

Mr. LINTHICUM. I want to ask the gentleman if the man who reaches the age of 50 years, receiving the same salary as the man who reaches the age of 60 years, paid the same proportion of money into the fund in these two cases?

Mr. LEHLBACH. Certainly he has paid the same amount of money into the Government, but, inasmuch as the amount of the annuity the Government contributes to him when he reaches the retirement age is not proportional with his contribution, that argument has no force. They pay these people whatever is necessary to make up retirement annuity, because they have reached the age where they can no longer labor. If you say the same reason applies to a bill which says that if a man is within two or three years of the age at which there is a presumption he is no longer able to labor he should be given consideration as to a bill that considers a man who is still capable of 15 years of labor, I can not follow the gentleman's argument.

Mr. LINTHICUM. That depends on his health.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SEARS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. LEHLBACH. Mr. Chairman, I ask unanimous consent for two minutes more.

Mr. LINTHICUM. Can the gentleman answer a question in that time?

Mr. LEHLBACH. No.

Mr. LINTHICUM. Then I ask that the gentleman be given three minutes so that he can answer a question.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent that the time of the gentleman from New Jersey be extended three minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LINTHICUM. I want to ask a question for information. You said there would be two or three hundred who would come under this 60-year age limit. How many would come under the 50-year age limit?

Mr. LEHLBACH. I do not know; but undoubtedly a very increased number, and it would be a very material increase not only as to the number of employees but as to the years throughout which you would have to pay them the annuity. To a man of 65 years of age you might have to pay the annuity for 10 or 15 years and to a man of 50 for 25 or 30 years, and you would have two or three times the number to pay it to. You do not know what you are doing when you are opposing the amendment which the committee is presenting here to-day. People think that because there happens to be a few million dollars of surplus in the retirement fund it must be spent immediately. Every penny of that belongs to an employee, who gets it in refund or in annuity; and every penny the Government is using out of that fund the Government has to put back with 4 per cent compound interest. The ordinary normal cost of retirement would be $4,000,000 a year. But the accrued cost increases that $10,000,000, and you are increasing that by liberalizing the law by this bill, which, however, is a proper step and a fair measure to take care of an emergency.

Mr. BURKE. What is the reason for asking for it?

Mr. LEHLBACH. I do not know, except that the money is in the Treasury.

Mr. BURKE. Is it not on account of the fact that a great number of them that are being let out of the service have reached the age of 50 years?

Mr. LEHLBACH. But we have reached those who have been let out of the service and have reached the age of 60 years.

Mr. BURKE. In what way?

Mr. LEHLBACH. By the lowering of the age limit in such cases to 60 years.

Mr. DALLINGER. Mr. Chairman, I offer an amendment to the committee amendment.

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

The Clerk read as follows:

Amendment offered by Mr. DALLINGER to the committee amendment: Page 1, line 7, after the word "employee," strike out the word "sixty" and insert in lieu thereof the words "fifty-five."

Mr. DALLINGER. Mr. Chairman, the gentleman from New Jersey, the chairman of this committee, has stated that an emergency required the passage of this bill. I think that he covered the ground very fully, but the trouble with the committee amendment, striking out the word "fifty" in the original bill and inserting in place thereof the word "sixty," is that it will take care of comparatively few cases. The 300 cases to which he refers, and in regard to which data was given to the committee, are based on the number of employees who would be affected by this bill who are 55 years of age and over. Now, personally, I believe in the bill as it stands, and am opposed to the committee amendment; but if any amendment is to be made, if the bill is to have any effect at all and meet the emergency of these 300 men that are spoken of, and that the chairman of the committee says he wants to take care of, then the age limit should be made "fifty-five," according to my amendment, instead of "sixty."

Now, this emergency, Mr. Chairman and gentlemen, is this: A lot of these old employees of the Government have been discharged unexpectedly because of the disarmament program, and as the bill provides, through no fault of their own; and a good many of them have been discharged just before they would have reached the retirement age. Some of them have been in the service of the Government 25 or 30 years, and it has not been a humane thing for the Government of the United States to do, and it is not a thing that any enlightened private corporation in this day and generation would do.

In closing, I want simply to repeat that if the committee amendment is adopted it will take care of a very few cases, but the 300 cases that have been referred to will only be taken care of by the amendment to the amendment which I have offered, and which I trust will be adopted.

Mr. MANN. Mr. Chairman, the bill seems to be based upon the idea that if the Government reduces its force any place it must grant to the persons discharged an annuity for life. Well, for instance, here is the Shipping Board, which directly or indirectly has a very large force of employees. We hope—at least I do—that their services with the Government will be ended before many years go by. I do not understand that we are under any obligation, because one of them has worked for the Government, to provide to pay him a compensation or salary for every month as long as he lives. The Government takes on men and it discharges them, and it is a novel idea to me that because the Government reduces its force it has got to assume that a man discharged is incompetent to earn a living, and therefore the Government should take care of him the rest of his life. If such a proposition as that had been presented to the House when the original retirement bill was passed, I doubt whether it would have received much encouragement.

Now, I can appreciate the fact that the Government may be lenient to those who have almost reached the age of retirement after years of service. But gentlemen want to run it back; and if they want it back from 60 years to 50 years of age they might as well say 40 years or 30 years, and set down the established principle that if a man once gets in the employ of the Government for a few days and is fired because they do not need his services, he has a right to receive pay from the Government as long as he lives. Now, that might be very popular in the House if it could be applied to the House itself [laughter], but nobody proposes to try it here. I do not see why we should establish the principle that the Government is bound to maintain a man for life because he once got into the Government service.

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

The question was taken; and the Chair announced that the "noes" appeared to have it.

Mr. DALLINGER. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Massachusetts asks for a division.

Mr. MONDELL. Mr. Chairman, what was the vote on?

The CHAIRMAN. The Chair stated that it was upon the amendment offered by the gentleman from Massachusetts [Mr. DALLINGER] to the committee amendment.

Mr. DALLINGER. Mr. Chairman, I ask that my amendment be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Massachusetts to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. DALLINGER to the committee amendment: On page 1, line 7, strike out the word "sixty" and insert in lieu thereof the word "fifty-five."

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

The committee divided; and there were—ayes 24, noes 54.

So the amendment to the committee amendment was rejected.

The CHAIRMAN. The question now is on agreeing to the committee amendment, which the Clerk will report.

The Clerk read as follows:

Page 1, line 7, after the word "employee," strike out the word "fifty" and insert in lieu thereof the word "sixty."

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

The question was taken; and the Chair announced that the "noes" appeared to have it.

Mr. LEHLBACH. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from New Jersey demands a division.

The committee divided; and there were—ayes 53, noes 20.

So the committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 2, after the word "service," insert "through no delinquency on his part."

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 2. That any employee coming within the provisions of section 1 of this act shall have the right to apply for an immediate annuity in lieu of deferred annuity at the age of retirement and, if otherwise entitled, such immediate annuity shall be granted under the following conditions:

If the employee is included in class A of section 2 of the act of May 22, 1920, the immediate annuity in the case of those eligible for retirement at 70 years of age shall equal the annuity payable upon reaching retirement age less seven two-hundred-and-fortieths of such annuity for each year such employee is under the retirement age; in the case of those eligible for retirement at 65 years of age the amount to be deducted shall be seven one-hundred-and-eightieths of such annuity for each year; in the case of those eligible for retirement at 62 years of age the amount to be deducted shall be seven one-hundred-and-forty-fourths of such annuity for each year.

If the employee is included in class B, the amount to be deducted for each year shall be nineteen six-hundred-and-forty-eighths, nineteen four-hundred-and-eighty-sixths, or ninety-five one-thousand-nine-hundred-and-forty-fourths, respectively, of the full annuity.

If the employee is included in class C, the amount to be deducted for each year shall be seventeen five-hundred-and-seventy-sixths, seventeen four-hundred-and-thirty-seconds, or eighty-five one-thousand-seven-hundred-and-twenty-eighths, respectively, of the full annuity.

If the employee is included in class D, the amount to be deducted for each year shall be five one-hundred-and-sixty-eighths, five one-hundred-and-twenty-sixths, or twenty-five five-hundred-and-fourths, respectively, of the full annuity.

If the employee is included in class E, the amount to be deducted for each year shall be thirteen four-hundred-and-thirty-seconds, thirteen three-hundred-and-twenty-fourths, or sixty-five one-thousand-two-hundred-and-ninety-sixths, respectively, of the full annuity.

If the employee is included in class F, the amount to be deducted for each year shall be eleven three-hundred-and-sixtieths, eleven two-hundred-and-seventieths, or eleven two-hundred-and-sixteenths, respectively, of the full annuity.

Mr. FAIRFIELD. Mr. Chairman, I offer a committee amendment to perfect the bill.

The CHAIRMAN. The gentleman from Indiana offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. FAIRFIELD: Strike out, on page 2, lines 18 to 25; on page 3, lines 1 to 25; and on page 4, lines 1 and 2, and insert the following:

"The immediate annuity for the miscellaneous employee shall be the annuity that would be granted him were he 70 years old, multiplied by the decimal 0.951945 raised to a power the exponent of which is the number of years which his age then is less than 70.

"For mechanics, letter carriers, etc., it shall be the annuity that would be granted him were he of full retirement age less seven-ninetieths of such annuity for each year between his age and 65 years.

"For railway mail clerks it shall be the annuity that would be granted him were he of full retirement age less seven thirty-sixths of such annuity for each year between his age and 62 years.

"For the purpose of computing annuities as provided in this section fractional parts of a year in respect to the age of the applicant shall be disregarded."

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3. That this act shall include former employees coming within the provisions of the act of May 22, 1920, who have been separated from the service subsequent to August 21, 1920, under the conditions defined in section 1 hereof: *Provided*, That in the case of an employee who has withdrawn from the "civil service retirement and disability fund" his deductions under the provisions of section 11 of the act of May 22, 1920, such employee shall be required to return the amount so withdrawn with interest compounded at the rate of 4 per cent per annum before he shall be entitled to the benefits of this act.

Mr. MOORE of Virginia. Mr. Chairman, there is a committee amendment to section 3.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 4, line 6, strike out the figures "21" and insert in lieu thereof the figures "20."

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

The committee amendment was agreed to.

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

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. WALSH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 11212) 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, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. The previous question was ordered by the rule. Is a separate vote demanded on any amendment?

Mr. DALLINGER. Mr. Speaker, I ask for a separate vote on the committee amendment to section 1, line 7, striking out "50" and inserting "60."

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

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote is demanded.

The Clerk read as follows:

Page 1, line 7, after the word "employee," strike out "50" and insert "60."

The SPEAKER. The question is on agreeing to the amendment. The question was taken, and the Speaker announced that the "noes" appeared to have it.

Mr. LEHLBACH. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from New Jersey asks for a division.

The House divided; and there were—ayes 53, noes 22.

Mr. VOIGT. Mr. Speaker, I make the point of order on the vote just had that there is no quorum present.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. It is apparent that there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll. Those in favor of the amendment will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 186, nays 66, answered "present" 1, not voting 177, as follows:

YEAS—186.

Ackerman	Connally, Tex.	Green, Iowa	McLaughlin, Mich.
Almon	Coughlin	Griest	McLaughlin, Nebr.
Anderson	Crago	Hadley	McPherson
Andrews, Nebr.	Dale	Hammer	MacGregor
Ansorge	Darrow	Hardy, Colo.	Madden
Appleby	Dempsey	Hardy, Tex.	Magee
Aswell	Denison	Haugen	Mann
Atkeson	Dominick	Hayden	Michener
Barbour	Doughton	Henry	Millspaugh
Bell	Dunbar	Hoch	Moore, Ohio
Benham	Dyer	Hudspeth	Moore, Va.
Bird	Echols	Hutchinson	Morin
Bixler	Edmonds	Jeffers, Ala.	Newton, Minn.
Bland, Va.	Elliott	Johnson, S. Dak.	Newton, Mo.
Boies	Fairfield	Johnson, Wash.	Norton
Bowling	Faust	Jones, Pa.	Ogden
Box	Fenn	Jones, Tex.	Oldfield
Brand	Fess	Kelly, Pa.	Oliver
Briggs	Fisher	Kendall	Overstreet
Brown, Tenn.	Fitzgerald	Ketcham	Paige
Bulwinkle	Focht	Kincheloe	Parker, N. Y.
Burton	Fordney	Kirkpatrick	Patterson, N. J.
Butler	Foster	Kline, Pa.	Perkins
Byrnes, S. C.	Free	Kopp	Porter
Byrns, Tenn.	Freeman	Kraus	Pringey
Cable	French	Kreider	Quin
Campbell, Pa.	Frothingham	Lanham	Radcliffe
Cannon	Fuller	Lankford	Ramseyer
Chandler, N. Y.	Funk	Layton	Rankin
Chindblom	Gahn	Lea, Calif.	Ransley
Clarke, N. Y.	Garner	Lehlbach	Reece
Clouse	Garrett, Tenn.	Lineberger	Reed, W. Va.
Cole, Iowa	Gensman	Lowrey	Rhodes
Cole, Ohio	Gernerd	Luhring	Ricketts
Collier	Glynn	McDuffie	Rogers
Collins	Goodykoontz	McKenzie	Rose
Sanders, N. Y.	Snell	Tillman	Walters
Sanders, Tex.	Speaks	Timberlake	Weaver
Schall	Sproul	Tincher	White, Me.
Scott, Mich.	Steagall	Towner	Williams, Tex.
Scott, Tenn.	Stephens	Tucker	Winslow
Shaw	Strong, Kans.	Underhill	Woodyard
Shreve	Sumners, Tex.	Upshaw	Wright
Simnott	Swing	Vaile	Wurzbach
Sisson	Temple	Vestal	Wyant
Smith, Idaho	Thomas	Vinson	
Smithwick	Thompson	Walsh	

NAYS—66.

Barkley	Favrot	Kissel	Perlman
Begg	Fish	Kline, N. Y.	Petersen
Bond	Gallivan	Lampert	Baker
Bowers	Gorman	Lazaro	Riddick
Browne, Wis.	Graham, Ill.	Lee, N. Y.	Rossdale
Burdick	Griffin	Linthicum	Ryan
Burke	Hawes	London	Sandlin
Carew	Hays	McCormick	Siegel
Chalmers	Hickey	Mapes	Sweet
Cooper, Wis.	Hill	Mead	Tague
Crowther	Hogan	Mills	Tinkham
Cullen	Huddleston	Moores, Ind.	Voigt
Curry	Hull	Morgan	Volk
Dallinger	James	Mott	Woodruff
Davis, Tenn.	Keller	Mudd	Zihlman
Dowell	Kelley, Mich.	Nelson, Me.	
Dupré	Kennedy	O'Connor	

ANSWERED "PRESENT"—1.

Cramton

NOT VOTING—177.

Andrew, Mass.	Frear	Lyon	Sears
Anthony	Fulmer	McArthur	Shelton
Arentz	Garrett, Tex.	McClintic	Sinclair
Bacharach	Gilbert	McFadden	Slemp
Bankhead	Goldsborough	McLaughlin, Pa.	Smith, Mich.
Beck	Gould	McSwain	Snyder
Beedy	Graham, Pa.	Maloney	Stafford
Black	Greene, Mass.	Mansfield	Stedman
Blakeney	Greene, Vt.	Martin	Steenerson
Bland, Ind.	Harrison	Merritt	Stevenson
Blanton	Hawley	Michaelson	Stiness
Brennan	Herrick	Miller	Stoll
Britten	Hersey	Mondell	Strong, Pa.
Brooks, Ill.	Hicks	Montague	Sullivan
Brooks, Pa.	Himes	Montoya	Summers, Wash.
Buchanan	Hooker	Moore, Ill.	Swank
Burroughs	Hukriede	Murphy	Taylor, Ark.
Burtness	Humphreys	Nelson, A. P.	Taylor, Colo.
Campbell, Kans.	Husted	Nelson, J. M.	Taylor, N. J.
Cantrill	Ireland	Nolan	Taylor, Tenn.
Carter	Jacoway	O'Brien	Ten Eyck
Chandler, Okla.	Jefferis, Nebr.	Olpp	Tilson
Christopherson	Johnson, Ky.	Osborne	Treadway
Clague	Johnson, Miss.	Padgett	Tyson
Clark, Fla.	Kahn	Park, Ga.	Vare
Classon	Kearns	Parker, N. J.	Volstead
Cockran	Kiess	Parks, Ark.	Ward, N. Y.
Codd	Kindred	Patterson, Mo.	Ward, N. C.
Colton	King	Pou	Wason
Connell	Kinkaid	Purnell	Watson
Connolly, Pa.	Kitchin	Rainey, Ala.	Webster
Cooper, Ohio	Kleczka	Rainey, Ill.	Wheeler
Copley	Knight	Rayburn	White, Kans.
Crisp	Knutson	Reber	Williams, Ill.
Davis, Minn.	Kunz	Reed, N. Y.	Williamson
Deal	Langley	Riordan	Wilson
Dickinson	Larsen, Ga.	Roach	Wingo
Drane	Larson, Minn.	Robertson	Wise
Drewry	Lawrence	Robsion	Wood, Ind.
Driver	Leatherwood	Rodenberg	Woods, Va.
Dunn	Lee, Ga.	Rosenbloom	Yates
Ellis	Little	Rouse	Young
Evans	Logan	Rucker	
Fairchild	Longworth	Sabath	
Fields	Luce	Sanders, Ind.	

The Clerk announced the following additional pairs:

Until further notice:

Mr. Cramton with Mr. Carter.

Mr. Knutson with Mr. Goldsborough.

Mr. Watson with Mr. Sears.

Mr. Mondell with Mr. Lee of Georgia.

Mr. Bland of Indiana with Mr. Pou.

Mr. Longworth with Mr. Mansfield.

Mr. Edmonds with Mr. Jacoway.

Mr. Classon with Mr. Wingo.

Mr. Dunn with Mr. Park of Georgia.

Mr. Kelley of Michigan with Mr. O'Brien.

Mr. Kinkaid with Mr. Larsen of Georgia.

Mr. Patterson of Missouri with Mr. Martin.

Mr. Slemp with Mr. Johnson of Kentucky.

Mr. Tilson with Mr. Taylor of Colorado.

Mr. Ward of New York with Mr. Harrison.

Mr. CRAMTON. Mr. Speaker, I voted "yea," but have a general pair with the gentleman from Oklahoma, Mr. CARTER, and desire to withdraw that vote and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors. The amendment is agreed to. The question is on the engrossment and third reading of the bill.

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

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

The question being taken, the Speaker announced that the ayes appeared to have it.

Mr. CRAMTON. Mr. Speaker, I desire to object to the vote on the ground that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and seventeen Members present, a quorum. The bill is passed.

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

FISCAL AFFAIRS OF THE DISTRICT OF COLUMBIA.

The SPEAKER. A day or two ago the Chair appointed the members of a commission to investigate the fiscal affairs of the District. It seems that the President had not then signed the bill, so the Chair reappoints the members of that commission—Mr. EVANS, Mr. HARDY of Colorado, and Mr. WRIGHT.

AMENDMENT TO INTERSTATE COMMERCE ACT.

Mr. SNELL. Mr. Speaker, I have a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from New York presents a privileged report from the Committee on Rules, which will be reported by the Clerk.

The Clerk read as follows:

House Resolution 394; Report No. 1164.

Resolved, That it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 848) entitled "An act to amend section 22 of the act entitled an act to regulate commerce," approved February 4, 1887, as amended. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, equally divided between those for and against, the bill shall be read for amendment under the five-minute rule. At the conclusion of such consideration the bill shall be reported to the House and the previous question considered as ordered on the bill and any amendments thereto to final disposition without intervening motion, except one motion to recommit.

Mr. SNELL. Mr. Speaker, this resolution, if adopted, provides for the consideration of S. 848, which is known as the interchangeable mileage bill. It is thought that the rights of the railroads are fully protected by the provisions of the bill. There is a general demand all over the country for the consideration of this bill at the present time, and therefore we have presented the resolution.

Mr. GARRETT of Tennessee. Will the gentleman yield me some time?

Mr. SNELL. I yield to the gentleman from Tennessee 10 minutes.

Mr. GARRETT of Tennessee. And I yield that time to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Speaker, again "the bunk Congress" unlimbers. Again a "bunk" bill. Again a pretense of doing something and yet doing nothing. Again, for cheap partisan purposes, a concession to a group demand.

The commercial travelers, like everybody else who has any sense, know that railroad passenger fares are entirely too high and that we ought to have a reduction; that the fares are even too high for the interests of the railroads themselves, as well as the people and business of the country. They felt that it would be impossible to get a reduction of fares for everybody and therefore conceived the idea that they would go out and get cheaper fares for themselves. They organized their propaganda and began activities along that line. They demanded a universal interchangeable mileage book at a price of 2½ cents per mile, or whatever other rate they could get, just so that it was a substantial reduction below what we are now required to pay, the minimum of which is 3.6 cents per mile, and from that ranges up to 10 cents per mile.

The bill to meet the demands of this militant group of commercial travelers was introduced in the Senate and was there passed, after the Senate had materially changed it and cut the heart of it. Then the bill came to the House and our Committee on Interstate and Foreign Commerce proceeded to emasculate it and remove its vital organs. But, having changed the bill so that it came to mean nothing whatever under the sun, the committee reported the bill. It was regarded as good party politics for the committee to report the bill, and so we have a bill here designed to make the commercial travelers believe that they are going to get lower fares, but which has no such real purpose and can have no such effect. The only result which this bill can possibly have is to turn a few additional votes into the Republican end of the ballot box, provided the commercial travelers do not find before the next election what has been done to them. If they do find them out in time, it will turn some votes to the other end of the ballot box, because the drummers of this country are honest, and they despise pretense, sham, and hypocrisy.

Mr. KING. Will the gentleman yield?

Mr. HUDDLESTON. Excuse me for a moment. This bill was intended by the commercial travelers to secure for themselves and for others who may desire to do a good deal of traveling and who have the money to put up a definite reduction in fares. They intended it to secure such reduction by means of a universal interchangeable mileage book.

I suppose the committee thought the commercial travelers were easy to fool, for they amended the bill by inserting the language "or scrip coupon tickets" after the mileage-book phrase. This was a complete change in the purpose of the bill, for a scrip coupon ticket is as much like a mileage book as a Kentucky saddle horse is like a spotted bull. They have no relation to each other. The mileage book is composed of units each of which is good for a mile travel. A scrip coupon ticket is composed of units to be used in place of money to purchase tickets.

Note, now, that there is no requirement that this coupon ticket shall be sold at a discount. The requirement is merely that it shall be issued "at a just and reasonable price." This language would lead uninformed people to think that it was intended to sell the coupon ticket at a discount; that a just and reasonable price for a coupon book would be less than the regular price for a ticket. But the fact is, and members of the committee know it—whether they will tell you so or not it is true, and I challenge them to deny it—that the only evidence offered before our committee showed that these coupon tickets produced no economy or saving to the railroads and can not be sold at any discount.

Therefore, if the Interstate Commerce Commission does exactly what this bill instructs them to do they will issue the coupon tickets at an increased price over the regular tickets. Instead of the commercial travelers being able to buy a coupon ticket at a discount, they will have to give a premium, because such tickets work certain losses to the railroads and they can not afford to put them out at the same price. This was all the evidence before the committee. Now, let any member of the committee deny that if he dare.

They asked for bread and we have given a stone. We have brought forth a bill pretending we are going to give the commercial travelers lower fares, and yet if they go ahead and buy a coupon ticket instead of traveling at regular fare they will have to pay a premium.

Now, that is not all that the committee put in. The amended bill provides that the Interstate Commerce Commission may, in its discretion, exempt from the provisions of this bill any carrier "where the particular circumstances shown to the commission shall justify such exemption to be made." They may exempt any carrier they want to. That means that the very purpose that the drummers had in mind, which was that they could get a book or a ticket which would be good on any railroad, is wholly defeated. It means that whenever you get into a class of railroads that charge above 3.6 cents a mile the books will be of no value, because that road has been exempted.

Now, this bill is brought forward on the pretense and under the guise that it will make a reduction in fares to people who are able to buy transportation at wholesale. If it meant any such thing, if it really meant that, no honest man could afford to vote for it, because no honest man can afford to vote to give commercial travelers or anybody else something at the expense of the general public.

The Interstate Commerce Commission has decided that railroad fares are as low as they can be made so as to yield the lawful return. If you give any group the benefit of lower fares, you have got to make up the loss out of the general public. In the dearly beloved Esch-Cummins bill we have adopted the principle that the Government will see to it that the railroads are allowed to charge such rates and fares as will cover the cost of the service they render and to provide a 5½ per cent profit on top of that. We have established that as the policy of this country. Out of whom are they going to get this cost of service and the profit—this Esch-Cummins return? They have to get it out of somebody. If Congress gives to any group a lower rate than will yield that, then the deficit has got to be made up by overcharging the general public.

I ask the committee whether it is their genuine purpose to give commercial travelers fares which are less than they reasonably and rightfully ought to pay, with the intent to make up what the railroads may lose on carrying commercial travelers out of the general public of this country?

I am in a funny quandary. If this bill meant what its sponsors want it to mean and what the committee are pretending that it means—that is, that purchasers of mileage books and coupon tickets shall ride the trains at the expense of the general public—of course I could not vote for it. On the other

hand, if it means that all such persons are to pay their own way, which, if the evidence before the committee is to be believed, will be as much or more than the general public will pay, there can be no objection to passing the bill. The thing that sticks me is I do not like to be a party to perpetrating a fraud on the commercial travelers or anybody else.

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

Mr. SNELL. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, before the authority was given to the Interstate Commerce Commission to regulate rates, there had been issued by some roads an interchangeable mileage book with limitations. That has always been regarded not only a great convenience to the public but a possible business advantage. After the authority was given to this commission the railroads discontinued the practice upon the claim, in defense against the wish or demand for a continuance of such issuance, that they had not the authority to do it.

I do not see any class legislation in this bill. Of course, it is limited to the people who travel; it is not extended to the people who do not travel. That does not make it class legislation. It is not limited to any particular class who travel. Anyone who has the price to travel may have the advantage of this provision of law. Therefore I can not understand the charge that it is class legislation.

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

Mr. FESS. I can not yield. Second, it does not undertake to say what the rates shall be. This proposed law does not put them up or put them down, but it leaves the power of fixing a reasonable rate with the commission, which now has that power. All there is in this measure is that it gives a convenience to the traveling public upon a business basis. It is a great inconvenience to one to have to stand before a window and wait his turn to buy a ticket when he is going from one train to another. If he could have that ticket purchased at wholesale without that inconvenience it would be a great advantage, and anyone who travels must know that.

I do not understand the source of the objection to serving the public in making possible this convenience, because it does no harm either to the public or to the patrons or to the railroads. I understand that the law is so drafted as to protect the railroads. I do not see how the railroads are interfered with in their property rights, since there is no decree, but simply permission to the Interstate Commerce Commission. I do not see the basis of the charge that there is particular advantage to anyone or to any particular class over another. The rights of the public, which are primary in legislation, are conserved, the convenience of the traveling public is respected, and the rights of the railroads are regarded. For these reasons I voted for the rule to make this a special order, and I shall vote for the bill, not as a new venture, but rather an expansion of a practice years ago.

Mr. Speaker, every Member of this body recalls the time when the issuance of mileage books for the convenience of the traveling public was a practice pursued by most of the railroads before the Government inaugurated its policy of Government regulation. It was found to be of great service to the traveler and no loss to the company issuing it and the practice met with wide approval.

An interchangeable book was issued limited to specified roads. While this plan was designed to favor the traveling public, its restrictions for the protection of the issuing company proved somewhat burdensome. During the war the Government adopted a form of interchangeable ticket, common terminals, and consolidated ticket offices. This effort to operate the various roads as a complete system, so far as the traveler was concerned, had some distinctive advantages.

There has always been a genuine demand for an interchangeable mileage privilege. Past practices prove it is workable, and there can be no doubt of its great convenience to the man whose chief activity is on the road. Railroad management has generally considered the convenience of the traveling public and its good will as valuable assets in transportation. Much thought and effort have been exerted along these lines. The mileage book avoids the necessity of the congested ticket-office window and the loss of time waiting in line to purchase the ticket. When made interchangeable its convenience is multiplied.

The charge that it is favoritism in legislation is without force. It is a principle of business universally followed by all responsible concerns to give advantages to induce the larger sales for cash payments.

This recognition is due the commercial traveler. Here is a class of our business life which much of the time live away from home, constantly en route, whose chief outlay is to the transportation companies. His success is not confined to his home, but it represents in a most substantial way the income of the transportation lines, since the goods for which his contracts stand are transported over the railroads. His success will be reflected in the receipts of the road, not only in the actual outlay for his mileage but in freight shipped in accordance with the contracts secured. Here is an army of business boosters on the go. Taken as a whole they cover the entire Nation, if not a good portion of the world, touching every center, big or small, where business is carried on.

As purveyors of good cheer in business they can not be surpassed if conditions will permit at all, since no pessimist will either make a sale or be kept on the road by any responsible business firm. As promoters of better business morals the traveling salesman of to-day is perhaps the most influential agency for more conscience in trade than any other group of citizens connected with it.

As was said by President Harding recently, "If the commerce of America were always conscientious, there never would be a single excuse for government in American business." He was here commenting on the general complaint with which we all have great sympathy of too much government interference in business.

No one can doubt the tremendous advance in business ethics in our own country. No one will deny the constantly growing human element in all business, especially as viewed in some great enterprises like the National Cash Register, of Dayton, the Proctor & Gamble enterprise in Cincinnati, and so forth.

No one can overlook the increasingly high grade of business representatives on the road—the commercial traveler. The time was long ago that this man was commonly called a bum, because of his methods of business. Long ago the smart or sharp methods were abandoned. With better methods came a better type of representative. To-day the commercial traveler stands out as not only a good business representative, but a well-informed citizen and a genuine influence for wholesomeness within the circle in which he moves. All these have long ago been recognized as valuable items in business success.

While this proposal is a convenience to a class of business representatives, it will be in the interest of the public, and, as I see it, not detrimental to the railroads; it will be more helpful than hurtful to enterprise in the end and will prove a business asset. I see no legitimate reason from any standpoint to oppose this measure. I gladly support this rule making it in order for consideration and will as freely vote for its final passage.

Mr. SNELL. Mr. Speaker, I move the previous question on the resolution to final passage.

The previous question was ordered.

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

The resolution was agreed to.

Mr. WINSLOW. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended.

Mr. BARKLEY. Mr. Speaker, pending that motion I desire to submit a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BARKLEY. Under the rule general debate is limited to one hour, and it is to be divided equally between those for and those against the bill. No one having appeared against the bill who desires to control any time, would it be in order now to make an agreement in respect to a division of time?

The SPEAKER. The Chair thinks it would be in order.

Mr. WINSLOW. Mr. Speaker, the duty of taking charge of the bill has automatically fallen to me, and I am pleased that it has. The arrangement which I supposed would be made is that if anyone opposing the bill wants time under the rule that time would be accorded, and the balance of the time would be given to those in favor of the bill. No one has appeared, so far as I know, opposed to the bill demanding time, and by arrangement which I thought I had with my colleague, the gentleman from Kentucky [Mr. BARKLEY], I had intended after we get into the Committee of the Whole to yield one-half of my time to him.

Mr. BARKLEY. That is satisfactory.

The SPEAKER. The question is on the motion of the gentleman from Massachusetts that the House resolve itself into

the Committee of the Whole House on the state of the Union for the consideration of Senate bill 848.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 848, with Mr. GRAHAM of Illinois in the chair.

The Clerk reported the bill, as follows:

Be it enacted, etc., That section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, is hereby amended by inserting "(1)" after the section number at the beginning of such section and by adding to the section two new paragraphs, as follows, to wit:

"(2) The commission is directed to require, after notice and hearing, each carrier by rail, subject to this act, to issue at such offices as may be prescribed by the commission joint interchangeable mileage tickets at a just and reasonable rate per mile, good for interstate passenger carriage upon the passenger trains of any and all other carriers by rail subject to this act. Such tickets may be required to be issued for any distance not exceeding 5,000 miles nor less than 1,000 miles. Before making any order requiring the issuance of any such tickets the commission shall make and publish such reasonable rules and regulations for their issuance and use as in its judgment the public interest demands; and especially it shall prescribe whether such tickets are transferable or nontransferable, and if the latter, what identification may be required; and especially also to what baggage privileges the lawful holders of such tickets are entitled.

"(3) Any carrier which, through the act of any agent or employee, willfully refuses to issue or accept any such ticket demanded or presented under the lawful requirements of this act, or willfully refuses to conform to the rules and regulations lawfully made and published by the commission hereunder, or any person who shall willfully offer for carriage any such ticket contrary to the said rules and regulations shall be deemed guilty of a misdemeanor, and upon conviction shall be fined not to exceed $1,000."

With the following committee amendments:

Page 1, line 3, after the figures "22," strike out the words "of the act entitled 'An act to regulate commerce,' approved February 4, 1887," and insert the words "of the interstate commerce act."

Page 1, line 5, after the word "is," strike out the word "hereby."

Page 1, line 7, after the word "paragraphs," strike out the comma and insert the words "to read."

Page 1, line 8, after the word "follows," strike out the comma and words "to wit."

Page 2, line 2, after the word "commission," strike out the word "joint," and after the word "mileage" insert the words "or scrip coupon."

Page 2, line 3, after the word "at," strike out the article "a," and after the word "reasonable" strike out the words "rate per mile" and insert the word "rates."

Page 2, line 4, at the beginning of the line, strike out the word "interstate."

Page 2, line 5, at the beginning of the line, strike out the words "any and," and after the word "all" strike out the word "other." After the word "act" insert the words "the commission may, in its discretion, exempt from the provisions of this amendatory act, either in whole or in part, any carrier where the particular circumstances shown to the commission shall justify such exemption to be made."

Page 2, line 10, after the word "issued," strike out the words "for any distance not exceeding 5,000 miles nor less than 1,000 miles" and insert the words "in such denominations as the commission may prescribe."

Page 3, line 2, at the beginning of the line, insert the words "sale or."

Amend the title.

Mr. WINSLOW. Mr. Chairman, I yield 30 minutes of my time to my colleague, the gentleman from Kentucky [Mr. BARKLEY], to follow my own use of time. To those Members present who heard my committee associate [Mr. HUDDLESTON] speak a few moments ago, I desire to say that I shall not undertake to reply to his inquiries or his statements seriatim. We are a happy family in our committee and so I do not wish to say anything that would suggest anything to the contrary. Consequently, I shall not say anything more about his talk, but shall proceed to give the real history of this bill and undertake to tell you what it is all about. If you remember anything that has been said before, you will be able to make a comparison, and if you do not remember, I hope you will pay particular attention to what I have to say.

Those who represent a large portion of the great traveling public known as the commercial travelers are undoubtedly the sponsors for this bill. They took their measure to the Senate of the United States and a bill was introduced and passed in that body. That bill came to us in the form indicated in this draft, Union Calendar 406, which is printed in ordinary type, and which is amended as indicated by the italics. Anyone can readily see in just what form it came to our committee.

We had hearings during a number of days, very interesting hearings. A great many representatives of the travelers' organizations came and stated their case. We at that time were in the midst of hearings on broader propositions affecting the transportation act, 1920. It duly occurred to the committee that we had better develop the general problem a little further with a view of gaining more information that might bear on this particular mileage book bill and so be able, maybe, to arrive at a better final judgment. We therefore postponed further hearings on this bill for a while and later on took them up again and completed them. The bill which came to us from the Senate was merely a bill to direct the Interstate Commerce Commission after a careful inquiry, after notice and hearing, to require each rail carrier coming under the interstate commerce act to issue mileage books under such regulations and conditions as the commission might see fit to establish. That is all there was to the bill.

The Senate never intended to express any opinion on the mile price of mileage or on what might have been the original base cost of mileage or to do anything other than to give direction to the Interstate Commerce Commission to issue mileage books under regulations, and so forth. That is all any proponent of the bill asked the Senate to do. The Senate did it promptly and sent the bill to us, and after hearings we came to the conclusion that the bill in its intent might have been all right, but in its form was not sufficiently comprehensive to give the traveling public, whether commercial travelers buying transportation by wholesale or others, a likely chance to buy a mileage book, so called, or a scrip book. We cast about to see what we could do for commercial travelers and those who might buy these books. The bill gives the Interstate Commerce Commission all the authority that the Senate provided be given. It gives them more also in two particulars. If you chance to have a copy of the report on this bill you will find a statement is made that the principal changes are twofold. One of the two provisions is made for the issuance of a scrip coupon book. The second is a provision for the exemption of certain rail carriers in case the Interstate Commerce Commission shall see fit to authorize the issuance of a mileage more or less in general but not universal, as applied to rail carriers. So our attention naturally and automatically came to the consideration of those two forms of books, the mileage so called on the one hand——

Mr. HUDSPETH. Will the gentleman yield for a question for information?

Mr. WINSLOW. I would like to finish the analysis.

Mr. HUDSPETH. I would like to ask if the general public could not buy these books?

Mr. WINSLOW. Anybody. I would like to finish my analysis of this bill, and then I will yield——

Mr. HUDSPETH. I will state there is a misapprehension on this side that it was confined to a certain class of travelers.

Mr. WINSLOW. It is not; the gentleman is quite right in pressing his inquiry. While this point is up let me repeat clearly what the traveling man understands. This is not a bill for a class, any class at all, but it is a bill for anybody who has the price and the desire to buy tickets at wholesale in such quantities as may be properly determined after notice and hearing by the Interstate Commerce Commission, in behalf of the buyers of wholesale transportation. Does that clear the matter? [Applause.]

Mr. HUDSPETH. It does.

Mr. WINSLOW. I want to say for the commercial travelers that they never held out that we should pass legislation which ultimately might favor them in preference to anybody else, but on the contrary they were very positive in their statements at the outset that the provision should be general for all who might desire to buy a mileage book. Now, bear in mind, gentlemen, that there are two things to consider particularly. One is the scrip coupon which in the art of transportation is a book with a lot of little pieces of scrip detachable in book form, each one of the scrip representing a definite money value without any connection with mileage whatever, just money value. Say we had 100 on a page, each one worth 5 cents, there would be $5 worth of coupons, transportation coupons in one form or another as the commission might determine regulations. The other one is in a mileage book. That is like the book of scrip except each little coupon, whether for use either on the train or for exchange at the ticket window, is good for a mile of travel; whether that mile shall cost 1 or 20 cents.

The scrip coupon is good only for the value of each particular scrip. It is important to get the differentiation in your mind to understand this bill, and once you have that, you have the whole thing.

The Interstate Commerce Commission, represented by our friend of a year or two ago, the Hon. John J. Esch, stated to the committee that they had misgivings as to their rights to order the issue of mileage book as provided by the Senate bill. That created a doubt in our minds. Various members of our committee entertained like opinions in respect of that and other legal considerations. Moreover, as the gentleman from Ohio [Mr. FESS] has told you, the fares which are allowed to be charged by railroads by the Interstate Commerce Com-

mission, which has the right to establish fares, run, usually speaking, from 3.6 cents a mile up to 6 cents.

The committee realized right away that it was impossible to issue a mileage book in justice to all the rail carriers of the country, with any definite value or charge for a mileage coupon. For instance, I take one end and go onto a road where the fare is 3.6 cents. If I had bought that coupon book on the base cost of 3.6, I could use it there, good for a mile, but if I took the same book and went on a connecting line, where the fare was 4½ cents, what would it mean? It would mean that every conductor would have to have a bookkeeper, an auditor, and a cashier, perhaps, in order to figure up what those fares would be from place to place. It would not be workable or reasonable. So what did we do to meet that situation and still give the commercial traveler every opportunity he has under the Senate bill? We made the provision that the Interstate Commerce Commission should have authority to direct the issue of a mileage book which would be usable equitably on a vast majority of the railroads which might be charging a definite and uniform mileage; but we provided for allowing the Interstate Commerce Commission to exempt a minority of the roads whose fares would be different, the idea being if they saw fit, in their wisdom, after notice and hearing, to direct the issue of a mileage book, they would see this book is good on all the railroads, each coupon for a mile, except on those eliminated. In that case you would not get a universal, interchangeable mileage book; but we have left the bill in such form that the commission, in its wisdom and in accordance with the conditions at the time they may legislate, can give the authority to direct the issue of generally interchangeable, universal mileage books and can exempt certain roads but make the coupons good on the balance of the roads of the country. So much for that.

The other one is this: Failing to find a way in which wisely to bring about the issue of a mileage book, we have provided for the issuance of a scrip book, if the commission wants to direct the issue of such in the interest and convenience of travel. In other words, the coupon has a definite value, and the commission is given authority to make rules and regulations. Under this bill the commission may establish a definite rate per mile or it may establish a definite value for scrip, or it may indicate a discount from one or the other if they choose and think it a wise thing to do.

There has been but one objection to scrip, however, and that is the scalper, and in order to forestall that sort of thing, which was a great nuisance in the old days of the joint mileage books, so called, on certain railroads, we provided an amendment in addition to the provisions of the Senate bill, which amendment provided a fine not to exceed $1,000 for anyone who shall willfully offer for sale or carriage any such coupon contrary to the commission's rules and regulations. In that way we can swoop down on the scalper if he offers any ticket for sale which he might get at a discount and then turn them for single tickets.

I believe I have covered the subject pretty generally. If not, my willing and qualified associates will take the matter up later on.

Mr. LAYTON. In accordance with the courtesy which the gentleman has said he would extend to me, I have two or three questions I would like to have answered for information.

Mr. WINSLOW. Yes, indeed.

Mr. LAYTON. I am very much in favor personally of this bill, as any traveler would be, but the question I want to ask is as follows: Were the railroads themselves consulted in the preparation of this bill?

Mr. WINSLOW. Those representing the class A railroads were present and also representatives of the so-called short lines.

Mr. LAYTON. It pretty nearly covered all I wanted to ask, but I will ask another question. The rates are fixed by law?

Mr. WINSLOW. By the Interstate Commerce Commission; that is the reason for putting the determination as to this subject in the hands of this rate-making power.

Mr. LAYTON. I understand that. Now, did the railroad attorneys or the railroads of the country agree to this, taking into consideration the absolute cost of administration?

Mr. WINSLOW. No; the railroad companies did not feel that they ought to attempt to put mileage out at a discount or the scrip out at a discount. But they were not very insistent and did not offer any final objection, and so far as I remember were willing to have the matter referred to the Interstate Commerce Commission in view of the fact that there would be notice and hearing.

Mr. LAYTON. The gentleman recognizes, of course, in the administration of this bill, if it is passed and becomes a law, that it will involve an additional administrative expense upon the railroads?

Mr. WINSLOW. That is quite so, but the objection, on the other hand, is that the increased amount of sales may offset that as they generally offset a wholesale proposition in any other line of commercial transaction.

Mr. CURRY. I notice on page 2, line 4, of the original bill you strike out the word "interstate" by a committee amendment. What authority has Congress to legislate for intrastate rates and why was the word "interstate" stricken out?

Mr. WINSLOW. For the reason that this bill covers only such railroads as are under the jurisdiction of the Interstate Commerce Commission.

Mr. CURRY. Under the reading of this bill it does cover other lines.

Mr. WINSLOW. No; it covers only those which come under the transportation act, 1920.

Mr. CURRY. Straight mileage or scrip coupon books at just and reasonable rates could have passenger rates granted upon passenger trains?

Mr. WINSLOW. Yes.

Mr. CURRY. Now you strike out "interstate," and of course the intrastate rates are subject to the Interstate Commerce Commission in interstate traffic, but in the State of New York or in the State of California or the State of Pennsylvania what authority has the Congress to legislate or give authority to the Interstate Commerce Commission to make local rates and compel them to take within the State this mileage book?

Mr. WINSLOW. I do not understand that that comes under this provision of the bill. The gentleman is talking about an interstate carrier?

Mr. CURRY. Yes.

Mr. WINSLOW. They have the privilege of establishing the rates at which they will carry them on a coupon book. What difference whether under a coupon book or without it?

Mr. CURRY. They have not the authority to fix intrastate rates?

Mr. WINSLOW. No; not unless they become a part of an interstate system.

Mr. CURRY. I do not think Congress has the authority.

Mr. WINSLOW. Yes; I think it has. We would not have brought out the bill otherwise.

Mr. CURRY. I thought there might be a difference of opinion in the committee upon that.

Mr. WINSLOW. I think I have stated it correctly, but there will be other members of the committee who will speak, most of whom are lawyers. I wish the gentleman would ask them.

Mr. CURRY. I thought the gentleman could answer that.

Mr. WINSLOW. I am not running away from the answer. There may be a detail of that sort which quite likely one of the lawyer members of the committee can answer and which it may be I am not able to answer.

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

Mr. WINSLOW. Certainly.

Mr. HILL. The question has just been raised about the additional expense entailed upon the railroads by issuing such tickets or scrip.

Mr. WINSLOW. Yes.

Mr. HILL. Would it not be the case that if this were availed of to a large extent, thus entailing additional work, the large amount of money thus deposited with the railroads would compensate for that additional expense?

Mr. WINSLOW. Yes. That is one of the great claims of the proponents of the bill.

If now nobody desires to ask any questions I will yield to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. I shall not take up more than 10 minutes.

The CHAIRMAN. The gentleman from Kentucky is recognized.

Mr. BARKLEY. Mr. Chairman, the necessitiy of this bill grows out of the fact that since the railroads have been returned to their owners they have to a large extent ceased to issue mileage books, as they issued them prior to the time the Government took them over.

Mr. LAYTON. The gentleman knows the extent to which the roads have been returned back to their owners?

Mr. BARKLEY. Well, I am not going to go into a discussion of that. The Government certainly does not have charge of them.

Prior to the war and prior to the time when the Government took the railroads over everybody understood that practically all of them issued mileage books. Some of those books were interchangeable for mileage over certain roads designated in the books and others were limited to passage over the road issuing the book. Of course, when the Government took the roads over they ceased any longer to issue these books, and

when the roads were turned back to their owners under the transportation act the roads did not resume the custom of issuing these mileage books for the convenience of the traveling public. Prior to the war, when these books were issued by the roads, they were issued at a reduction in the rate below the regular passenger fare. Roads that had a 3-cent regular rate issued these books, I think, at 2½ cents per mile. Some of them, I think, issued them at a rate as low as 2 cents. When the roads were taken back by the owners it was not long until the public began to notice that it was impossible to purchase these mileage books, and even where they were purchased they were not purchased with any reduction in the rate below the regular passenger fare and most of them were not interchangeable.

I think it is correct to say that very few of the roads have resumed issuing these mileage books, and still fewer of them have issued them interchangeably for use on other roads than their own. Very naturally, as a matter of convenience and economy, there began to be developed a sentiment in favor of the resumption of the practice of issuing these mileage books, and as the roads refused to do it and the Interstate Commerce Commission claimed it had no authority to compel them to do it, a request was made of Congress to pass a law that would require the roads to issue these books. Most of the bills introduced provided for a reduction of the rate below the regular passenger rate. I myself introduced a bill on the subject which provided for a reduction below the regular passenger fare; but when the Senate passed the bill some question was raised about the constitutionality of a measure which provided that Congress should stipulate that these books should be issued at less than the regular passenger rate, on the ground that Congress was thereby legislating the rate for passenger traffic in the United States. It might be argued in favor of the constitutionality of that provision that Congress, when it fixed the so-called 6 per cent guaranty, attempted to authorize the Interstate Commerce Commission to fix rates high enough to aggregate a return of 6 per cent. But be that as it may, the Senate refused to enact a law providing for any definite reduction below the particular fare or figure at the time and left that matter entirely in the discretion of the Interstate Commerce Commission.

Now, it is true, as the gentleman from Massachusetts [Mr. WINSLOW] has explained, that this bill is not drawn in behalf of any class or any group. It is true that the traveling men of the country, whose business is on the railroads, and who, of course, appreciate the convenience of a mileage book and also the convenience of economy of a slight reduction from the regular rate where they use these books, have urged this legislation. But these books will be available to the general public on equal terms. The traveling men will appreciate that economy, but in view of the difficulties that have arisen, both in the Senate and in our committee upon that point, the bill has been reported so far as the committee is concerned in the shape in which it passed the Senate, leaving it entirely to the Interstate Commerce Commission to say what a reasonable rate shall be, and providing that they shall have the power to provide a rate after hearing all the parties concerned. And that is what the men who appeared before our committee asked for, namely, a chance to go before the Interstate Commerce Commission and present their case and an opportunity whereby they could take their chances with the commission to secure a reduction in the rate below the regular rate for the issue of mileage books.

While it is true that this bill has not been drawn in behalf of any class or any particular group, yet I may say that one particular group has been perhaps more prominent in asking for the passage of this bill than others, because their business is largely on the railroads, and they appreciate more keenly the disadvantage of not having the benefit of mileage books.

But prior to the taking over of the railroads during the war these mileage tickets were accessible to everybody who had the price to pay for them, and thousands of passengers who never were numbered among what we call traveling salesmen availed themselves of the opportunity to buy these mileage books at the wholesale rates, not only as a matter of economy but as a matter of convenience.

Mr. BUTLER. Members of Congress availed themselves of that privilege.

Mr. BARKLEY. Of course, and so did many thousands of others.

Mr. UPSHAW. Will the gentleman yield?

Mr. BARKLEY. I yield to the gentleman from Georgia.

Mr. UPSHAW. Inasmuch as it is not regarded as competent for Congress to issue a mandate to the Interstate Commerce Commission for reductions, does not the gentleman believe, in view of the recent slashing and more than one slashing of the price of labor on the railroads, that the general price of transportation ought to be reduced?

Mr. BARKLEY. Yes; I think it is true that everybody in this country has been demanding that there should be a reduction not only in freight rates but in passenger rates also. [Applause.] The Interstate Commerce Commission have met that demand in a very slight degree in so far as freight rates are concerned, but have met it in no respect as far as passenger fares are concerned. If it is to be the policy of the railroads and of the Railroad Labor Board, which is now performing functions under the transportation act, to reduce the wages of the laboring men who do the work upon the railroads, it certainly is not inconsistent to expect that if the laboring men on the railroads shall bear the entire burden of that reduction that there ought to be some benefit to the public in some way and not simply to the railroads. Of course, I am not discussing the justice of the reductions which have been made, but if they are to be put into effect, certainly the traveling public and the shipping public ought to have the benefit of whatever reductions are made in the expenses of operating the railroads.

There is one provision here about which I am not very enthusiastic, and that is one of the amendments put on by the committee. I am a little afraid that as it reads the commission may interpret it to mean that they can authorize or direct the roads to issue these coupon books or mileage books, but not both. The intention of the committee was, as I understand, that under that language they might issue either or both, and I think that ought to have been made very clear. Certainly it is not my idea that that amendment ought to restrict the commission in the issuing of the one or the other. They ought to be able to issue either or both if they wish. In other words, if they issue a coupon book it is nothing more than a wholesale book representing money and not mileage. You may tear out 25 cents or 50 cents or a dollar, and it will take you so many miles at the rate that is in force on the road. You may take that coupon book into a ticket office and exchange so much scrip for a ticket to a certain destination.

Some of the roads, I think, accept the scrip in paymont of fares and some of them require the passenger to take the book into a ticket office and exchange so many coupons for a ticket to a certain place. That results in very little convenience to the traveler, so far as that is concerned.

The CHAIRMAN. The gentleman's time has expired.

Mr. BARKLEY. I will take two minutes more. I believe if there is any doubt about that in the minds of the committee—and there is doubt in my mind—it ought to be made certain that the Interstate Commerce Commission can require the roads either to issue a coupon book calling for so many miles of travel or a coupon book calling for so much value in transportation, or both, if they see fit, and not restrict them to requiring one or the other.

Mr. Chairman, in view of this situation which has been presented to the committee and to the House I hope this measure will pass, and I hope that when it has been enacted into law the commission will see proper and find it consistent to provide for the issue of these books at a reduced rate below the regular passenger fare.

I yield 10 minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman and gentlemen of the House, as a member of the committee that studied this bill and recommends its passage I would not have the impression go out, as indicated by the gentleman from Alabama, that the proponents of this measure do not understand the bill and every portion of it.

I asked the counsel for the Travelers' Association, composed of 600,000 men, whether they understood this bill to mean that rates would be lowered or if, on the contrary, whether the Interstate Commerce Commission could not, if it desired, actually raise the rates. He said that was his understanding. So this bill does but one thing—it provides a forum for the traveling men of the United States where they can be heard in asking for an interchangeable mileage book or interchangeable scrip tickets. This bill provides a place of hearing. If the national rate-making body desires to lower the rate it is for them to say upon full hearing and investigation. They may actually, if they so desire, raise the rates. So the traveling men of America, if the House passes this bill, are not being deceived. They understand exactly what the bill provides for. It is true that the original bill introduced in the Senate had a fixed rate per mile, but in the argument before the committee in the Senate and upon the floor of the Senate the proponents of this bill discovered that could not be done; that Congress could not fix rates for railroads. So when the bill came

to the House before our committee, they had abandoned that position. They understand this bill thoroughly; they want it passed; there is no misunderstanding about it, and all it does is to provide a forum, a place of hearing, for the traveling men of America.

Mr JOHNSON of Washington. Will the gentleman yield?

Mr. HAWES. Yes.

Mr. JOHNSON of Washington. I take it that the coupon book is not to be sold to traveling men alone; any man can buy a mileage book?

Mr. HAWES. Certainly.

Mr. WALSH. There is nothing in the proposed legislation that would permit the Interstate Commerce Commission by regulation to restrict people who might purchase it, is there?

Mr. HAWES. No, sir.

Mr. WALSH. It would be open to the general public?

Mr. HAWES. Yes.

Mr. WINSLOW. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. NEWTON].

Mr. NEWTON of Minnesota. The bill before us authorizes and directs the Interstate Commerce Commission to issue what is known as interchangeable mileage books or scrip coupon tickets at reasonable rates to be good for passenger carriage on all carriers subject to the interstate commerce act, with such exceptions as the Interstate Commerce Commission shall find to be advisable owing to dissimilarity of conditions and circumstances.

Before the war it was customary for groups of railroads to issue what came to be known as interchangeable mileage books. In general their use was confined to the traveling salesman, of whom there are possibly 750,000 in this country. The purchaser bought, say, a 3,000-mile book and paid for it at the time of its purchase. If his trip was 100 miles the conductor upon the presentation of the book tore off 100 miles and returned the book with the rest of the mileage to the traveler. Purchasing in wholesale quantities, so to speak, a discount was obtained below the prevailing rate, and then in addition to this advantage the traveler did not have to waste time purchasing a ticket at every station.

The mileage books were in general use throughout the West, but were not good on all roads. In fact, in accordance with my own observation, they were interchangeable on not to exceed some five or six roads.

The war and the taking over of the roads by the Government ended the issuance of mileage books. After the return of the roads an effort was made to have the railroads reinstate the custom of issuing interchangeable mileage books. The matter was presented to the Interstate Commerce Commission, who questioned their authority to order the roads to do so. This movement was led by the various organizations of commercial travelers and they then presented the matter to Congress. Several bills were introduced in both Houses; some of them called for a universal interchangeable book at a flat rate of so much per mile. It was readily seen that this could not very well be done. In the first place, this would be the direct fixing of a rate by Congress. If this was once commenced there would be no end to it. From a practical standpoint, Congress is not fitted to be a rate-making body. It will be remembered that the previous interchangeable books were not universally interchangeable, but only so in restricted territory where conditions were the same. The present general rate is 3.6 per mile. Some of the short lines charge a higher rate, and in the western mountain country I am informed that the rate sometimes is above 5 cents per mile. Obviously it would not be fair to issue an interchangeable book and have it presented in mountain territory where the rate is 5 cents and the traveler purchased the mileage in the East at, say, 3 cents.

It was then determined to agree upon a bill which would authorize the Interstate Commerce Commission to issue the books at reasonable rates under rules and regulations and subject to exceptions. Such a bill passed the Senate, and with several amendments the same bill is now before the House. The principal amendments are these: First, we authorize the commission to issue mileage books or scrip coupon tickets as they may think advisable. The representative of one of the large commercial traveler organizations was of the opinion that the scrip plan was the better one. Such a plan could be made universal. Under the mileage-book plan the purchaser would buy 3,000 miles at so much per mile. Under the scrip plan he would buy so many dollars' worth of transportation at whatever cost per mile the company to whom he presented the scrip would charge. There are some advantages in the scrip plan; there are others in the mileage plan. It is claimed that the scrip method could be more easily used by scalpers. For these reasons the committee thought it better to put the whole proposition up to the commission.

To take care of some roads where, owing to mountainous regions or other circumstances, it would be inequitable to sell interchangeable mileage books good on those roads, we have authorized the commission to exempt certain roads from the operation of the act.

When the bill came from the Senate the mileage book so issued would be "good for interstate passenger carriage" only. This would be of little benefit to the commercial traveler.

Of the great bulk of commercial travelers most of their trips are from town to town, which would be an intrastate carriage. The mileage book would not be valid for such carriage. For example, the ordinary commercial traveler in Minnesota, the Dakotas, and Montana will travel for several weeks before crossing a State line. Some of them have their territory wholly within a State. If the Senate bill becomes a law, Mr. Smith, getting on the train at Minneapolis and going to Fargo, N. Dak., could use his mileage book, and if that book was purchased at a discount his fare to Fargo would be less than the regular fare to the extent of the discount. Mr. Jones, on the other hand, who took the same train and who sat with him during the entire journey, is getting off at Moorhead, just across the river from Fargo. Moorhead is in Minnesota. Jones's mileage book could not be used for his trip. He would have to buy a ticket, and if there was a discount in the interstate business, he would not get the benefit of any discount on his trip, which was purely intrastate. Hence the committee amendment to strike out "interstate."

It will be observed that these books are to be issued at reasonable rates and under such reasonable rules and regulations as the public interest demands. This makes them available to anyone deeming that method advisable and having the necessary funds with which to purchase transportation at wholesale.

Mr. Chairman, the gentleman from Kentucky [Mr. BARKLEY] called attention to the authorization and direction to issue "interchangeable mileage or scrip coupon tickets." He inquired as to whether use of the disjunctive "or" would restrict the commission to either mileage books or scrip and not permit them to issue both if in their judgment that should be deemed advisable. It is my own impression—others on the committee I find agree with me—that the language is clear, and that as it now reads the commission would have the authority to direct the issuance of either or both.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. WALSH. I notice that the bill says the commission shall make and publish such reasonable rules for the issuance and use as in its judgment the public interests demand.

Mr. NEWTON of Minnesota. Yes.

Mr. WALSH. Might not the commission under that language restrict the number of these books that will be issued by any railroad and thereby preclude the general purchase?

Mr. NEWTON of Minnesota. It does not seem to me that that would be a reasonable rule or regulation. There must be, of course, some rules and regulations in order to provide for the issuance of the mileage books, but a regulation or rule of that kind would seem to be unreasonable.

Mr. WALSH. They might restrict it to certain times of the year or to certain sections of the country.

Mr. NEWTON of Minnesota. Not unless there was a reasonable occasion for making that restriction. I can not conceive of any regulation based on the issuance of mileage books during one portion of the year and not another.

Mr. WALSH. Take a road that has a number of branches and it might restrict the number of books that it might sell to a certain territory.

Mr. NEWTON of Minnesota. Yes. Take, for example, the mountain roads, where the present rate runs as high as 5 cents per mile on certain divisions. That in itself would possibly compel the commission to make a mileage book, as distinguished from a scrip book, not passable upon those divisions of the particular road.

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

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk again reported the bill.

The following committee amendments were severally reported and severally agreed to:

Page 1, line 3, after the figures "22," strike out the words "of the act entitled 'An act to regulate commerce,' approved February 4, 1887," and insert the words "of the interstate commerce act."

Page 1, line 5, after the word "is," strike out the word "hereby."
Page 1, line 7, after the word "paragraphs," strike out the comma and insert the words "to read," and after the word "follows," strike out the comma and the words "to wit."
Page 2, line 2, after the word "commission," strike out the word "joint," and after the word "mileage," insert the words "or scrip coupon."
Page 2, line 3, after the word "at," strike out the article "a," and after the word "reasonable," strike out the words "rate per mile" and insert the word "rates."

The Clerk then reported the following amendment:

Page 2, line 4, at the beginning of the line strike out the word "interstate."

Mr. DENISON. Mr. Chairman, I desire to be heard upon that committee amendment. The Members seem to be very impatient, and perhaps do not approve of anyone saying anything either for or against this bill. Several are calling for a vote, but I am going to take up just a moment to state my opposition to this particular committee amendment. It may not have any influence upon a single person in the House, but we have been criticized very severely of late for "passing the buck," as it is called, to the Supreme Court, for passing laws which the Supreme Court promptly holds unconstitutional. I hesitate to rise in the House and object to a bill, or any part of a bill, upon the ground that I think it is unconstitutional. When I first came here I used to be very prompt to do so, but the longer I stay here the more I hesitate to object to any bill upon the ground that it is unconstitutional. Such objection seems to be looked upon with amusement and not taken seriously. Nevertheless, I am going to record my view upon this question involved in the committee amendment on line 4, wherein the word "interstate" is stricken out.

This bill, as it came from the Senate, applied only to interstate passenger carriage upon the theory that Congress has no jurisdiction to regulate in the manner provided in this bill purely intrastate passenger rates. That has been my view all along. It was clearly the view of the Senate.

Mr. COOPER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. DENISON. Yes.

Mr. COOPER of Wisconsin. Is not that objection of the gentleman from Illinois met by the language in lines 4 and 5 "upon the passenger trains of all carriers by rail subject to this act"?

Mr. DENISON. Not at all. We have no jurisdiction, as a matter of course, to regulate any carriers except such as are interstate carriers, but I am assuming that we have not yet reached the point where Congress will claim absolute plenary powers over all intrastate rates, even on interstate carriers.

Mr. COOPER of Wisconsin. Let me make this suggestion: You do not need the word "interstate" there in line 4, because in line 5 it is limited to carriers by rail subject to the act, and the only carriers subject to the act are interstate carriers.

Mr. DENISON. Certainly. But Congress can regulate intrastate rates on interstate carriers only to the extent specified in the transportation act.

Mr. McLAUGHLIN of Michigan. Is there not some authority over intrastate carriers in the Interstate Commerce Commission? They have some authority, so that they are covered by the act, and in some respects intrastate carriers are subject to this act.

Mr. DENISON. I am going to discuss that for a moment. Let me call the attention of the committee to this. Before the passage of the transportation act the Supreme Court held, in what is known as the Shreveport case, that Congress had the right to regulate intrastate rates in certain instances. What were they?

Now, what were they? They were when the intrastate rate caused any "unreasonable advantage, preference, or prejudice as between persons or localities in intrastate commerce on the one hand and interstate commerce on the other hand." That is the substance of the Shreveport decision. Now, in the transportation act we went further than that and added to the control which the Interstate Commerce Commission might exercise over intrastate rates this further provision, that whenever an intrastate rate constituted "an undue, unreasonable, or unjust discrimination against interstate commerce" the Interstate Commerce Commission might then regulate it. Section 13 of the interstate commerce act, as amended by the transportation act, gives the Interstate Commerce Commission this authority. Let me read it:

Whenever in any such investigation the commission, after full hearing, finds that any such rate, fare, charge, classification, regulation, or practice causes any undue or unreasonable advantage—

Remember, this is intrastate rates, and so forth—

causes any undue or unreasonable advantage, preference, or prejudice as between persons or localities in intrastate commerce on the one hand and interstate or foreign commerce on the other hand, or any undue, unreasonable, or unjust discrimination against interstate or foreign commerce—

And so forth. Then the Interstate Commerce Commission may change the rate.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DENISON. I ask for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. WINSLOW. Mr. Chairman, I ask unanimous consent that after five minutes debate on this amendment be terminated.

The CHAIRMAN. The gentleman from Massachusetts asks that all debate on this amendment and all amendments thereto close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BARKLEY. Mr. Chairman, reserving the right to object, is the chairman of the committee assuming the gentleman's argument does not need answering?

Mr. WINSLOW. If the gentleman puts it up to me, I will say so in view of the action of the committee.

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

Mr. DENISON. I will yield.

Mr. FESS. I am a holder of one of these exchangeable books and I am going from Dayton to Cincinnati, which is within Ohio. If you strike out "interstate," then you could not use that book?

Mr. DENISON. Not between intrastate points.

Mr. FESS. What value would the book be to me, then, except in crossing the line?

Mr. DENISON. I will answer that by saying to my friend from Ohio that he had better ask the gentlemen who first introduced the bill and had it passed through the Senate and sent to us in that form as to what good it would do. I am trying to present my reason for thinking that it will make it unconstitutional, if we amend the bill by striking out the word "interstate."

Mr. HOCH. Will the gentleman yield?

Mr. DENISON. I will yield to the gentleman from Kansas.

Mr. HOCH. Is it not a fact that practically every intrastate rate now in effect was as a matter of fact fixed by the Interstate Commerce Commission, and if the thing was unconstitutional the very thing in effect to-day is unconstitutional? Is not that a fact?

Mr. DENISON. I do not think it is a fact.

Mr. HOCH. In Ex parte 74 proceedings before the Interstate Commerce Commission were not rates fixed upon intrastate rates as well as upon interstate rates, and did not the Wisconsin case state specifically they had that power to fix those rates?

Mr. DENISON. The Wisconsin case simply held that the transportation act was a constitutional or a valid exercise of the power under the commerce clause of the Constitution. That is all the Wisconsin case held. What I am trying to argue is this: That if we pass this bill as the committee has amended it we are going far beyond the power conferred upon the Interstate Commerce Commission by the transportation act and, I think, beyond the power of Congress under the Constitution.

Mr. BARKLEY. Will the gentleman yield?

Mr. DENISON. I would like to say one or two things more before my five minutes are up, as the time now has been limited. In other words, to accomplish the purposes of this act we are going far beyond the power conferred upon the commission by the transportation act.

The purpose of this act is to reduce fares to certain classes of persons and under certain conditions. Such a purpose is not in harmony with or included in the provisions of the transportation act for preventing discriminations between persons or localities or an undue burden upon interstate commerce. Now, I think, gentlemen, that this bill goes beyond any power heretofore conferred upon the Interstate Commerce Commission in any act of Congress, and that it goes beyond our power under the commerce clause of the Constitution. I think that striking out that word "interstate" will render this act invalid if the railroads contest it. I think in the interest of the traveling salesmen, who want this legislation, and all others we would be doing them a favor to put that word back in the act and leave it like the Senate had it. No one interested in this bill asked the committee to make this amendment.

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

Mr. DENISON. Yes.

Mr. WALSH. Is not the word "interstate" merely descriptive of the sort of transportation that the public is paying for—this passenger traffic going from one State to another?

Mr. DENISON. The act as it passed the Senate and came to us limited the use of these interchangeable mileage books to interstate tickets or carriage, and in that form I think it was valid. But the committee thought it wise to strike out that word "interstate," and I think that will render the act invalid. The railroads may never contest it. But if they do, I think this committee amendment will destroy the validity of the act.

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

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

Mr. DENISON. I would, but I have not any time left. Mr. Chairman, I think there should be interchangeable mileage books issued by all the railroads, and I am willing to authorize the commission to compel the railroads to issue such books if it can be done under any proper exercise of our constitutional powers. I think, however, that by striking out the word "interstate" the committee has used bad judgment and has made this bill unconstitutional, even if it was constitutional in other respects.

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 5, strike out the words "any and," and also strike out the word "other."

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 5, after the word "act," insert "The commission may in its discretion exempt from the provisions of this amendatory act either in whole or in part any carrier where the particular circumstances shown to the commission shall justify such exemption to be made."

Mr. COOPER of Wisconsin. Mr. Chairman, I would like to ask the chairman of the committee why that particular amendment was inserted in the bill. It is one of exceeding importance. It would permit the commission to exempt from the provisions of this act, an amendatory act, an entire railroad, in its discretion. Why should it be possible for that commission to exercise discrimination as between railroads in a matter so important as this?

Mr. WINSLOW. The theory is this, that the scale of prices for carrying a passenger a mile vary now under the regulations of the Interstate Commerce Commission from 3.6 cents per mile, as a minimum, up to 5 cents or 6 cents a mile, and above, I think, in some instances. Now, it might be, if the commission saw fit to get out a mileage book, that they could get out one covering the great majority of the railroads of the country at 3.6 cents per mile, but other railroads could not afford to carry passengers at that price. So, in order to get out a mileage book, in case they saw fit to order the issue of one, we provided that they could indicate the roads upon which the general mileage rate would be acceptable, profitable. As some other roads could not carry at the same rate per mile, we realized there should be a right for the commission to make exemptions. Hence this provision.

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 10, after the word "issued," strike out "for any distance not exceeding 5,000 miles nor less than 1,000 miles" and insert in lieu thereof "in such denominations as the commission may prescribe."

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

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 2, insert before the word "carriage" the words "sale or."

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

The committee amendment was agreed to.

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

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, 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. 848) to amend section 22 of the act entitled "An act to regulate commerce," approved February 4, 1887, as amended, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

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

The amendments were agreed to.

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

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

The SPEAKER. Without objection, the title will be amended.

There was no objection.

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

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker signed the same:

H. R. 12073. An act to provide additional compensation for certain civilian employees of the Governments of the United States and the District of Columbia during the fiscal year ending June 30, 1923;

H. J. Res. 344. Joint resolution to authorize the Secretary of the Treasury to detail four persons paid from the appropriation for the collection of customs; and

H. R. 11393. An act to abolish the office of Superintendent of the Library Building and Grounds and to transfer the duties thereof to the Architect of the Capitol and the Librarian of Congress.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3458. An act to authorize the Niagara River Bridge Co. to reconstruct its present bridge across the Niagara River between the State of New York and the Dominion of Canada, or to remove its present bridge and construct, maintain, and operate a new bridge across the said river.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to the following:

To Mr. CHALMERS, for 10 days, on account of the serious illness of his brother.

To Mr. HAWLEY, for June 30, 1922, on account of public business.

LEAVE TO EXTEND REMARKS.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

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

There was no objection.

Mr. CRAMTON. Mr. Speaker, in this House on Thursday, June 22, attacks were made by the gentlemen from Massachusetts, Mr. TINKHAM and Mr. GALLIVAN, upon an organization known as the Anti-Saloon League, and upon Mr. Wayne B. Wheeler, the general counsel of the said league.

I have noted in the public press publication of a brief statement in reply issued by Mr. Wheeler the following day at Indianapolis while en route to Kansas City to fill a speaking engagement before the International Sunday School Convention. I have had no request for such action from anyone representing the league, but in view of the fact the original statements have appeared in the RECORD, it appeals to me that this reply should likewise be so published and I accordingly present it here. The statement reads as follows:

The last attacks by Congressmen TINKHAM and GALLIVAN on the Anti-Saloon League and prohibition enforcement are like the others, 100 per cent alcoholic. They are as baseless as the liquor traffic which they defend is lawless. The Anti-Saloon League of America obeys the election laws, and the liquor interests defy them. In order to distract attention from the activities of the outlawed traffic, wet Congressmen cry "Stop thief" and point their accusing finger at the

Anti-Saloon League. They are fooling no one but themselves, and the beer and wine brigade who are back of them. These attacks reveal the fact that there is a nation-wide wet effort to defeat Congressman VOLSTEAD, and they are using a fellow wet Republican to furnish their propaganda.

The Anti-Saloon League of America has made the fight to prevent wet organizations from defeating Congressmen who have voted against the liquor traffic. The charge that we have spent $150,000,000 is ridiculous and false. We never spend one dollar where our opponents spend fifty. The combined budgets of the legal, legislative, and executive departments of the Anti-Saloon League of America never reached $200,000 per year, and only a small part of this was spent in political campaigns.

The league has reported the funds secured and expended for political purposes as required by law. It is the only nonpartisan organization that does comply with the Federal election law. We will help to make the existing law stronger and will insist on its enforcement against the liquor organizations that now ignore it.

We challenge the wet champions and their followers to join us in the fight to sustain and enforce the law against selling liquor on American ships and to adopt a law to prevent foreign liquor-selling ships from entering the harbors of this Nation.

The time has come for a show-down by the wets on law enforcement or a shutdown on their camouflage beer and wine appeals in the name of law enforcement.

Mr. BURKE. Mr. Speaker, I ask unanimous consent to print some remarks in the RECORD in connection with two resolutions which I have offered.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

Mr. WALSH. Nobody heard the purpose indicated.

Mr. BURKE. I have presented two resolutions, and I wish to print remarks in connection with those resolutions.

The SPEAKER. Is there objection?

There was no objection.

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

Mr. BURKE. Mr. Speaker, on June 27 I presented two resolutions to this Congress, one authorizing the Railroad Labor Board to rescind its decision reducing the wages of approximately 1,500,000 railroad employees and the other to end the lockout of the coal miners by authorizing the President to take over the mines for a year or longer, to negotiate a satisfactory wage and working agreement with the miners' committee, and sell the coal to the public at the actual cost of production plus a reasonable return to the coal owners for the coal produced and sold.

It seems to me in the face of what is going on in this country that action should be taken on these two measures without delay. This Congress is here to function in the interest of the Nation and the people, and it should assert its authority and its power by calling a halt on the powers of greed and wealth that now have the country in its grip. Government of wealth, by wealth, and for wealth must cease and government of the people, for the people, and by the people be restored if prosperity and contentment are to come back to our people and our land.

There is discontent and dissatisfaction existing. Mills, mines, and factories are closed down; millions of men and women out of work; a large number of our ex-service men tramping the streets hungry and despairing, each and every one of them victims of the vicious system of greed and exploiting which stops the wheels of industry at will in order to starve the workers into accepting low wages and long hours of toil, as well as to break up unionism.

My office, like the office of every other Congressman here, is flooded with open-shop propaganda; propaganda that misrepresents the cause of the workers; that is sent out for no other purpose but to mislead and to influence Members of Congress to be amenable to the wishes and desires of organized wealth. I want to ask this Congress if labor has not exactly the same right to organize for its own protection and betterment that capital has? And unless organized capital wants to establish feudalism in this country why is it making such strenuous efforts to destroy labor organizations, whose object is to benefit humanity and improve the conditions of the workers?

Let us take up the situation in the coal industry. When the coal operators refused to meet with the representatives of the miners, when they refused to continue their wage and working agreement, it was for a purpose—the purpose of weakening and destroying the United Mine Workers' Association. At the time of the lockout there were 65,000,000 tons of coal on top of ground; it was thought the miners would be forced into submission before this; that the pinch of hunger and the stress of "hard times" would make them eager to get back into the mines on the operators' own terms and conditions; but the miners have endured the pinch of hunger and "hard times" for a principle, and they are just as firm to-day in their determination to assert and protect their constitutional rights as they were the day the lockout started.

The cry, however, is now going out that there is a scarcity of coal; the supply that was on hand is about exhausted, and there will in all probability soon be a move on to hold the public up for higher prices. This should not be permitted. The public has no right to bear the burden of increased coal rates in order that the profits of the operators may go up. Human rights and the necessities of humanity should take rank and precedence over property rights and enormous profits.

Whatever is going on in the coal industry to-day the operators are responsible for; they forced the situation. For the public good they should meet with the representatives of the Miners' Association and put into effect a mutual satisfactory wage and working agreement. If they will not do this, then let the Government take over the mines, formulate a satisfactory wage and working schedule with the miners' committee, mine and sell the coal at the actual cost of production, plus a reasonable return to the coal owners for the coal produced and sold.

The whole trouble is that profiteers and profiteering sprang up overnight during war days; the gold poured into their coffers. With the stoppage of war the flow of gold decreased, but not the greed and the desire to get that gold—to pile up profits, even though that greed meant crushing the workers—exploiting humanity.

And now let me touch on the pending railroad strike of maintenance of way and shop men scheduled for July 1. I hope this Congress will act on my resolution authorizing the board to rescind its wage-reduction order. These men have had handed down to them a schedule of wages that might be all right in far-off Russia or China but should not be applied in America. If American citizenship is to be up to the standard, American standards of living must be maintained. The board based its wage reduction on the un-American theory that labor is a commodity. It established a minimum-wage rate of 23 cents an hour, $1.84 a day, $563 a year. What American could or would live on such wages? What American could raise a family on such wages? What allowances did the board make for sickness or circumstances that might compel loss of time? What attention did it pay to those who appeared before it in the interest of the employees and who proved conclusively that a wage reduction was unwarranted and unjustifiable? Rents have increased; gas and electric service have not gone down; street car fares have not decreased; the cost of food is still high; and yet the man who has to work and work hard to obtain the money to purchase the necessities of life, who has little children to clothe and feed and educate, who has all he can do now to make ends meet and get along, must be the sufferer; from him and his family must be taken the toll to keep up railroad dividends.

I believe the Railroad Labor Board was intended to function as an impartial tribunal; the spirit and intent of the law was that decent living wages should be maintained; that just and fair treatment should be accorded railroad employees. If only the wishes and desires of the railroad magnates are to be considered and their views only have weight with the board, it is functioning not impartially but solely in the interest of the railroad corporations and it should be abolished. A one-sided tribunal functioning in the interest of corporate wealth, placing property rights above human rights, should be wiped out and not maintained at an expense to the taxpayers of America, and for the good of the country and the people the entire law should be repealed.

Mr. EDMONDS. Mr. Speaker, I ask unanimous consent to extend remarks in the RECORD on the ship compensation bill.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

There was no objection.

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

Mr. EDMONDS. Mr. Speaker, on June 26 there was placed by the minority leader of the House [Mr. GARRETT of Tennessee] into the RECORD a statement signed by three members of the Merchant Marine and Fisheries Committee of the House of Representatives in which 12 points were made against the proposed merchant marine act now before both Houses of Congress for consideration.

It appears that it was intended to give to the public the views of those who are opposed to this act, and it seemed fair to me that I should also express my views upon the 12 points submitted by them, as I am heartily in favor of the act, believing that it, if placed into law and operation, will in the course of a few years find this country doing from 50 to 60 per cent of its overseas carrying trade permanently, and that the revival of the American merchant marine will bring to our country

more prosperity than any single piece of legislation proposed for many years. My answers are as follows:

STATEMENT 1.

"That the passage of this bill will not 'save hundreds of millions of dollars in liquidation of our shipping assets,' as suggested by the President, but that Chairman Lasker himself does not hope to obtain more than $200,000,000 for the entire fleet; and that if this bill passes the charge upon the Public Treasury for the next 10 years would be at least $750,000,000, not to speak of the fact that the fleet would be sold for several hundred million dollars less than what would have been its pre-war cost, wholly disregarding the actual cost of the fleet."

ANSWER.

There is no authentic testimony given in the hearings upon which to base the statement that the shipping bill will cost $75,000,000 annually, neither is there any statement to show the low valuation placed upon our fleet, viz, $200,000,000, even at to-day's low prices.

As a matter of fact, operating slightly over 3,000,000 tons of shipping to-day, we are losing about $50,000,000 annually, including the care of the laid-up vessels.

There is no estimate added for the interest, depreciation, or insurance upon all vessels, which in itself amounts, if considered with proper business accounting, from $50,000,000 to $75,000,000 more.

It is proposed in the bill to endeavor to place 7,500,000 tons in operation, and, if possible, to dispose of the balance. This would give us a fleet large enough to carry from 50 to 60 per cent of our imports and exports.

When the extreme compensation, estimated at less than $50,000,000 net, is being paid, we will have about 150 per cent more of vessels operating and a material decrease in the cost we have to-day from operating the lesser tonnage.

Of course, the compensation will decrease with the tonnage operated so that it may be a few years before we reach the maximum. It is estimated that the first year of operation the cost will hardly be more than $15,000,000 net.

STATEMENT 2.

"That this bill provides for a loan to shipowners of a revolving fund of $125,000,000, such to be loaned at 2 per cent interest and for 15 years at a time, and up to two-thirds the cost of the ships upon which the loans are to be made, although the average life of a ship is estimated at 20 years; whereas, even under the Federal farm-loan system farmers are compelled to pay about 6 per cent interest, and are not allowed to borrow more than 50 per cent of the market value of their farms, which constitute permanent security."

ANSWER.

In order to have on hand and prepared for use in the naval auxiliaries necessary in event of war, it was deemed wise to encourage the construction of such vessels, by making it attractive to shipowners to build them. To do this it was arranged to loan at 2 per cent up to two-thirds of the value of ships of this character, while this is, of course, of financial advantage to the shipowner by reducing his overhead should the ship earn over the 10 per cent limitation, it will come back under the law to the Government.

STATEMENT 3.

"That this bill exempts shipowners from the payment of all Federal taxes provided the amount which would otherwise be payable as taxes is invested or set aside for investment in new ship construction."

ANSWER.

As this is only a duplication in workable shape of the Jones bill, supported by these same gentlemen, it is useless to discuss the section.

STATEMENT 4.

"That it is not even claimed by the proponents of this bill that the people will obtain any cheaper ocean freight rates, and that the bill does not pretend to provide for any sort of regulation of such rates; on the other hand, Chairman Lasker at the hearings called attention to the fact that by reason of the provision authorizing a deduction from net income taxes of 5 per cent of the freight paid on goods imported or exported in American vessels, an importer or exporter could afford to pay 4 per cent more for the carriage of his goods on American vessels than they would be carried for on foreign vessels and still save 1 per cent."

ANSWER.

No one knows better than the three gentlemen who wrote this statement that all the regulation possible to control freights, and other irregularities that might occur in an international business of this character, were taken care of in the shipping act, 1916, prepared by a Democratic committee, passed by a Democratic Congress, and signed by a Democratic President.

If there is any trouble upon this score now, it should be blamed upon the act prepared under their care.

STATEMENT 5.

"That this bill authorizes the Shipping Board to make contracts for the payment of subsidies for a period of 10 years from the date of making contract, this being admittedly for the purpose of preventing a repeal of the act by subsequent Congresses."

ANSWER.

It is manifestly impossible for us to persuade money into shipping unless there is some assurance covering a period of years that whatever is proposed for the benefit of shipping would be stable and continuous in character, and that services started will be maintained until proven successful or unsuccessful. The majority of shipping men contend that 10 years is not long enough. As to the possibility of any act of this Congress tying the hand of future Congresses so as to prevent any repeal by them, it is foolish to argue the subject with anyone who understands the laws of our country.

STATEMENT 6.

"That instead of the Shipping Board coming to Congress each year for necessary appropriations to carry out the provisions of the bill, as all other departments of the Government are required to do, this bill is so framed as to avoid this, it directing the Secretary of the Treasury to credit to the merchant marine fund certain receipts; and 'all moneys in the fund are hereby permanently appropriated for the purpose of making such payments' of voyage subsidies 'upon vouchers signed by the chairman of the board.'"

ANSWER.

It is presumed the opponents of the bill mean to intimate by this that there will be a hiding away in the Treasury Department of a fund that will never be open to the public and will be kept secret and sacred by the Shipping Board. Any student of our system knows how far this is from a possibility. Reports will be made and all the transactions will be open the same as any other public records, and the Treasury Department will see they are amply protected with proper records before any disbursements are made. Of course, all records are open to any proper committee of Congress at any time.

STATEMENT 7.

"That this bill confers upon the Shipping Board the most autocratic and unprecedented powers with respect to selling ships, making loans, making subsidy contracts, and handling enormous sums of money ever conferred upon any board, and yet the Shipping Board is feverishly employing every conceivable means to obtain such powers and opportunities."

ANSWER.

The operating portion of the Shipping Board arising out of the war emergency, if it is desired that it should function as a business must, of necessity, be clothed with rather unusual powers for a Government proposition. The competition they have to meet are both international in character and with business men who are used to decide questions upon a moment's notice. The board can not act unless equipped with power for rapid decision. This covers sales, contracts, and all the various questions that arise in the operation of the largest corporation in the world which the Shipping Board really is. Of course, realizing the possibility of failure and with the vision of the past several years of Government operation before them, they are of necessity anxious that sufficient power should be placed with them to properly carry out the conduct of the business. In drafting the bill great care was taken to look into these powers and wherever it could be done to write into law the matters placed in charge of the board, and to limit and hedge with precautions all possible matters that could be legislated for, leaving only open such as were absolutely necessary, in our opinion, to successfully operate in competition.

STATEMENT 8.

"That this bill does not require the Shipping Board to make any report or accounting to the President, the Congress, or anybody else, at any time."

ANSWER.

It was understood that the merchant marine act, 1920, took care of the accounting. If this is not so, no one on either side of the House would object to it being fully cared for and properly written in the act.

STATEMENT 9.

"That when this country was in the midst of the war, the shipping interests who are back of this bill took advantage of

the situation and ran ocean rates up on both their Government and the people as high as 1,250 per cent over pre-war rates, as admitted at the hearings by the general manager of the American Steamship Owners' Association; and made what was characterized as 'almost fabulous' profits by W. J. Love and as 'enormous' by J. B. Smull, Messrs. Love and Smull being two of the $35,000 a year experts of the Shipping Board and vice presidents of the Emergency Fleet Corporation. For instance, the American-Hawaiian Steamship Co. paid dividends of 200 per cent in 1916 and 405 per cent for 1917; the Luckenbach Steamship Co. made net profits on its capital of 236.2 per cent in 1916 and 666.9 per cent in 1917; the Pacific Mail Steamship Co. made 365.3 per cent net profit on its capital stock in 1915 to 1920; the Atlantic, Gulf & West Indies Co. made net profits greater than its capital in 1915–1920, and during 1921, the very worst time in the history of shipping, according to its own annual report, made a net income of $1,781,337, after deducting all expenses, taxes, interest, and losses on sale of Liberty bonds; the United Fruit Co. with a capital stock of $50,000,000 made net profits of $94,147,500 in 1915–1920, paid dividends of $77,080,277, and increased their surplus to $66,176,490; the Dollar Steamship Lines made net profits on its capital stock of 322.9 per cent in 1916 and 104.9 per cent in 1917; Robert Dollar, the owner of the Dollar Steamship Lines, in a recent article in Nation's Business, frankly states: 'I have always felt that a shipowner who must have "pap" from the Government does not deserve to be in the business. We do not need any advantage over the other fellow; we can take care of ourselves.'"

ANSWER.

It is acknowledged that many companies made very large profits during the war; in fact, most of the free ships in the world enjoyed their most profitable period at that time. It will be noted that, outside of the Dollar Line, the profits of the American-Hawaiian and the Luckenbach Lines are only given for 1916 and 1917. No mention is made as to the present operation of these companies, many of whose assets (ships) have so shrunken in value since the high prices of 1916 and 1917 that they have no such advantages this report would have you believe they are enjoying. An analysis of the reports of these for the two years, both of which will be found on page 2223 of the hearings, will show:

Low capitalization, large investment and surplus, profits from sale of ships, which would all help to make large dividends. Companies with profits such as these are would be the last ones to ask Government compensation, as the limitation of 10 per cent would cause a return of the compensation when such unusual profits are indicated.

The following letter received from the Pacific Mail Steamship Co., signed by the treasurer of the company, explains their position:

We refer to page 2216, part 33, report of hearings upon bills S. 3217 and H. R. 10644, to amend the mechant marine act of 1920, and extract therein quoted from report of July 31, 1919, by Chairman Hurley to the President:

"* * * perhaps most significant of all is the fact that the vessels of the Pacific Mail Steamship Co., flying the American flag, have successfully met the competition of ships paying the lowest wages on earth in the trans-Pacific trade for about 70 years."

The most significant reply to this statement, it seems to us, is an accurate report of the actual operating results of the Pacific Mail Steamship Co. during the period of its trans-Pacific services.

The trans-Pacific service was inaugurated in 1867, and to 1873, inclusive, the company was enabled to pay dividends in only two of these seven years. From 1873 to 1915, inclusively, a period of 42 years, increasing and almost continuous losses from operations occurred until in 1915 a deficit of over $11,000,000 had accrued. There was a net profit in only 18 of these years, and in only 2 did this profit amount to over 3 per cent upon the capital investment.

In the year 1915 the par value of the capital stock of the company was reduced from $100 per share to $5 per share, the stockholders thereby absorbing the enormous deficit.

From 1873 to 1920, inclusive, a period of 48 years, dividends were declared in but 9 years, which in all represented a return of less than one-half of 1 per cent upon the capital investment.

As to the United Fruit Co., their status was gone into thoroughly in the hearings, and it is surprising that the gentlemen signing this report should believe that their statement could pass without answer. The United Fruit Co. has only a comparatively small portion of their capital in ships. They are owners of tropical plantations and other activities which are exceedingly profitable. There does not seem to be any report segregating their profits, so the earnings of their ships are not as stated nor anything like the profit this statement would lead us to believe.

The same is true of the Atlantic, Gulf & West Indies Co. This company has only a few steamers operating in foreign trade; coastwise steamers do not receive compensation, and they also profit greatly from outside interests. Again, it is not possible to segregate for comparison, and the matter was clearly and fully brought out in the hearings.

As to Robert Dollar, it is well known that his steamers operate under the cheapest flag, with the cheapest crews. He personally told me in New York a short time ago that he was operating with Chinese and Japanese and had to do so in order to make a profit.

Of course, if it is the desire of the American people to operate their merchant marine as operated under other flags, wiping out the laws for safety at sea, or the nationality of seamen, the shipowner would not ask for "pap" but would do as done by Robert Dollar. It was, however, believed by the committee that what we are trying to do was to build up an American merchant marine, under the American flag, manned as far as possible by Americans, maintained at American standards, and it was our thought that this was what the American people would desire. After reading this statement perhaps we are mistaken.

STATEMENT 10.

"That most of the American steamship lines which are seeking and would receive the subsidies and other aids maintain an unnecessarily large force of high-paid executives, their salaries running as high as $100,000 a year, not only greater than the salary of the President of the United States but out of all proportion to salaries paid in any other industry, especially considering the size and the amounts invested in the enterprises. The Seager Steamship Co. is a leading American line, organized in 1907 and having operated American-flag ships to various European ports in the sharpest competition in the world; John C. Seager, sr., the president of the company, is said to be the oldest and one of the most highly esteemed shipping men in New York. John C. Seager, jr., the vice president and treasurer of the company, in a recent interview published in the Nautical Gazette, declared:

"'Steamships purchased at the present time can be operated at a profit; foreign owners are not losing money, and there is no reason why an American owner can not make a profit with his ships. The most potent factor militating against the successful operation of American ships is the large overhead, which is incurred by the payment of large salaries to unnecessary executives. With few exceptions in Britain, there are no large salaries paid to steamship men in Europe, and if this example were followed in this country the balance sheets of the industry would make a better showing.'"

ANSWER.

Of course, higher salaries prevail in the United States than in other countries. No one would dispute that. The gentlemen seem to be obsessed with the idea that $100,000 salaries are paid out broadcast in the shipping business. It does not appear anywhere in the hearings, although everyone realized that salaries were higher here than abroad.

As to the leading American line of John C. Seager, also of Oswald Garrison Villard, the editor of the Nautical Gazette, both of which authorities the gentlemen were so prone to quote during the hearings, I can only report the results of my investigations.

Oswald Garrison Villard: This man is the owner of the Nautical Gazette. He was born in Germany, and his reputation around New York is that of being a parlor "socialist." He was so intensely pro-German before we entered the Great War that he was given serious attention by the Government authorities. The attitude of his papers at that time—the New York Evening Post and the Nation—is so well known that it needs no further comment. He is carrying on the same attitude of criticism of the best American interests in the Nautical Gazette. In "Who's Who in America," in his autobiography, he states that among his principal contributions to literature were a book entitled "Germany in Battle" and a monograph on "The German Imperial Court." No one has ever considered that he knows anything about shipping.

John C. Seager: A shipping man in New York, was born in England, and it is unknown whether he is an American citizen or not. Prior to the Great War he was an agent for British shipping companies. At this time his principal employees in the shipping business are aliens. He once had a Mr. Cox, an American citizen, as port engineer, and replaced him with an Englishman. His general reputation at this port is of being very English in thought and action.

STATEMENT 11.

"That this bill authorizes the granting of subsidies and all other aids to the Standard Oil Co., the United States Steel Corporation, and other large concerns which own and operate their own ships in the transportation of their own products and does not require them to operate their ships in whole or in part as common carriers."

ANSWER.

It is true that the bill will grant subsidies to the Standard Oil Co. and other ships of corporations while carrying their own products. This payment is, however, made the object of special supervision by the board so the 10 per cent limitation of profit

clause will not be taken advantage of by the owner. It might be well to say at this point that there is no deduction allowed in taxes upon freight paid to parties transporting their own freight.

It was only after studying the subject thoroughly that it was decided to pay such compensation. The reasons were obvious. The greater number of the ships are tankers. The immense value of tankers in time of war can not be discounted by any statement. We can well afford to retain our control at the price, otherwise we might regret before many years pass the loss of these valuable naval auxiliaries. It must be remembered that it is not only the Standard Oil Co. or the United States Steel Corporation that operate these industrial ships; many other oil companies and manufacturing establishments own ships also. The object of this bill is to maintain an American merchant marine. These ships, especially the tankers, are an integral part of it, the tankers especially vital. From this viewpoint we believed our deductions were sound.

STATEMENT 12.

"That Chairman Lasker demands both subsidies and booze, insisting that even with subsidies and aids granted by the ship subsidy bill American ships can not successfully operate unless they are also permitted to run saloons aboard. If Lasker's statements as to the necessity of subsidies are to be accepted, his statements as to the necessity of the sale of booze must also be accepted. Wherefore, nothing is to be gained merely by assuming the enormous additional burdens entailed by the pending bill. Consequently, in ascertaining the 'reaction' of their constituents, Members should ascertain whether they are not only willing to confer upon the shipping interests the enormous bounties provided by the pending bill but also authorize the sale of intoxicating liquors to those who are able to sail abroad and at the same time prohibit such sales to those who remain on land. It is not merely a question of prohibition but a question of consistent law enforcement.

"It has just been announced in the press that Chairman Lasker will visit all the States in the Middle West in an effort to sell his ship subsidy bill to the farmers. If Chairman Lasker believes the propaganda which he has persistently been giving out to the effect that the farmers and the Middle West have been converted to his scheme and are actually wanting his bill passed, why does he intend to waste his time in going forth to evangelize them instead of remaining in Washington and performing his duties as chairman of the Shipping Board in an effort to improve the conditions which he delights to describe as deplorable? While we do not believe that he will find the farmers as gullible as some people in Washington, yet we realize that he is a genius in some particulars. He justly prides himself upon being a publicity expert, and we readily bear witness that he is also a promoter and schemer par excellence. He is perhaps the only man in America who could have come to Washington and captivated the President, overawed the Cabinet officers whose jurisdiction he sought to invade, chloroformed the Anti-Saloon League and prohibition commissioner, and otherwise paved the way for even the possibility of the passage of such a vicious measure as the pending ship subsidy bill, which is infinitely worse and more costly than any of the various ship subsidy bills which have been repudiated in the past."

ANSWER.

We do not believe we care to take up and answer the most of this paragraph. It needs no answer, as the public themselves are not so ignorant that they are unable to make their own deductions as to the animus back of it coming from Members of the minority party, under whose auspices this deplorable mess was generated and abandoned for the present management to clarify. Chairman Lasker needs no apology, the Shipping Board to-day knows where it is at, what it owns, and is prepared to make a monthly report of its operations, and will do so starting July 1. This we owe to Chairman Lasker and his fellow board members. Did the last administration try to give to Congress any such exposition of ability to manage?

As to the liquor sold on American ships outside of the 3-mile limit, the practice was started under the Democratic administration, and has been continued since. No doubt Congress will, when the bill is under discussion, take care of the subject ably and well; it is manifestly unfair to charge the practice of selling liquor on ships to the present board when it was only a hand-me-down from the party of the gentlemen who acquiesce in this statement.

It might be of interest to the Members to read the statement made in the Philadelphia Public Ledger, business section, June 27:

CANADA TO SELL PART OF MERCHANT MARINE—TWENTY-SEVEN OF FLEET OF SIXTY-FIVE WILL GO TO THE HIGHEST BIDDER—CANADIAN PACIFC IMPROVES SERVICE.

OTTAWA, June 26.—The Canadian Government, having burned its fingers very badly trying to build and operate a merchant marine, has decided to cut its losses and sell about one-half of its tonnage. Of its fleet of 65 vessels 27 of the smaller ones will be offered to the highest bidder. If the remaining vessels, which will continue to be operated by the Government railways, do not make a better showing, it is only a matter of time until they, too, are sold.

The loss on the fleet last year, including interest and depreciation, was a little more than $8,000,000. The fleet cost $73,000,000, or at the rate of $191 a ton. It has been decided to write down the valuation to replacement cost, or to $60 per ton, or a total reduction of about $40,000,000.

While the Government has found it necessary to sell a large portion of its tonnage, the Canadian Pacific Railway has added 100,000 tons to its fleet during the last year, and in spite of very strong competition is doing well. At the recent convention of the Canadian Manufacturers' Association it was suggested that the Government sell the whole of its tonnage to private interests, the opinion being expressed that the Canadian Pacific Railway was the only corporation that could compete with the United Fruit Co. for the West Indies trade.

ORDER OF BUSINESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, we have hoped to be able to adjourn to-morrow, but as matters now stand I think it is doubtful if we can adjourn before Saturday afternoon. The deficiency bill has just been reported by the Senate committee.

Mr. MADDEN. It is under consideration in the Senate now.

Mr. MONDELL. The gentleman from Illinois tells me that it is under consideration in the Senate now. They hope to be able to conclude the consideration of that bill to-night. If they do, and we can meet a little earlier than the usual time of meeting to-morrow, we can send that bill to conference; but even then I doubt if it will be possible to conclude the consideration of the bill, to agree to the conference report, and to close up the business to-morrow. It seems to me that we will do very well if we conclude the business and adjourn Saturday. I hope we will be able to do that. But may I suggest to gentlemen that the adjournment Saturday depends upon our having a quorum here. Gentlemen must not leave on the theory that some one else can take care of the situation. A rule for adjournment must be presented and passed. It will require a quorum, and unless a quorum is here gentlemen will be sent for, and we will remain in session until we secure a quorum, because those who are faithful enough to remain here must not be punished because other gentlemen have a disposition to leave.

Mr. MADDEN. Will the gentleman yield?

Mr. MONDELL. I will yield.

Mr. MADDEN. I was going to say that if the Senate should pass the deficiency bill to-night it is the intention of those who will be the conferees to join the Senate committee who will be conferees and informally go over the amendments before the bill is messaged over to the House, and then get permission to go into conference, and so expedite the work as much as we can. Even if we have to work late into the night to-morrow night, it will not be our fault if we do not have the chance to get away.

Mr. SNELL. It may be possible to adjourn to-morrow night.

Mr. MONDELL. Does the gentleman think it will be possible to conclude consideration of the conference report and get it adopted in the two bodies to-morrow?

Mr. MADDEN. I hope so.

Mr. MONDELL. The gentleman from Illinois is a faithful and earnest worker, and just at this particular time he is quite optimistic.

Mr. MADDEN. I will do all I can.

Mr. MONDELL. We know the gentleman will do all that is possible to be done; but gentlemen should not arrange to leave until Saturday.

Mr. FESS. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Ohio.

Mr. FESS. What will be done to-morrow prior to the presentation of the conference report on the deficiency bill?

Mr. MONDELL. The acting chairman of the Rules Committee has two rules which he intends to present as soon as he has the opportunity to do so.

We hope to dispose of all of the business before the House provided for by rules and take care of conference reports to-morrow at a reasonably early hour.

Mr. SNELL. If we get through, we can adjourn late in the evening.

Mr. MONDELL. The adjournment depends on the deficiency bill.

Mr. GARNER. Suppose there were a lockup between the House and the Senate on the deficiency bill and you could not pass it, the Senate saying you will yield to unreasonable amendments or you will not take any recess. Are you going to take the recess and give up to the Senate?

Mr. MONDELL. May I say that I understand that the committee has added comparatively little to the deficiency bill, and it is the determination of every Member of the House, I know, not to accept in the deficiency bill, by reason of the fact that we hope to recess, any provision which we would not otherwise accept.

Mr. GARNER. I hope the gentleman from Illinois will confirm that statement.

Mr. MADDEN. I do.

Mr. GARNER. I had rather stay here indefinitely than to give up to some unreasonable amendment put on the deficiency bill for the purpose of keeping us here. [Applause.]

Mr. MADDEN. So would I.

Mr. BURTON. Will the gentleman yield?

Mr. MONDELL. Certainly.

Mr. BURTON. Is it the expectation of the gentleman to ask that the House meet to-morrow at 11 o'clock?

Mr. MONDELL. I did; but the chairman of the Committee on Appropriations suggests that those who will be conferees on the deficiency bill will meet the Senate members early to-morrow.

Mr. MADDEN. We are going to meet at 9.30 and go through informally the amendments.

Mr. GARNER. Let me suggest, if I may, to the gentleman from Wyoming that it will undoubtedly be 12 o'clock to-morrow before the Appropriations Committee can make a report, and this chicken-feed stuff that you are bringing in is driving Members away instead of keeping them here.

Mr. MONDELL. In view of the suggestion of the chairman of the Committee on Appropriations, I doubt if anything will be gained by convening earlier than the regular hour.

BRIDGE ACROSS RED RIVER AT GRAND ECORE, LA.

Mr. BARKLEY. Mr. Speaker, I have a very urgent bridge bill that will take but a few minutes to pass and I ask unanimous consent for the present consideration of the bill H. R. 12092.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the present consideration of a bridge bill of which the clerk will report the title.

The Clerk read as follows:

A bill (H. R. 12092) granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.

The SPEAKER. Is there objection?

Mr. WALSH. Reserving the right to object, I would like to have the bill read.

The Clerk read the bill, as follows:

Be it enacted, etc., That the consent of Congress is hereby granted to the Louisiana Development Co., and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across Red River at a point suitable to the interests of navigation at or near Grand Ecore, in the parish of Natchitoches, State of Louisiana, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. Is there objection?

Mr. COOPER of Wisconsin. Reserving the right to object, I would like to ask the gentleman when this bill was introduced?

Mr. BARKLEY. On the 20th of June.

Mr. COOPER of Wisconsin. I object.

Mr. BARKLEY. Will not the gentleman withhold his objection?

Mr. COOPER of Wisconsin. I will withhold it, but I will renew it. I do not believe in doing things by unanimous consent when we have been rushing for the last two or three weeks to get away, and especially on a bill that has been here only two weeks, while others have been on the calendar all the session. I do not believe in legislating in that way.

AMENDING PROVISO IN PARAGRAPH 10, SECTION 9, OF THE FEDERAL RESERVE ACT.

Mr. McFADDEN. Mr. Speaker, I ask unanimous consent that the conferees may have until midnight to file the conference report on the bill (S. 831) to amend the proviso in paragraph 10 of section 9 of the Federal reserve act, amended by the act of June 21, 1917, amending the Federal reserve act.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the conferees may have until midnight to file the conference report on the bill S. 831. Is there objection?

There was no objection.

BRIDGE ACROSS RED RIVER AT GRAND ECORE, LA.

Mr. ASWELL. Mr. Speaker, I ask unanimous consent to address the House for two minutes to explain the bridge bill just objected to.

The SPEAKER. Is there objection?

There was no objection.

Mr. ASWELL. Mr. Speaker, I wish to say that this bridge is intended to carry a pipe line across the river a few yards from the present bridge, because the company wishes to transport the natural gas flowing out of the gas wells at Monroe across the river and into Texas. It is only a pipe line. It is far above navigation, and that is all the bridge is for. The emergency arose recently when the company was organized to pipe the natural gas from the fields.

Mr. COOPER of Wisconsin. Mr. Speaker, it is remarkable that the emergency did not arise until a few days before we are about to adjourn.

Mr. ASWELL. It is only a few days ago that they found out they would have to have legislation.

Mr. COOPER of Wisconsin. A pipe-line company usually knows something about the law, and especially about getting across navigable streams. Mr. Speaker, I object.

LEGAL-TENDER NOTES SECURED BY STATE BONDS.

Mr. HIMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein certain correspondence between Mr. S. T. Gilbert, jr., Undersecretary of the Treasury, and others relative to the bill H. R. 4576, introduced by the gentleman from Pennsylvania [Mr. BURKE].

The SPEAKER. What is the subject of the bill?

Mr. HIMES. It provides for legal-tender notes secured by noninterest-bearing 25-year bonds of States or subdivisions thereof.

The SPEAKER. The gentleman from Ohio asks unanimous consent to extend his remarks in the RECORD by printing therein certain correspondence between Mr. Gilbert and others relative to a bill introduced by Mr. BURKE. Is there objection?

Mr. WINGO. I reserve the right to object.

Mr. WALSH. Reserving the right to object, who is Mr. Gilbert?

Mr. HIMES. He is Undersecretary of the Treasury.

Mr. WINGO. What is the necessity for this?

Mr. HIMES. To get information to those interested in this particular bill.

Mr. WINGO. It is customary to give information to the committee that is considering the bill, is it not?

Mr. HIMES. The idea is to get the information to the whole House.

Mr. GARNER. Reserving the right to object, may I ask the gentleman a question?

Mr. HIMES. Certainly.

Mr. GARNER. Is this the same Mr. Gilbert who ought to be removed because he was appointed by the Wilson administration?

Mr. HIMES. I really do not know. I could not tell the gentleman.

Mr. GARNER. I understood that he is persona non grata so far as 150 members of the Republican Party are concerned. I should not think the gentleman would want to put anything in the RECORD that he said.

Mr. WINGO. Mr. Speaker, the course being so very good, I shall waive any objection I have.

Mr. CRAMTON. Mr. Speaker, reserving the right to object, is not this the same matter, to the insertion of which in the RECORD the gentleman's colleague [Mr. STEPHENS] objected the other day?

Mr. HIMES. Yes.

Mr. CRAMTON. Has that gentleman withdrawn his objection?

Mr. HIMES. He is present here on the floor.

Mr. CRAMTON. Oh, I did not see the gentleman. I withdraw any objection that I have.

The SPEAKER. Is there objection?

There was no objection.

The correspondence referred to is as follows:

MAY 3, 1922.

MR. CHAIRMAN AND GENTLEMEN OF THE BANKING AND CURRENCY COMMITTEE.

GENTLEMEN: On April 14, 1922, I had the honor of an audience with the President. One of the subjects discussed was H. R. 4576. The President promised to give it careful and serious consideration.

On April 21, 1922, I mailed to the President a copy of a brief of my statement to your committee on April 20, 1922, which brief the President referred to the Secretary of the Treasury for consideration.

I herewith submit copy of letter received from the Undersecretary of the Treasury, with brief submitted to the President, and copies of my letters in reply to both the President and the Undersecretary of the Treasury.

Respectfully submitted.

Yours truly, JACOB S. COXEY, Sr.

(Copy.)

UNDERSECRETARY OF THE TREASURY,
Washington, April 29, 1922.

DEAR SIR: For the Secretary of the Treasury, I acknowledge receipt of your letter of April 21, 1922, addressed to the President, and referred to this department for consideration, suggesting the issuance of legal-tender notes secured by noninteresting-bearing 25-year bonds of States or subdivisions thereof to pay for local improvements.

The adoption of your proposal is entirely out of the question. The volume of money in circulation at present is amply sufficient to meet the demands of business, and our currency needs are fully provided for under the existing system, particularly through the issue of Federal reserve notes, which are designed to expand and contract in accordance with the demands of trade. The Federal reserve banks stand ready at all times to issue Federal reserve notes on the proper security as they may be necessary to meet the country's requirements, and a shortage of currency under the present system is almost impossible.

For the Government to issue fiat money, or even to pump money into circulation in excess of business requirements, would produce most unfortunate results. The present readjustment of prices and business activity in this country and throughout the world follows a period of rapid expansion of credit and currency. An abnormal expansion of credit and currency is usually accompanied by a period of falling prices and depression in business. An increase in currency would merely result in a temporary increase in purchasing power without a corresponding increase in the volume of goods. The ultimate result would be an advance in prices or a depreciation in the buying power of the dollar. With the increased buying power which results from currency issues, many people are led to believe that wealth has increased accordingly, but the disappointment comes when the efficiency of the new buying power is seriously diminished by its mere quantity.

Public finance should be dissociated so far as possible from the monetary system. They are separate and distinct problems, and the world has learned through bitter experience that a Government's financial operations should not be allowed to interfere with its currency system if it can possibly be prevented. For a Government to meet its obligations or extend credits by issuing currency is simply a species of confiscation which is inflicted upon the public through the process of depreciating the currency. Moreover, it is a process which leaves in its wake a host of economic ills and hardships.

Very truly yours,

S. P. GILBERT, Jr.,
Undersecretary.

JACOB S. COXEY, Sr., Esq.,
Ohio Hotel, Fourteenth and H Streets,
Washington, D. C.

BRIEF SUBMITTED TO THE PRESIDENT BY JACOB SECHLER COXEY, SR., OF MASSILLON, OHIO, AND OHIO HOTEL, FOURTEENTH AND H STREETS NW., WASHINGTON, D. C., BEFORE THE BANKING AND CURRENCY COMMITTEE OF THE HOUSE OF REPRESENTATIVES, APRIL 20, 1922, ON THE NONINTEREST-BEARING 25-YEAR BOND PLAN.

Mr. Chairman and gentlemen of the Banking and Currency Committee of the House of Representatives: House bill 4576, introduced by Mr. WILLIAM J. BURKE, of Pennsylvania, April 20, 1921, now before your committee and being considered, is known as noninterest-bearing 25-year bond plan.

That whenever any State, Territory, county, township, district, municipality, or incorporated town or village, hereafter designated "community," shall deem it necessary to make any public improvement, market roads, building homes for its citizens, or for its needs and employment for unemployed it may deposit with the Secretary of the Treasury of the United States a noninterest-bearing 25-year bond or bonds to provide for the security and issuance of legal tender Treasury notes (money) at cost (without interest) in any amount up to but not to exceed one-half of the assessed valuation of the real property, exclusive of improvements thereon, in such State, Territory, county, township, district, municipality, or incorporated town or village, such money received by such "communities" to be returned to such Secretary of the Treasury of the United States in 25 annual installments of 4 per cent each, but without interest, at such time to be retired, canceled, and not again reissued, including cancellation of such bond or bonds deposited with such Secretary, upon such return of all such installments.

[Senate Doc. No. 728, 60th Cong., 2d sess.]

The secret proceedings and debates of the Federal Convention assembled at Philadelphia, Pa., in the year 1787 for the purpose of forming the Constitution of the United States of America submitted:

MONDAY, SEPTEMBER 17, 1787.

On the adoption in convention by the unanimous order of the convention the States of New Hampshire, Massachusetts, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Georgia being represented.

GO: WASHINGTON, *President.*
WILLIAM JACKSON, *Secretary.*

The Constitution of the United States was adopted.

On the same day, September 17, 1787, submitted as follows:

IN CONVENTION.

SIR: We have now the honor to submit to the consideration of the United States in Congress assembled that Constitution which has appeared to us the most advisable.

GEORGE WASHINGTON, *President.*

His Excellency the President of Congress.

By the unanimous order of the Convention.

Under such Constitution of the United States the Congress may enact laws, subject to be reviewed and revision by the Supreme Court of such United States.

Article 1, section 8, clause 5 of such Constitution of the United States provides: The Congress shall have power to coin money, regulate the value thereof and of foreign coin, and fix the standard of weights and measures.

Article 1, section 10, clause 1, provides: No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debts.

All of such States had, prior to such adoption and ratification of Article 1, sections 8 and 10 of such Constitution, the sovereign right to coin money, regulate the value thereof, and of foreign coin; emit bills of credit; make anything a tender in payment of debts within the boundaries of such States; therefore the necessity of such Constitutional Convention, for such States to assemble together and agree to do collectively what they could not do as individual and separate States, viz, to make a national money and emit bills of credit in payment of all debts that would be legal tender in all of such States as well as the United States.

Upon such adoption and ratification of such Constitution by such States there was a complete surrender of such sovereign right to coin money, regulate the value thereof, and to emit bills of credit, by delegating its sole right of coinage and emissions of bills of credit to the Congress of such United States. Such States by such surrender and delegation of power thereby denied to such States and deprived such States the right to develop such States, or to help by loaning money to the people of such States.

It can not be conceived by an unbiased and unprejudiced mind that these intellectual and honorable gentlemen who comprised the Constitutional Convention of 1787, just 11 years after the Declaration of Independence, would have agreed to the surrender of the right of such States to coin money, emit bills of credit for its and its people's needs without imposing a duty upon Congress to furnish a national currency that would be a full legal tender in payment of all debts in all of such States as well as such United States.

I contend a duty was thereby imposed upon the Congress to furnish a national, full legal-tender money, sufficient in amount for such States, subdivisions thereof, and its people's needs, at cost of material, labor, printing, engraving, and disbursing of such money, as well as without interest on such money.

I here cite the highest authority under the Constitution in support of my contention, as outlined by the United States Supreme Court decision, January 15, 1872 (12 Wallace, 539, and 110 U. S. Report, 448). "Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes as regards the National Government or private individuals."

SECRETARY CHASE ON THE "GREENBACK."

What is a greenback? Did you ever think what it was? Why, it is simply the credit of this great American people put in the form of money to circulate among the very people whose credit makes it good. When I was Secretary of the Treasury the question arose, How should these vast armies and navies be supplied? How should the boys be fed in the fields, the sailors in ships, and provisions be made for their support, their clothing, food, and transportation? I found the banks of the country had suspended specie payments. What was I to do? The banks wanted me to borrow their credit, or pay them interest in gold upon their credit. They did not pay any gold, or propose to pay any themselves, but they wanted me to borrow their notes. I said, No, gentlemen, this great American people is worth all of you put together. I will take the credit of the people and cut it up in the form of little bits of paper and we will circulate that paper. This is the true idea of the greenback. It is the credit and property of the American people. (Salmon P. Chase, Secretary of the United States Treasury under Abraham Lincoln.)

DEFINITION OF MONEY.

The redemption of money in commodities and services through the clearing houses of the industry of the world, from which everyone withdraws precisely the things he desires in exchange for the money he holds, is the beau ideal money under the present system of the infinite division of labor. (Moran on Money, p. 111.)

When a laborer has received his wages in money he has not received an equivalent for his services, but only something which will enable him to get what he chooses. The money, therefore, that he possesses is not the equivalent but it is the symbol, the proof, that he has rendered services or property for which he has not received an equivalent. (Macleod on Banking, p. 124.)

Money is an idea of Congress enacted into law. It is a national medium of exchange used in exchanging labor in production, and to exchange the products of labor from the producer to the consumer. It simply represents values which are created by labor or services rendered, and is a legal order for goods, and never should have or be of any value in or of itself. This is all that money is or should be. It should not get into circulation without a service being rendered or a value created. It is a representative and not a measure of value. (Coxey on Money.)

J. C. CALHOUN'S SCIENTIFIC DEDUCTION ON MONEY, 1834.

Place all the money power in the hands of a combination of a few individuals and they by expanding or contracting the currency may rise or sink prices at pleasure, and by purchasing when at the greatest depression and selling when at the greatest elevation may command the whole property and industry of the community and control its fiscal operation. The banking system concentrates and places this power in the hands of those who control it. Never was an engine invented better calculated to place the destinies of the many in the hands of the few or less favorable to that equality and independence which lies at the bottom of our free institutions.

CHAMBERS ENCYCLOPÆDIA, VOLUME 10, PAGE 136 (1881 EDITION).

The slightest modification of national laws concerning money affects every branch of trade, every industry, every investment; yet a small number of the whole people, those whose business it is to deal in money, as lenders or bankers, alone keep that close watch of legislation which enables them to control it unduly so as to promote their own interests when laws are changed, or if laws are likely to affect their interests injuriously they are the first to be aware of the effects of changes and to guard against them. That prosperity or adversity may result to a majority of an entire people by a simple act of legislation on money with a rapidity that legislation on no other subject can parallel has become obvious to all intelligent people.

Labor is prior to and independent of capital. Capital is only the fruit of labor and could never have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher consideration. (Lincoln's second message.)

WASHINGTON, D. C., *May 3, 1922.*

Hon. S. P. GILBERT,
Undersecretary of the Treasury, Washington, D. C.:
(Attention of the President.)

In answer to your letter of April 29, 1922, which is in answer to my letter to the President of April 21, 1922, in which I submitted a brief to him on the noninterest-bearing 25-year bond plan. In reply I submit the following:

The Federal reserve system consisted of, on—	
June 30, 1920, member banks of State banks and trust companies	1,374
June 30, 1921, member banks of State banks and trust companies	1,595
Dec. 31, 1921, member banks of State banks and trust companies	1,614
Mar. 31, 1922, member banks of State banks and trust companies	1,638
June 30, 1920, member banks of national banks	8,025
June 30, 1921, member banks of national banks	8,150
Dec. 31, 1921, member banks of national banks	8,165
Mar. 31, 1922, member banks of national banks	8,272
June 30, 1920, total member banks of all kinds in 48 States	9,399
Mar. 31, 1922, total member banks of all kinds in 48 States	9,910
Mar. 31, 1922, total nonmember national banks outside of 48 States in Alaska, etc	4
June 30, 1920, total number of all banks reporting to the Comptroller of the Currency	30,139
With total loans and discounts (credits) amounting to	$31,256,147,000
June 30, 1914, with total loans and discounts (credits) amounting to	15,288,357,000
June 30, 1920, increase of loans and discounts (credits) in six years of	15,967,790,000
June 30, 1920, increase of Federal reserve notes in six years of	3,755,246,000
June 30, 1920, increase of Federal reserve bank notes in six years of	239,260,000
Inflated increase in loans and discounts (credits) and moneys	19,962,296,000
Decrease in national bank notes from $1,122,452,661 to $723,552,524 from 1914 to 1920, in six years of	386,900,137
Total inflation of loans and discounts (credits) and moneys in six years	19,575,395,863

All contracts, bonds, mortgages, improvements, buildings, and labor were made and expected to be paid for at maturity based upon loans and discounts (credits) allowed by such banks and moneys issued during the six-year period from June 30, 1914, to June 30, 1920, with all labor fully employed. The "pump" was working at full speed, 9,399 member bank "pumps" sucking from 12 regional banks, and they drawing such moneys from the circulation department of the United States Treasury at Washington, D. C., they in turn kept (coining) the Engraving and Printing Department running the printing presses coining and turning out to the extent of $3,994,506,000 of such Federal reserve notes and Federal reserve bank notes.

How much of such moneys issued during this six-year period was "fiat"?

Did not such loans and discounts (credits) allowed by such member banks and moneys issued by such reserve banks enable the farmers and manufacturers to "speed up" on production as well as to employ all labor?

Why the great change from all labor being fully employed during such six-year period to 6,000,000 unemployed in one-year period?

Did the "pump" refuse to work?

Did it, "the pump," become unionized? Did it strike?

Why did the Secretary of the Treasury, together with the advisory council of the Federal Reserve Board, in May, 1920, stop the further financing of the War Finance Corporation, that was authorized by Congress to use $1,000,000,000 to assist the export of American products by advancing the money to American exporters or American bankers? Such billion of money was a foundation for at least seven billions of credits.

Was it (in answer to above question put to Mr. James B. Forgan, a veteran banker of Chicago and a member of such advisory council) because the "pump" failed to function?

Or was it, as Mr. Forgan testified on December 16, 1920: "I am a member of the advisory council of the Federal Reserve Board, and I remember we had it up with the Secretary (last May), and we agreed with him at that time that a little pressure to liquidate (pay up) was necessary—some pressure was necessary, and that was part of the pressure."

Did not such deflation of—

Bank loans as follows (together with the $1,000,000,000 stoppage of the War Finance Corporation) of	$31,256,147,000
June 30, 1920, to June 30, 1921, of (credits) loans and discounts	28,932,011,000
In one year a deflation of	2,324,136,000
And of moneys, Federal and Federal reserve bank notes of	1,009,816,000
Total deflation of (credits) loans and discounts and moneys of in one year	3,333,952,000

bring about this unemployment, bankruptcy, and ruin?

Was it not on account of and because you (those in control of such system) refused to allow the "pump" to function?

Why, if the Federal reserve system in supplying the needs of business as you advise, "The volume of money in circulation at present is amply sufficient to meet the demands of business and our currency needs are fully provided for under the existing system, particularly through the issue of Federal reserve notes, which are designed to expand and contract in accordance with the demands of trade."

"The Federal reserve banks stand ready at all times to issue Federal reserve notes on the proper security as they may be necessary to meet the country's requirements, and a shortage of currency under the present system is almost impossible." Why did 37 national and 10 other than national member banks of the Federal reserve system, together with 365 nonmember State and private banks, fail during 1921?

The purpose of the noninterest-bearing 25-year bond plan is to kill some of the interest bugs that have extracted from the producers and laborers during the six-year period from 1914 to 1920, in interest and discounts, about $10,657,000,000, which went into the pockets of stockholders of 30,139 banks reporting to the Comptroller of the Currency. Such toll in the shape of interest and discounts was paid to such banks for the privilege of working, giving the magnificent sum of $60,725,000 to the Government as a franchise tax for 1920 for the privilege of plundering the people.

This system earned enough during this period of six years to pay for building a home (bank building) for the buccaneers in New York costing about $30,000,000, and one in Cleveland, Ohio, of about $11,000,000, besides accumulating 100 per cent of a surplus on the subscribed capital stock and paying 6 per cent dividend (cumulative) on the paid-in capital of such Federal reserve banks. In addition to paying such franchise tax to the Government, all member banks are required to subscribe for stock to the amount of 6 per cent of their capital and surplus and pay in 50 per cent of such subscription. Under this Federal reserve banking system such banks are becoming richer and the people poorer.

The banks did inflate prices by inflating loans, discounts (credits), and moneys during the six-year period, 1914 to 1920, and through such inflation kept all of the people fully employed.

The banks did deflate prices by deflating loans, discounts (credits), and moneys during the one-year period from 1920 to 1921, which caused bankruptcies, ruin, and 6,000,000 of unemployed.

Under such proposed noninterest-bearing 25-year bond plans the money would be issued in accordance with Article I, section 8, clause 5, of the Constitution of the United States and the Supreme Court decisions; the money would be "pumped" into the depositaries of the States, counties, townships, districts, municipalities, towns, or villages as and when needed to be paid out to the now unemployed for services rendered and material furnished for all internal improvements, building homes for its citizens, and needs of the people in production. Such money would be furnished at cost of handling, but without interest, such money to be returned in 25 annual installments of 4 per cent each and canceled when and as returned and not again reissued. Under such plan it will solve the unemployment problem, putting the idle to work in beautifying and improving when there is no demand for labor in production. It will maintain an equilibrium of prices of labor and the products of labor. It will cost the communities only the price paid for such improvements without interest, instead of paying for such improvements in interest in 25 years and still owing for the cost of the improvement and such improvement worn out. It would soon wipe out about $10,000,000,000 of State, county, township, district, municipal, town, or village and school interest-bearing bonds and save about $500,000,000 in interest annually on such bonds now outstanding to the taxpayers and reduce rents. Such Federal reserve system does not provide the moneys needed for such communities' needs (improvements), as such system will only rediscount paper with liquid securities as collateral running not to exceed 3 months, while the community bonds run for a period of 5 to 40 years.

Therefore the necessity of the noninterest-bearing 25-year bond plan. There can not be any "confiscation" under such plan. There is no "fiat" money under it, as it is secured, first, by double the value of land, exclusive of all improvements thereon; second, all money issued to be expended thereon; third, 4 per cent of all money issued retired annually through taxation; fourth, canceled by the Secretary of the Treasury when and as returned each year.

Therefore the adoption of my proposal is not "entirely out of the question" if the Constitution of the United States means anything, viz, "The Congress shall have power to coin money, regulate the value thereof, and of foreign coin." Who is the Congress? The people. Then who should the Congress coin the money for? I believe the people will answer and say, "For the needs of the Government, States, counties, townships, districts, municipalities, towns, or villages, and for the people at cost, but without interest." The adoption of such plan will immediately in all communities make work for the unemployed, homes for its citizens, credit extensions for farmers and manufacturers, greatly reduce suicides, robberies, and murders, bring joy, happiness, and contentment to millions of people in the greatest country on earth, as well as beautifying and improving it.

Hoping that you will give this explanation the serious consideration it deserves, I remain,

Yours truly,

JACOB S. COXEY, Sr.

HOTEL OHIO, *Washington, D. C.*

P. S.—Am sending the President a copy.

WASHINGTON, D. C., *May 3, 1922.*

The President, Hon. WARREN G. HARDING,
White House.

DEAR MR. PRESIDENT: I am pleased to note that from the receipt of letter under date of April 29, 1922, from the Undersecretary of the Treasury, of which find copy inclosed, you are, as per verbal promise of April 14, 1922, giving my noninterest-bearing 25-year bond bill, H. R. 4576, serious consideration, for which I thank you.

Am inclosing copy of my reply to such Secretary, with the hope that you will take the time to examine it carefully. I have given more than 28 years of study and investigation to it.

You are in the position clothed with a responsibility of deciding what is best for the people as a whole. Do not be influenced by experts that do not know as much as you do yourself about this bill.

Ask yourself the questions, Who is the Congress and the President of the United States?

Does not the Congress enact all laws to coin money?

Does not the President approve or veto all of such laws?

Now, Mr. President, does not the Congress and the President represent all of the people? If they do, then your duty is clear and plain. Coin the money at cost, without interest, for all of the people's needs.

Respectfully submitted.

Yours truly,

JACOB S. COXEY, Sr.

MAY 4, 1922.

The Committee on Banking and Currency of the House of Representatives, in executive session May 4, 1922, voted not to order the hearing of Jacob S. Coxey, sr., on (H. R. 4576) bill printed until after the proponents and opponents of such bill have been heard.

MASSILLON, OHIO, *June 15, 1922.*

The President, Hon. WARREN G. HARDING,
White House, Washington, D. C.

DEAR MR. PRESIDENT: I am pleased to inclose copy of letter from the Undersecretary of the Treasury, Washington, as of May 19, 1922, relative to H. R. 4576, providing for legal-tender notes secured by noninterest-bearing 25-year bonds of States or subdivisions thereof, referred to him, for consideration, by you.

Find inclosed copy of my answer to such letter. I hope that, at your leisure, you will give both of such letters careful and serious consideration.

I have with a great deal of care answered the Undersecretary's letter, giving my reasons why he should make a favorable report to you on such bill.

Hoping for a favorable conclusion, by both the Undersecretary and yourself, I remain,

Yours truly, JACOB S. COXEY, Sr.

—

THE UNDERSECRETARY OF THE TREASURY,
Washington, May 19, 1922.

DEAR SIR: I received your letter of no date with further reference to your suggestion that legal-tender notes secured by noninterest-bearing 25-year bonds of States or subdivisions thereof be issued in order to pay for local improvements. I have already explained in my letter of April 29, 1922, why the proposal would be impracticable and accomplish nothing.

The proposal which you make is based upon a fundamental confusion between currency and capital and disregards all the lessons of monetary history, including the striking lessons the world is getting now from the depreciation of currencies. Whatever basis public improvements might give for the issue of capital securities payable at a given date in the future, with interest meanwhile, it is clear that they do not afford a suitable basis for the issuance of paper currency which would circulate from hand to hand and would have to be redeemable on demand.

There is a wide distinction between the function of capital and the function of currency. Capital is a necessary factor in production, just as land, labor, and management are, and must come from the accumulated savings of the people. The supply of capital depends not upon the supply of money but upon the Nation's savings, that is to say, the excess of production over consumption. Capital is made available for public improvements and the development of new enterprises through investment by people who have saved, and the sound way to finance public improvement would be through the sale of investment securities to the public. It is a persistent fallacy that banks or the Government can create capital by merely issuing paper currency which adds nothing to the wealth or capital assets of the country. Capital can be created only through production and the promotion of saving. To substitute Government issues of paper currency for capital is an attempt to create something out of nothing, and every such scheme sooner or later leads to disaster. This was pointed out in the famous report of the English committee on currency and foreign exchanges, submitted in the latter part of 1919, which states: "The shortage of real capital must be made good by genuine savings. It can not be met by the creation of fresh purchasing power in the form of bank advances to the Government or to manufacturers under Government guaranty or otherwise, and any resort to such expedients can only aggravate the evil and retard, possibly for generations, the recovery of the country from the losses sustained during the war."

As a factor in production, capital receives a share of the proceeds of a productive enterprise in the form of interest. Otherwise there would be no inducement to save and to invest. New enterprises or improvements which require capital for their development frequently can not be expected to pay for themselves from their own earnings for many years. This means that some one must put money into new enterprises and wait years to get it back, and there must be some inducement for one to do this in the form of interest in the meantime. The so-called interest saving that might be made by financing expenditures through the issuance of paper currency rather than through borrowing is worse than illusory. As a matter of fact, the payment of interest is trivial as compared with the losses which would follow from the depreciation of currency. It does not take a vivid imagination to picture the chaos which would result from the issue of billions of dollars of inconvertible paper currency. As has been recently stated, "Noninterest-bearing currency is one of the world's greatest afflictions to-day. There is no greater delusion than that a cheap currency is desirable or that a cheap currency is cheap."

Currency is a medium of exchange, a mechanism for making day-to-day business transactions, and the amount needed has no direct relation to capital demands. The plan to have the Government, when it needs money for improvements, raise it by issuing currency against bonds, would not bring forth capital, but would involve an indirect tax on the whole people through the depreciation of outstanding currency and increased prices for commodities and the necessities of life. The Government can not create wealth simply by printing paper currency. The volume of currency is related to the volume of business transactions, and the general price level is largely determined by the ratio between these two. Any disturbance of this ratio by a great increase in currency would reduce its purchasing power regardless of how much real estate might be back of the currency. The issue of inconvertible or irredeemable paper money necessarily results in depreciation, and there is no form of taxation more cruel or more burdensome to the people as a whole, particularly those of small means, than depreciation of the currency and the increased cost of living which follows. Inflation at the beginning may tend to increase business activity just as a strong stimulant taken by the individual gives the individual for the time being an appearance of more than normal energy. But by a continued use of the stimulant the effects soon wear off, the subject is left exhausted and weakened, and the net result is harmful. This is the history of the inflation which prevailed during the war and the period immediately following. The prosperity which ensued was not a healthy prosperity; it was more apparent than real. There was, of course, a great demand for commodities, but the country's liquid capital was being consumed rather than saved. It was not being used, as normally, to keep up the highways, railroads, public utilities, buildings, and industrial plants. As a result, the fixed-capital equipment of the country depreciated and the economic fabric of the country was weakened. The subsequent readjustment in business was an inevitable reaction from the period of inflation and no amount of bank credit could have long prevented it. There was, in fact, an extreme disorganization of commerce and industry all over the world, resulting from the war and the disturbances which followed.

This country has already made an important recovery and substantial advances have been made recently in the prices of many basic products. In fact, many of them have risen 30 or 40 per cent or more from the low levels of some months ago and in consequence there has been an important recovery in agriculture and some other industries. Banking and financial conditions have greatly improved and there is now a sound basis for the gradual recovery of business and industry. This, the Treasury believes, should be allowed to proceed in a healthy and orderly manner, without artificial stimulants which would further disturb the situation and sooner or later lead to unfavorable reactions.

Very truly yours,

S. P. GILBERT, Jr.,
Undersecretary.

Gen. JACOB S. COXEY, Sr.,
Hotel Ohio, Washington, D. C.

—

MASSILLON, OHIO, *June 15, 1922.*

HON. S. P. GILBERT, JR.,
Undersecretary of the Treasury, Washington, D. C.
Attention of the President.

In answer to your letter of May 19, 1922, which is in answer to my letter of May 3, 1922, relative to H. R. 4576, which had been referred to the Secretary of the Treasury for consideration by the President, which provides for the issuance of legal-tender notes secured by noninterest bearing 25-year bonds of States or subdivisions thereof, to be issued to pay for all internal improvements of such States or subdivisions thereof.

Under such bill such States or subdivisions thereof would, or could, at their option, obtain legal-tender currency without interest, the Federal Government deducting 1 per cent of amount of such currency issued to pay for material, labor, printing, engraving (coining) and disbursing such currency, such Government furnishing 99 per cent of such face value of such noninterest bearing 25-year bonds deposited with such Government, in such full legal-tender currency at cost for such States or subdivisions needs, with the provision to return such currency by such States and subdivisions thereof through taxing its people's property to return such currency in 25 annual installments of 4 per cent each, but without interest, 4 per cent of such currency issued being redeemed through taxation, and such 4 per cent canceled annually.

Under our present banking system such States or subdivisions thereof issue 25 to 50 year 5 per cent interest-bearing bonds, based upon the same security, with the same taxing power of such States or subdivisions thereof as is provided for in H. R. 4576 and now being under discussion; such banks of such banking system purchase such 5 per cent interest-bearing bonds, pay for such bonds out of such banks depositors' currency deposited with such banks, on which such depositors receive 2 to 3 per cent interest for such deposits, and such banks receive 5 per cent interest upon such bonds purchased; such banks also pay for such bonds out of currency such banks receive from such Government, in the shape of National and Federal reserve bank notes, upon which such banks receive interest from such Federal Government, on interest-bearing Government bonds deposited with such Government as security for such National and Federal reserve bank notes issued by and to such banks at cost.

Under such banking system the people are being taxed by such Federal Government to pay such banks interest on such Government interest-bearing bonds deposited with such Government as security for the issuance by and to such banks of such currency issued; such banks loan such currency to such States and subdivisions thereof on such interest-bearing bonds issued by such States and subdivisions thereof; such States in turn tax its people that have just been taxed by such Federal Government, to pay 5 per cent interest to such banks for the use of such currency that you term "capital"; this is a double-headed interest "mechanism" intended and used to bleed the people through interest, as shown by the comptroler's report of the currency, as of June 30, 1920, 30,139 banks reporting owned over 11 billions of such bonds, stocks, and other securities that were purchased and paid for as heretofore explained, while such banks have a combined capital of only $2,702,000,000.

Under such banking system such States and such subdivisions thereof tax its people's property to pay interest to such banks and other purchasers of such 25-year 5 per cent interest-bearing bonds, 125 per cent of such face value of such bonds, and then will as an inheritance to the succeeding generation the privileges of paying or repudiating such principal of such bonds.

Such improvement, that such currency had been borrowed upon such interest-bearing bonds, has been worn out and has been paid for, in interest, one and one-quarter times, and such bond remains to bind such succeeding generation.

Under such proposed noninterest-bearing 25-year bond plan, the actual cost of all internal improvements and building homes for citizens will be paid for only once, without interest.

If a noninterest-bearing 25-year bond would have been issued, instead of an interest-bearing one, such bond would have been paid at the end of such 25-year period, and one-quarter of such face value of such bond in currency saved to such taxpayers of such States and such subdivisions thereof.

I fail to see the distinction in your "fundamental confusion between currency and capital" you try to make, that a "currency" issued against a noninterest-bearing 25-year bond will inflate prices and a "currency" issued against a 5 per cent interest-bearing 25-year bond—both issued against the same security of States and subdivisions thereof—will not inflate prices, the first being "currency" and the latter being "capital."

The 13 States in 1787 realized the necessity of a national full legal-tender currency, instead of 13 different kinds of State currencies that would only be legal tender within the boundaries of each States; that under the sovereign right of each State such State could coin a currency that would be legal tender within the boundaries of each State; therefore the Constitutional Convention of 1787 was held, in which was provided, in clause 5, section 8, Article I of the Constitution of the United States: "The Congress shall have power to coin money, regulate the value thereof and of foreign coin."

Clause 1, section 10, Article I of such Constitution provides: "No State shall coin money, emit bills of credit, make anything but gold and silver coin a tender in payment of debt."

The Supreme Court decision, which is final, says: "Congress is authorized to establish a national currency, either in coin or in paper, and to make that currency lawful money for all purposes as regards the National Government or private individuals."

In the year 1865 the Congress passed a law to place a tax of 10 per cent upon all State bank issues and other issues of currencies; such Supreme Court decided that in order to make a national monopoly of the issuance of currencies, that such tax was constitutional.

I am in full accord with the President when he says "that he believes in constitutional law."

The constitutional provision giving Congress the power to coin money, together with the Supreme Court decisions, brings us up to a question of a method for issuing such money to the people at cost; H. R. 4576 provides a sane, safe, practical, constitutional, and economical method of providing that currency, lawful money for all purposes, in amount sufficient for the needs of all of such States and subdivisions thereof.

I am of the firm belief that the framers of the Constitution of the United States, as well as such 13 States that ratified such Constitution, contemplated and fully expected the Congress to enact a law in accordance with such Constitution, as outlined in H. R. 4576, which would furnish such States and subdivisions thereof with a national full legal tender currency at no greater cost than such States could have coined a State currency, or else such States would not have surrendered such State sovereign right to coin money and regulate the value thereof and determine what should be legal tender within the boundaries of such States to such Federal Government.

During the six-year period from June 30, 1914, to June 30, 1920, such banks reporting to the Comptroller of the Currency, 30,139 in number, had loans and discounts (credits) of $15,288,357,000 and inflated to $31,256,147,000, a total of $15,967,790,000.

Such bank credits usually credited in a bank book and drawn on through 95 per cent of checks to 5 per cent cash, and which were a substitute for currency; during the same six-year period the Federal reserve bank notes were inflated, issued $239,260,000, and Federal reserve notes issued $3,755,246,000, a total inflation of $3,944,506,000, making a total inflation of bank credits and currencies of $19,962,296,000.

Such banks were functioning properly, supplying credits in the shape of loans and currency needed by the farmers, manufacturers, jobbers, and retailers—although the burden of interest, discounts, and commissions to obtain such credits, loans, and currency were tremendous—that enabled them to employ all labor in production and improvements. Did not such bank credits, loans as well as such currency, help to inflate prices during such six-year period?

If 95 per cent of such $31,256,140,000 of loans and discounts, bank credits, or $29,693,339,550 that were subject to check had all been currency, the same as such 5 per cent of currency, $1,562,807,450, represented as a part of such loans and discounts, as cash by such banks; would such bank credits, if it had all been currency instead of such bank credit, have made prices of labor and products any higher than such prices were during 1920?

Does not this prove conclusively that such banks are loaning 95 per cent of credit and 5 per cent in currency, but receive interest on such 100 per cent loan?

Does it not also prove that is the main cause of the bankers' opposition to noninterest bearing 25-year bond currency, because it will break the strangle hold such banks now have through interest-bearing bonds of such States and subdivisions thereof, amounting to over $10,000,000,000, on which such banks receive over $500,000,000 in annual interest payments?

When such Federal reserve notes were issued by such Federal reserve banks—only coined and held ready by the Government—against 40 per cent held in gold by such Federal reserve banks, together with a 100 per cent in commercial paper, rediscounted by such reserve banks, therefore interest received by such reserve banks upon (collateral) commercial notes, deposited and held as security by such reserve banks, for such reserve notes issued by such reserve banks.

Did such notes when issued by such reserve banks become "currency or capital"? There seems to be "a fundamental confusion," and it would be interesting to know just when and where and how the change from "currency to capital" takes place and what causes such change. Does paying interest on such currency when issued and loaned by such banks increase its value or stop price inflation when paid out for production or improvements?

If legal-tender currency is issued against a noninterest-bearing 25-year bond and is paid out to labor for services rendered and material furnished for internal improvements, would not such currency, after paying living expenses of such labor and anything above cost for such material, be "savings," therefore under your version become "capital," just as if it had been borrowed against an interest-bearing 25-year 5 per cent bond and paid to labor and for material for such improvement?

If such noninterest-bearing 25-year bond currency become savings "capital" after paying for material and labor for improvements, could not such currency, "savings," "capital," be used afterwards in employing other labor in producing the things necessary to feed, clothe, house, and all things necessary for those that were making improvements needed for all of the people?

If such noninterest-bearing 25-year bond currency were full legal tender, would it not be a "mechanism" and redeemed each time it passed from "hand to hand," paid a debt, purchased and paid for labor or things produced by labor?

When the taxpayer paid his annual taxes, sufficient to pay 4 per cent annually on such amount borrowed from such Government on such noninterest-bearing 25-year bond deposited, would not such currency paid by such taxpayer be redeemed through taxation and canceled upon the receipt of such currency by such Secretary of the Treasury?

Would not such noninterest-bearing 25-year bond currency circulate from "hand to hand" after being paid out to labor and material for improvements the same as though it had been borrowed from banks issuing it and interest paid on it? Anything "illusory" about such noninterest-bearing 25-year bond currency?

Legal-tender currency is a necessary factor not only in production but in internal improvements.

Under our system of production and distribution in 1920 we were using, according to the comptroller's report, that which was visible, of about $31,256,147,000 of bank credits, with about $4,700,000,000 of national bank, Federal reserve bank, and Federal reserve notes used as currency, none of which were legal tender, but redeemable in legal tender, and only about $346,000,000 of legal tender, which were issued by Abraham Lincoln during the Civil War.

Under your version "capital" must come from the "accumulated savings of the people." If your version is correct, why issue any more national, Federal reserve bank, and Federal reserve notes?

The people produce products, utilities, and improvements and all things necessary for their need. It takes currency to pay for labor and material in producing, transporting, and distribution. Where does such currency come from? Does it not come through an act of Congress?

Such currency should be furnished in amount sufficient for the needs of such States or subdivisions thereof at cost. Such noninterest-bearing 25-year bond currency would be unlike the foreign "irredeemable" currencies that you refer to. As such currency would only go into circulation when paid out for services rendered, labor performed, and material furnished, a dollar's worth of value would be created for every dollar of such currency paid out under such noninterest-bearing 25-year bond plan. Such States or subdivisions thereof would pay only once the actual cost for all of such public improvements, and each generation would pay in full, through taxation, for such improvements which it had created, used, and enjoyed, and not will, as an inheritance to the succeeding generation, an interest-bearing debt for an improvement that had been worn out and must be made over.

Under such noninterest-bearing bond plan it is not proposed to create "something out of nothing," as you allege, but to furnish a currency to employ labor in beautifying and improving when there is no demand for such labor in production. If such plan had been adopted when first introduced in Congress on June 15, 1894, just 28 years ago to-day, we would have billions of dollars of internal improvements to-day in the shape of market roads, etc., that we have not. Such labor has been wasted and millions of people now in destitution and want. Four million people out of work to-day means, at $3 per day, a loss of $12,000,000 per day; means that this Nation's loss in man power for the past year has been $3,600,000,000, a sufficient amount to have paid one year's expenses of such Federal Government. This is a low estimate of the loss.

Would it not have been better to have employed such unemployed on public works, which would have given them a purchasing power to the extent of such loss in man power that they have not had during such idle period?

Would we not all be enjoying such good roads and other improvements and have saved thousands of people from suicide, bankruptcy, and ruin?

If the number of dollars in circulation regulate the value of the dollar, and such Federal reserve banks issue and regulate the number of dollars to go into circulation, do not such Federal reserve banks, under such a system, regulate the value thereof? Under such circumstances the Congress, who have the power under the Constitution to coin money and regulate the value thereof, have surrendered such right to such banks.

Congress alone shall authorize and direct the coinage and issuance of all currencies or moneys; the people do not create currency, but do create value, and are paid for services rendered in creating such value, with currency coined by the Government and issued by the banks, such currency when loaned by such banks, paid out, represents value created, and if made legal tender, is a legal order for goods, or can be tendered in payment of goods or debts at any time in the future.

Congress should furnish such currency at cost without interest for the developing of the resources of such States and subdivisions thereof and for all internal improvements.

Congress should help Alaska to develop the resources of Alaska. Alaska needs $100,000,000 for developing the resources and colonization of farmers, etc. Why tax the people of the United States to appropriate money for developing Alaska?

Authorize Alaska to issue a noninterest-bearing 25-year bond for $100,000,000 and let the Government loan by issuing $100,000,000, deducting $1,000,000 to pay for material, engraving, printing, labor, and disbursing, then loan $99,000,000 full legal-tender currency to Alaska without interest, with the provision that Alaska must return $4,000,000 per annum for 25 years. This will enable Alaska to develop its resources and put people on the farms.

New York City needs about $218,000,000 for a new subway. Why should not New York City issue a 25-year noninterest-bearing bond for $220,000,000, deposit such bond with the Secretary of the Treasury of the United States, and receive from such Secretary $217,800,000 in full legal-tender currency, such Secretary retaining 1 per cent—$2,200,000—to pay for material, labor, printing, engraving (coining), and disbursing of such currency.

New York would not need to pay any banking syndicate any commission, nor pay any interest on such noninterest-bearing 25-year bonds, but pay 4 per cent annually—$8,800,000—for 25 years, either by taxing the property of the people of the city of New York, or out of the revenues of such subway when completed and in operation.

The Government would make a small profit in issuing and coining such currency.

Would not such plan be an improvement of what New York City did about 12 years ago?

New York City issued $200,000,000 of 5 per cent 50-year bonds for a subway, sold them to the Morgan syndicate, paid such syndicate a commission and are now paying $10,000,000 per year in interest, and will pay during the 50-year term $500,000,000 in interest for the use of such currency and still owe the principal of $200,000,000.

If $500,000,000 can be saved to the city of New York on $200,000,000 invested in a subway, would such interest saving be "illusory and trivial"?

New York has increased its interest-bearing debt from about $1,000,000,000 in 1910 to $1,678,000,000 in 1922. Do you think the taxpayers think this increase in debt is "illusory and trivial"?

Does such proposed plan appear to be such a "persistent fallacy" as you allege?

Would not such production of a subway promote saving not only to those that rendered service in building and furnish material for such subway?

Also a saving to the city of New York of at least 5 per cent in interest, amount of $11,000,000 per annum, and make a 5-cent fare possible and profitable.

After such $217,800,000 has been paid to labor and for material for such proposed subway, would not any excess to labor above cost of living and profit on such material be "savings capital"?

Could not such "savings capital" be invested in production?

Would not such investment be an inducement to save?

Could not such "savings capital" be invested in a production that would be profitable?

If about $4,000,000,000 in Federal reserve bank notes and reserve notes were issued during the period from 1914 to 1920 that were not legal tender but were redeemable in legal tender, what harm could

have been done if a like amount of full legal tender noninterest-bearing 25-year bond currency of States or subdivisions thereof were issued and 4 per cent of the total amount redeemed annually through taxation and canceled as redeemed?

Under our present banking system not only the amount of or volume of currency, but the amount of bank credits with it, controls the volume of business transactions, and the general price level is determined by these three and not by the currency and business transactions, as you allege, a contraction of loans, bank credits, by the banks of $2,324,136,000 and retirement of $1,009,000,000 in Federal reserve notes from June 30, 1920, to June 30, 1921, caused a drop in prices unparalleled in this country, with bankruptcy, ruin, unemployment, and suicides following.

Your Anti-Saloon League illustration of the effect of "a strong stimulant" and applying it to what happened during such six-year prosperous period, while the country was in the most prosperous condition that I have experienced and observed during a business career of over 40 years, it is interesting to note some things that happened during such prosperous period.

Did they not make Liberty bond drives, enlisting the most beautiful girls and women of the Nation in enticing people to subscribe for Liberty bonds "until it hurt"?

When everything else failed, offering kisses from the ruby lips of our American beauties if they would only buy. Who could resist the sympathetic appeal when they gazed into the sparkling eyes of such beauties, especially when they were using "a strong stimulant"? An American could not resist; he would be termed the worst kind of a slacker and a pro-German; the bankers even promised, if you would buy Liberty bonds, pay down what you could, pay them 8 per cent on the note given in payment of the loan, while you received 4 per cent on what you bought, "Liberty bonds," they would carry the loan as long as you wanted them to carry it. Did such bankers keep their promises? Ask the millions of the once holders of Liberty bonds; when their loans had been called and the bonds had been depreciated below 90 per cent by such bankers, the holders and owners were compelled to let loose, and "the subject is left exhausted and weakened."

The writer is convinced that you are familiar with the kind of "stimulant" credit and currency to administer to the confiding public, how long they should continue to take it, and just when to shut off such "stimulant" so as to get them into an "exhausted and weakened condition." Your statement that "the net result is harmful" is fully borne out by your admission, and the way it has worked out is quite obvious, "particularly those of small means have missed the 'stimulant,'" many of them basking in the sunshine and rain in the parks, traveling in box cars, engaged in holdups, murders, and, as a last resort, suicide; such is now and has been happening since your predecessor, Secretary Houston, with the Federal Reserve Board, at the order of the invisible government, used the Anti-Saloon League method of amending the Federal reserve act as of April 13, 1920, approved by Ex-President Wilson on such date, and on May 18, 1920, such Federal Reserve Board applied the "Volstead" method of shutting off the "stimulant," which produced the foregoing effect.

It is true that we used such "stimulant" during the six years of credits and currencies, from 1914 to 1920, to fasten $24,000,000,000 of interest-bearing debt in the shape of Liberty bonds upon the Government; such debt was incurred with labor at $6 per day, wheat $2.40 per bushel, cotton 40 cents per pound, wool 60 cents per pound, and other products in proportion, which now must be paid with labor at $3 per day, wheat $1.20 per bushel, cotton 16 cents per pound, wool 20 cents per pound, and other products in proportion.

Was such deflation of such prices in the interest of the producer or those that control what you term "capital"?

Such bonds have doubled in value, payable in labor or the products of labor.

The way to deflate such holders of such Liberty bonds so as to place them on the same level with labor of all kinds that have been deflated is for Congress to enact a law authorizing and directing the Secretary of the Treasury to have issued a sufficient amount of full legal-tender Treasury notes to pay such holders of bonds and other interest-bearing obligations of the Government as and when they mature.

Such proposed plan does not contemplate to invest such currency in "new enterprises," but does provide currency for all internal improvements and homes for its citizens. My mind is clear and has been vivid during the past 28 years since I first conceived the idea of a noninterest-bearing 25-year bond plan. Such currency issued under it, being a full legal tender, is not a "cheap" currency and can not be worth less than 100 per cent at all times, just as long as the Government lasts. There is no "delusion" in such a plan, as such a full legal-tender noninterest-bearing bond currency is far more valuable than national bank, Federal reserve bank, and Federal reserve notes, as such notes are not a legal tender, can not compel a creditor to accept such notes in payment of a judgment; such notes must be redeemed or exchanged for legal-tender currency or gold, as such notes are only receivable and not legal tender for debts.

You allege by a continued use of the "stimulant," "the effects soon wear off." Just as long as such banks kept discounting commercial paper, "a stimulant"—credits—of the people, they were fully employed, but on May 18, 1920, when such Federal Reserve Board sent out the order to deflate, such order being obeyed, shut off bank credits—the "stimulant"—and left 4,000,000 of labor in an "exhausted and weakened" condition. Such was the conspiracy hatched by the invisible government who gave orders to Secretary Houston and such Federal Reserve Board, and through the amendment to the Federal reserve act, approved by ex-President Wilson April 13, 1920, such board was then in position to put the screws on and make them liquidate; and on May 18, 1920, such reserve banks used the member banks in doing it by refusing any more rediscounts—"stimulant" bank credits—but instead made all pay up that could pay; those that could still pay interest such banks are carrying, and those that could not pay interest nor pay the principal are bankrupt and done for, as heretofore outlined.

It certainly is a sad but true picture.

I have given it to the Banking and Currency Committee of the House, as outlined to you, in my hearing to such committee on April 20, 1922, and will file with each member of such committee a copy of this correspondence, also a copy to the President, as he promised me on April 14, 1922, when I appealed to him to support such noninterest-bearing 25-year bond plan; at such time he promised to give it serious consideration and by his referring it to the Treasury Department for consideration, proves that he has kept his word.

It is pleasing to note that after 28 years' effort on my part for such noninterest-bearing bond plan that two of the most prominent men in this country are advocating the principle of such noninterest-bearing bond plan, Messrs. Henry Ford and Thomas A. Edison applying such plan to the financing of Muscle Shoals property.

The issue is a noninterest-bearing 25-year bond currency, issued by the States and subdivisions thereof, coined by the Federal Government, at cost to the people; or, interest-bearing bond currency, issued by the banks, coined by the Federal Government, at cost to such banks.

PEOPLE VERSUS BANKS.

Under such noninterest-bearing 25-year bond plan the people save such interest on such noninterest-bearing bonds deposited with such Government as security for such currency issued thereon, and also saves the interest on such currency issued and when being used.	Under such present interest-bearing bond plan the people are taxed by such Federal Government to pay interest to such banks on such Government interest-bearing bonds deposited as security for currency issued by such banks. The people are again taxed by such States and subdivisions thereof to pay such banks interest for the use of such currency, borrowed on such State and subdivision interest-bearing bonds, when such currency is being used.

Mr. Secretary, you are a sworn officer of the Government, just as much so as the Chief Justice of the Supreme Court of the United States. You should construe such noninterest-bearing 25-year bond plan as outlined in H. R 4576 and herein, to the best interest of the people as a whole, according to your conscience; this is a proposed law, against one now in force, but it should not prejudice your judgment and decision.

I hope that I have been able to convince you of the justness and necessity of such noninterest-bearing 25-year bond plan, so that you may make a favorable report to the President, thereby start on the way the framers of the Constitution of the United States and such thirteen States intended, when such States surrendered such right to coin money to the Congress, and when such States ratified such Constitution.

Respectfully submitted.

Yours truly, JACOB S. COXEY, Sr.

ADJOURNMENT.

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

The motion was agreed to; and accordingly (at 5 o'clock and 42 minutes p. m.) the House adjourned until to-morrow, Friday, June 30, 1922, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 12120. A bill granting the consent of Congress to the county court of Lafayette County, in the State of Missouri, to construct a bridge across the Missouri River; without amendment (Rept. No. 1159). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 12121. A bill granting the consent of Congress to the county court of Saline County, in the State of Missouri, to construct a bridge across the Missouri River; without amendment (Rept. No. 1160). Referred to the House Calendar.

Mr. BARKLEY: Committee on Interstate and Foreign Commerce. H. R. 12092. A bill granting the consent of Congress to the Louisiana Development Co. to construct a bridge across the Red River at or near Grand Ecore, La.; without amendment (Rept. No. 1161). Referred to the House Calendar.

Mr. MOORES of Indiana: Joint Select Committee on Disposition of Useless Executive Papers. H. Report 1163. A report on the disposition of useless papers in the Treasury Department. Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. H. R. 10847. A bill for the relief of Jacob Dietch; without amendment (Rept. No. 1165). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 10848. A bill for the relief of Estella W. Dougherty; without amendment (Rept. No. 1166). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII the Committee on Military Affairs was discharged from the consideration of the bill (H. R. 12170) to revive and reenact the act entitled "An act to authorize the commissioners of Lycoming County, Pa., and their successors in office, to construct a bridge across the West Branch of the Susquehanna River from the foot of Arch Street, in the city of Williamsport, Lycoming County, Pa., to the borough of Duboistown, Lycoming County, Pa.," approved August 11, 1916, and the same was referred to the Committee on Interstate and Foreign Commerce.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

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

By Mr. RIDDICK: A bill (H. R. 12220) extending the provisions of section 2 of the act of May 30, 1908, to all homestead or desert-land entries of land within the former Fort Peck Indian Reservation, in Montana; to the Committee on the Public Lands.

By Mr. SCHALL: A bill (H. R. 12221) to authorize the President of the United States to call an international conference to improve the Gregorian calendar and recommend for universal adoption a common calendar to be used in the reckoning of calendar dates and in regulation of time throughout the world; to the Committee on Foreign Affairs.

By Mr. GREEN of Iowa: Joint resolution (H. J. Res. 366) releasing all claims of the United States in respect to Government-owned equipment loaned to the John Ohlinger Post, No. 547, of the American Legion, at Portsmouth, Iowa, and destroyed by fire; to the Committee on Military Affairs.

By Mr. SHAW: Resolution (H. Res. 392) requesting the Secretary of War to transmit certain facts to the House of Representatives; to the Committee on Rivers and Harbors.

By Mr. PRINGEY: Resolution (H. Res. 393) directing the Attorney General to make an immediate investigation of the school fund of the Cherokee Nation of Oklahoma; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

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

By Mr. BURDICK: A bill (H. R. 12222) granting six months' gratuity pay to Stansfield A. and Elizabeth G. Fuller; to the Committee on Claims.

By Mr. EDMONDS: A bill (H. R. 12223) for the relief of Louis Leavitt; to the Committee on Claims.

By Mr. GREEN of Iowa: A bill (H. R. 12224) granting a pension to Nettie Mowry; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 12225) granting an increase of pension to Henry E. Kiste; to the Committee on Pensions.

By Mr. JAMES: A bill (H. R. 12226) granting a pension to Elizabeth G. Mitchell; to the Committee on Pensions.

By Mr. KELLY of Pennsylvania: A bill (H. R. 12227) granting a pension to Michael V. Murray; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 12228) granting a pension to Nelson Stover; to the Committee on Invalid Pensions.

By Mr. OGDEN: A bill (H. R. 12229) for the relief of the Standard Oil Co. at Savannah, Ga.; to the Committee on Claims.

By Mr. ROBSION: A bill (H. R. 12230) granting a pension to David Turner; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 12231) granting a pension to Ida Stout; to the Committee on Invalid Pensions.

By Mr. THOMAS: A bill (H. R. 12232) granting a pension to Gillis W. Webb; to the Committee on Pensions.

By Mr. MANN: Resolution (H. Res. 395) for the relief of the widow of M. R. Blumenberg; to the Committee on Accounts.

PETITIONS, ETC.

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

6116. By the SPEAKER (by request): Resolution passed unanimously in the annual session of the Universalist churches of Ohio at New Madison, June 22, relative to the sale of intoxicating liquors on board ships flying the United States flag; to the Committee on the Merchant Marine and Fisheries.

6117. By Mr. BARBOUR: Petition of Accountants' Association of San Francisco, Calif., in opposition to the dissolution of the Southern Pacific and Central Pacific railroads; to the Committee on Interstate and Foreign Commerce.

6118. Also, petition of the Sacramento (Calif.) Clearing House Association, in opposition to the dissolution of the Southern Pacific and Central Pacific railroads; to the Committee on Interstate and Foreign Commerce.

6119. Also, petition of Board of Directors of Chamber of Commerce of Exeter, Calif., protesting against the dissolution of the Southern Pacific and Central Pacific railroads; to the Committee on Interstate and Foreign Commerce.

6120. By Mr. JAMES: Resolution adopted at the thirty-third annual convention of the Finnish Lutheran Church of America, at Negaunee, Mich., on June 3, 1922, indorsing the present administration in its enforcement of the Volstead law, also in its attitude toward enforcing the manufacture and sale of light wine and beer; resolution signed by J. H. Jasberg, Alfred Haapanen, and John Wargelin, committee on resolutions; to the Committee on the Judiciary.

6121. By Mr. KISSEL: Petition of National Republican Club, New York City, N. Y., urging the passage of the ship subsidy bill; to the Committee on the Merchant Marine and Fisheries.

6122. By Mr. MONTAGUE: Petition of 139 citizens of the third congressional district of Virginia, protesting against the so-called Sunday observance bills; to the Committee on the District of Columbia.

6123. By Mr. RAKER: Petition of B. R. Buckingham, director bureau of educational research, the Ohio State University, Columbus, Ohio, opposing the Johnson bill (H. R. 10860) and the Shortridge bill (S. 3403); to the Committee on Immigration and Naturalization.

6124. Also, petition of board of supervisors of Sacramento County, State of California, protesting against the separation of the Southern Pacific and Central Pacific Railroad systems; to the Committee on Interstate and Foreign Commerce.

6125. Also, petitions of Red Bluff Chamber of Commerce, Red Bluff; Corning Chamber of Commerce, Corning; Board of Trustees, city of Corning; and Yuba County Chamber of Commerce, Marysville, all in the State of California, protesting against the separation of the Southern Pacific and Central Pacific Railroad systems; to the Committee on Interstate and Foreign Commerce.

6126. Also, petitions of Yuba County Farm Bureau, by C. O. Mann, president, of Marysville; San Francisco Chamber of Commerce, San Francisco; Northern California Counties Association, of Redding, all in the State of California, protesting against the separation of the Southern Pacific and Central Pacific Railroads; to the Committee on Interstate and Foreign Commerce.

6127. By Mr. RIDDICK: Petition of citizens of Livingston, Mont., urging passage of Towner-Sterling bill; to the Committee on Education.

6128. Also, petition of citizens of Garfield County, Mont., expressing opposition to Senate bill 1948, which provides for Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

6129. Also, petition of citizens of Valier, Mont., expressing opposition to House bills 9753 and 4388, and Senate bill 1948, or any other Sunday observance bill; to the Committee on the District of Columbia.